



The Times They Are A Changing



George Donatello



Marion Johnson



Brad Eldridge

Brad Eldridge, MAI, CAE, has become one of the partners of TEAM Consulting LLC. Brad has purchased the ownership share of George Donatello, CMS, FIAAO, and Marion Johnson, CAE, FIAAO.

TEAM was a concept created by George approximately 25 years ago and implemented in 2004. George's concept was exactly what was implemented: provide consulting and educational opportunities to governmental agencies.

Marion was instrumental in the development and delivery of educational products and in providing consulting services to assessment jurisdictions.

Brad currently has a 50% ownership in the educational materials created by TEAM and is active in providing consulting services through capitalization rate studies and in updating, developing and delivering new educational offerings.

Brad joins remaining TEAM partners Fred Chmura, AAS, FIAAO; Ed Crapo, ASA, AAS, FIAAO; and Rick Stuart, CAE, FIAAO.

Congratulations to all involved parties! ♦

Crapo says what hasn't changed much is the complications of annexation and boundary lines in the different cities. The biggest change he's seen is an expected one, a change in technology.

"We've got Google Street View, we got a lot of different ways we can look and see what a building's got," said Crapo.

After forty years in his position, Ed Crapo says the best part of his job was watching his team grow over the years. Property appraisers from Putnam and Clay County started by working under him. "They've been able to leave from here and become successful in other places," added Crapo.

He also gave advice for the upcoming property appraiser. "Listen carefully, be compassionate and keep learning and try to have a lot of fun," suggested Crapo.

He has been honored with several awards, including the Legacy Award from the Florida Association of Property Appraisers.

While he won't be in the position any longer, Crapo is not retiring. He just feels it is time to let new energy come into the office. "I want to thank the people of Alachua County for the privilege of serving," said Crapo. "It's been a wonderful experience."

Ayesha Solomon will step into his position early Jan. 2021.

The interview can be seen at <https://bit.ly/38mU7HH>. ♦

Longtime Alachua County Appraiser Explains What Has Changed Over 40 Years

By Camille Syed, www.wcjb.com, Dec. 10, 2020. Reprinted with permission from WCJB-TV, Gainesville, Fla.

GAINESVILLE, Fla. (WCJB) – A lot has changed in in four decades since Ed Crapo became Alachua County Property Appraiser in 1980. He has seen leniency in issuing homestead exemptions and a vertical development in Gainesville buildings over the past five years. However, some things are moving faster than others.

"The cost of housing...whether you're renting or buying, it is outstripping growth and wages," said Ed Crapo. "But I think the housing



Ed Crapo interview with WCJB-TV

market is going to create some innovation that we've only begun to see a little bit of"

Welcome New TEAM Instructors

TEAM is thrilled to add two new professional instructors to further expand your choices. See the information on Christa and Kevin below.



Kevin D. Hayes, MAI, CAE, RES, CFE

Mr. Hayes has nearly 35 years of real estate appraisal, consulting, and review experience primarily through-

out the southeastern United States with additional work completed in other U.S. states and territories.

Additional experience includes market studies, feasibility studies, leasehold and leased fee interest valuation, and trial testimony in eminent domain matters, estates, divorces, tax appeals and title insurance disputes.

Kevin graduated from Florida Southern College with a Bachelor of Science in business administration. He is a Florida state-certified general real estate appraiser with the CAE and RES designations from the International Association of Assessing Officers (IAAO), MAI designation from the Appraisal Institute, and CFE from Florida Department of Revenue.

He joined the Pinellas County (Fla.) Property Appraiser's office in 2012, and currently serves as the Deputy of Appraisals. In his current capacity, he oversees the valuation of over 450,000 parcels, including all real property (commercial, residential, condominium and manufactured homes) and tangible personal property.

Mr. Hayes is an IAAO national senior instructor and an AQB certified USPAP instructor. He is a member of IAAO and the Florida Chapter of IAAO (FCIAAO). He previously served on the IAAO Guided Demonstration Report Task Force and currently

serves on the BoK (Body of Knowledge) Textbook Integration Task Force. He is a director on the Executive Board of FCIAAO. He previously served on the Real Estate Steering Committee and currently serves on the Professional Designations Committee. He is also a member of the Florida Gulf Coast Chapter of the Appraisal Institute and previously held several chapter-level positions.

Kevin is available to teach **all TEAM workshops**. You can contact Kevin at:

3112 Swan Lane
Safety Harbor, Florida
(813) 220-8049
Kevinhayes3@verizon.net



Christa Rush, RES

Christa is Arizona Department of Revenue Level 3 certified and is employed with the Arizona State Board of Equalization, in

Phoenix, Ariz.

