



PRACTICAL ADVICE FROM A PRACTICAL APPRAISER

Valuable people lessons learned along the way

BY ORELL ANDERSON, MAI

My professional world is all about property damage, or rather, perceived damages. I like to say I work as an applied real estate economist—or more simply, as an appraiser. I have had the fortunate opportunity to work on some of the most interesting and complicated damage cases in recent history. Some of these led me to research homes that were affected by avalanches, hurricanes, airport noise, civil unrest, falling cliffs, cemeteries, crazy next-door neighbors, mold and even feng shui.

After 25 years in the field, I am still passionate about forensic appraisal work and real property damages. On this road, I have been both opposed to—and worked with—some of the best valuation and legal minds in the country. And along the way, I have learned a few practical things that I would like to share.

REPUTATION IS ALL

Yes, we all screw up in word, deed and math. But own your mistakes and make amends as needed. I once sat in on an eminent domain trial to listen to the opposing appraiser, a man with a respected international reputation. He had miscalculated the subject property size by about 33 percent. When his own attorney attempted several times to get him to admit he had made the mistake, he argued and defended his position by saying, “I was not focused on it.” His credibility was lost immediately with the jury, and my respect for him diminished significantly. Also remember that you are a team. Be lenient in your judgment because your teammate’s mistake could easily have been yours, had you been given the opportunity to make it. Such wisdom adds to your name and builds loyalty.

DON'T UNDERVALUE YOURSELF

As a real estate expert, you know much more about your subject than most. This can be empowering. Years ago I was asked to help the Los Angeles District Attorney on a complex real estate fraud matter to put bad guys behind bars. I was able to take thousands of documents and boil the complexity down to a few very simple things, like an extra word or a misleading definition. As an applied economist, you bring a skill set that enables you to make sense of even the most complex information or situations. So don't let the big firms intimidate you. Very often, all they bring to the table is their established reputation. The people in the office actually doing the work may not be representative of the big firm's brand in any way.

STAY OFF YOUR HIGH HORSE

Just because a certain appraiser isn't published or doesn't have your designation or level of education doesn't mean they won't make a fool of you. Or that they won't have a major impact on the trier of fact. Don't undervalue the other guy. Ever.

PASS IT ON

Give back to the profession that has blessed you with a nice standard of living. Volunteer on a local, regional, national and global level. Serve by leading, coaching, speaking, writing, teaching and publishing. Volunteer and give to others like those who gave to you when you were beginning. What goes around...well, you know.

SHARPEN YOUR BLADE

As licensed and designated real estate appraisers, our livelihood is predicated upon keeping current on professional standards, ethics, methodologies and literature. This is made more complicated if we are appraising in multiple jurisdictions. At the beginning of my career, I went on drive-alongs, took all the required courses toward my education in one year, and read many books and journal articles. I joined professional organizations and attended education conferences both locally and nationally. I went out of my way to discuss valuation matters with noted experts. Today, I do the same thing, but I also teach, publish and write course materials, something that keeps my blade sharp. At age 50, I went back to school to start my journey toward a Ph.D. Keep on learning.

CONCLUDE WHEN THE THINKING IS DONE

Set aside your bias and preconceived notions and let the data tell you what the answer is. I have seen that what is true in California is not necessarily true in other states. Back in the very early 1990s, there was a fear of electric and magnetic fields where I lived. I confirmed one house selling at a 50 percent discount because it backed a super

high-voltage transmission tower. Yet, I have observed houses in New England selling at premiums because the corridor made for great snowmobile recreation. In Nevada, premiums were paid for housing because buyers valued privacy over impaired viewsheds. In Florida, prices were unaffected, and transmission lines were a benign issue in housing sales.

KEEP GOOD NOTES

My grandfather was a simple carpenter and offered up a bit of advice that has applicability on any appraisal level, be it staff or senior expert. He would tell me to stay humble and that a dull pencil was better than a sharp mind any day of the week. We are most likely to forget that one important detail that we tell ourselves we'll never forget unless we write it down.

BE MINDFUL

Center yourself, think, breathe and refrain from emotional reactions. Be it a written review of your report by a peer or a verbal attack by a cross-examining attorney, learn to control your words. If someone doesn't like your answer, tell them to get mad at the data—not at you.

BE GRATEFUL

I can count on one hand the number of times a client called me back after an assignment was completed just to tell me how much they appreciated my hard work, written appraisal and testimony. Usually they just pay my bill. But those very few occasions still linger in my mind to this day. As such, I make it a policy to say to a client "Thank you for the work" and send an email, or better yet, a handwritten note.

LAUGH!

Never take yourself too seriously. ☺



Orell is President of Strategic Property Analytics. As a qualified forensic real estate expert, he specializes in real property damage economics, often involving environmental contamination. He is Chair of the American Bar Association's Litigation Environmental Sub-

Committees on Damages and Eminent Domain and a past Chair of IRWA's International Valuation Committee.