



nererj

Travels with Charley: A guide in our travels as appraisers

July 08, 2009 - Appraisal & Consulting

Charles Akerson, MAI, CRE, real estate appraiser, counselor, teacher and author of international scope, died this spring at the age of 86. His career, distinguished by many leadership positions in the appraisal profession, included being the first chair of the Appraisal Standards Board. Akerson published prolifically, with works such as Capitalization Theory and Techniques Study Guide, The Appraiser's Workbook and An Introduction to Mortgage-Equity Capitalization and a seminal, "Ellwood without Algebra."

Encountering Charley Akerson over the years professionally, I could not say I knew the man well. Like with many of my peers, I connected strongly with the man through the simple and direct writing he produced and his exemplary leadership in uncertain times as the profession evolved in increasingly complex market and regulatory environments. In my appraisal travels, his books and concepts were constant companions.

Akerson's writings had a striking directness, density, and simplicity about them that attracted me as did no others. Painfully difficult concepts were made graspable by the average appraiser. Yet while doing so, the realities of the market were never sacrificed to the vagaries of theory.

I wore out a number of copies of editions of Capitalization Theory and Techniques Study Guide, first as a student and then later as an instructor. I spent countless hours with his financial tables back in the day. I puzzled over the problems in The Appraiser's Workbook. One day I was no longer the student struggling for comprehension but the teacher striving to promote understanding in others. When the 2nd edition arrived, the enhancements and updates were delightful but I was glad to see the core concepts held intact

In Capitalization Theory and Techniques, Charley discussed the relationship between income and price and stated patterns vary according to market conditions, property differences, etc. He then goes on to say, "(t)hese variations in patterns do not surprise the experienced appraiser, but they tend to confound the novice...Appraisers of income-producing property are students of the market and their education is never complete." Charley was able to bridge the difficult gap between practice and theory, between facile mathematical models and markets' messiness and appraisers able to relate the concepts and tools to real world practice reap the rewards.

Mortgage-equity capitalization became an everyday technique through Charley's "Ellwood without Algebra." It allowed many practitioners to successfully apply (and misapply) an awkward mathematical model for a real estate investment in many applicable (and sometimes inappropriate) situations. Technology and market information has continued to evolve, but the technique remains relevant, and remains a mainstay in appraisal practice.

Never a natural born mathematician or student of finance and coming late to it from the liberal arts, I never expected to end up someplace where quantitative aptitude had something to do with success. More than any other person, Charley's writings and teaching, created and sustained my (and others)

unquenched passion for real estate appraisal and finance mathematics and theory. Surely I am only one among many that has been thus affected.

His legacy will live on through his works and through his quiet, strong leadership over years of service. Leading by example, his was a committed life devoted to excellence, integrity, study, and unselfish service. His writings are timeless in elegant simplicity of language and depth of insight. Other books will be written, other techniques will be developed, but none will come closer to conveying such fundamental understanding of the appraisal process. He will continue to serve as a guide in our travels as appraisers and human beings.

Bill Pastuszek, MAI, SRA heads Shepherd Associates, Newton, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540