Mrs. Rush has been in the profession for 14 years and with the Arizona State Board of Equalization in her current position for two years. She holds a Bachelor of Science in finance from California Polytechnic State University, San Luis Obispo, Calif. Before coming to the Arizona

State Board of Equalization, she worked for the Maricopa County Assessor's Office and the Arizona Department of Revenue. During her employment with the Arizona Department of Revenue, Christa worked as an appraisal instructor, which included IAAO appraisal courses. Christa is a member of the IAAO Arizona Chapter, and she has been an IAAO Instructor since 2012.

TEAM Workshops she will teach:

- Collection, Interpretation & Model Building of Income and Expense Data
- Customer Service
- Development of Capitalization Rates
- How to Teach Adult Students
- How to be a Better Manager
- Low-End Residential Properties
- Preparation & Presenting a Valuation Appeal Workshop
- Reconstructing Income & Expense Statements
- Residential Quality Rating Guidebook
- Residential Quality, Condition and Effective Age Workshop
- Valuation of Big Box Workshop
- Valuation of Residential Land

You can contact Christa at:

2610 W Trapanotto Rd.
Phoenix AZ 85086
Phone: 623-308-2842 (mobile)
clf917@hotmail.com ♦

Who is that person?

Well, the latest craziness on the World Wild Web is a Zoom court proceeding that has gone viral. It seems an attorney accidentally appeared before the judge in a cat face filter and could not get the filter changed. For those of us who teach online, we can only hope that we do not become so famous... or is it infamous? If you missed it, you can see this at "[Kitten Zoom Filter Mishap](#)" on YouTube.

What Do I Do with Hotel Values?

By Brad Eldridge, MAI, CAE

The COVID-19 pandemic took its toll on the hospitality sector last year. Valuation issues run rampant—creating challenges for both veteran appraisers and those new to assessment. What do I do with hotel values in the next valuation cycle? Most appraisers are scratching their heads with this question.

TEAM Consulting has been assisting assessment jurisdictions with hotel valuations for years—through the good times and the bad.

The current lodging market conditions call for methodology that is reserved for addressing short-term issues, but can have a substantial impact on value. To solve such a valuation problem, TEAM Consulting's scope of work to assist a jurisdiction can include:

- Income/expense surveys;

- A review of data published by various sources;
- Research of national and local hotel publications;
- Surveys with hotel agents/brokers, fee appraisers and lenders active with hotel loans; and
- Use of Discounted Cash Flow (DCF) analysis to determine if there is a loss in value.

This is an example of many projects on which TEAM can provide assistance. If you are still scratching your head, contact Brad Eldridge, MAI, CAE, at eldridge.brad@gmail.com or 785-550-0945 to see if we can help solve the problem. ❖

Unusual Buildings

Keep these photos coming by emailing to Brad Eldridge, eldridge.brad@gmail.com.



Unique Airbnb offering in Scotland

AirShip 2 (above) is an iconic, insulated aluminum pod designed by Roderick James Architects, with galley, double bed, shower, flush wc, spring water, mains electricity, balcony and sitting area.

Located in Drimnin, Scotland, it is situated in a beautiful, secluded

continued on page 5



The challenges of valuing hotels and motels

TEAM Consulting LLC has developed a valuation process for small- and medium-sized jurisdictions that is well documented and market supported. TEAM provides each jurisdiction with:

- Development of complete valuation models from Average Daily Rate (ADR) through capitalization rates
- Instructions on the use and maintenance of the valuation template
- Analysis of available sales similar to the jurisdiction
- Development of a protest template for consistency during protests
- Final report outlining the process that can be used for the defense of values

Let TEAM help with your hotel/motel valuation. Contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or call 860-974-1354.

TEAM
Consulting LLC
Leaders in property assessment & valuation

AAS Designation

Reprinted with permission from IAAO

Congratulations to the following appraisal professionals on obtaining their AAS designation after using TEAM's AAS Case Study Review material.



Gayle Miller

Gayle Miller, AAS, data analyst, Allen County Assessor's Office, Fort Wayne, Ind., earned the IAAO Assessment Administration professional designation.

Ms. Miller has been in the profession and with Allen County Assessor's Office for six years and in her current position for three years. She has an Associate of Applied Science in Business Administration with the Ivy Tech Community College, Fort Wayne, Ind. She is the Northeast vice president of the Indiana Chapter of IAAO.



Rachel Beth Rush

Rachel Beth Rush, AAS, assessor, Ashley County, Hamburg, Ark., earned the IAAO Assessment Administration professional designation.

Mrs. Rush has been in the profession for seven years, with Ashley County for 12 years and in her current position for seven years. Mrs. Rush is a state of Arkansas level 4 senior appraiser and senior administrator. She is also the vice president of the Arkansas Assessors Association.



Ramon Smith

Ramon Smith, AAS, valuation analyst, Harris County Appraisal District, Houston, earned the IAAO Assessment Administration professional designation.



2020 was a teaching challenge

For most of us, continuing education requirements did not stop with the coronavirus. Although online education has been available for years, in 2020 it went to unpredictable levels. TEAM was able to quickly move to providing online education while still making a large number of onsite workshops. The map above shows this activity for the year.

If you have any educational needs, please contact Brad Eldridge at eldridge.brad@gmail.com.

designation. Mr. Smith has been in the profession and with the Harris County Appraisal District for four years. He has been in his current position for two years. He holds a Master of Business Administration from the University of Houston-Downtown. He is also a registered professional appraiser with the Texas Department of Licensing and Registration.



Matthew Willard

Matthew J. Willard, AAS, deputy assessor, Wyandotte County Appraiser's Office, Kansas City, Kan., earned the IAAO Assessment Administration professional designation.

Mr. Willard has been in the profession for 20 years, with the Wyandotte County Appraiser's Office for 14 years and in his current position the past four years. He is

a registered mass appraiser and a licensed real estate appraiser with the state of Kansas. He is also a certified public manager with the University of Kansas.



Jose Luis Trevino

Jose Luis Trevino, RES, AAS, market analyst, Hidalgo County Appraisal District, Edinburg, Texas, earned the IAAO Residential Evaluation Specialist professional designation.

Mr. Trevino has been in the profession and with Hidalgo County Appraisal District for eight years, and in his current position for four years. He has a Bachelor of Science in mechanical engineering and a Master's in accountancy from the University of Texas Rio Grande Valley. Mr. Trevino has been a member of IAAO since 2017. ❖

Upcoming TEAM Workshops

► July 26–30, 2021, Idaho State Tax Commission, Boise, ID

Instructor: Rick Stuart, CAE

- Monday, July 26: Unique and Challenging Homes
- Tuesday, July 27: Customer Service for the Assessor's Office
- Wednesday, July 28: Low-End Residential Properties
- Thurs., July 29 – Friday, July 30 (a.m.): Valuation of Mobile Home Parks & Tour

Instructor: Brad Eldridge, MAI, CAE

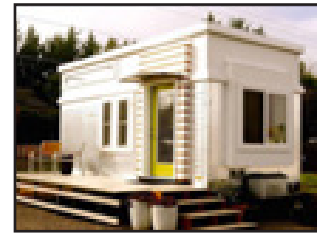
- Monday, July 26, 2021: Fee Simple & Property Rights Valuation Issues for Commercial Properties
- Tuesday, July 27–Weds., July 28: Valuation of Commercial Properties in a Declining Market
- Thursday, July 29: Valuation of Fast Food Restaurants

Contact Jeff Middleton to be notified when the summer school brochure is available for additional information and registration instructions, or visit their website at <https://tax.idaho.gov/i-1111.cfm>.
jeffrey.middleton@tax.idaho.gov
(208) 334-7733 ❖

Same Great Classes for Appraisers. Now Presented Online via Zoom.



•Valuation of Barndominiums



•Unique & Challenging Homes



•Valuation of Self-Storage Properties

*Check out "Workshops"
for an overview of all
TEAM's course offerings.*

Need continuing education in this time of social distancing?

Let TEAM Consulting help. Most of TEAM's workshops can be presented via Zoom by one of our qualified instructors. You choose the class and instructor, and TEAM will serve as the host. Find descriptions of our workshops (under the "Workshops" tab). Or learn more about our instructors (under "Instructors" tab). Then **contact Fred Chmura, AAS**, to make all the arrangements: fchmura@teamconsulting.cc or call **860.974.1354**. See you on Zoom!



*Leaders in property
assessment & valuation*

www.teamconsulting.cc

Unusual Buildings, continued from page 3

position on a four-acre site with stunning views across the Sound of Mull towards Tobermory (on the Isle of Mull), and out to sea, towards Ardnamurchan Point. There is a house on the site which is occupied, but you have privacy and freedom to walk anywhere.

You can rent this on Airbnb. See all the photos and information at <https://bit.ly/3dINCoV>.



Island Home

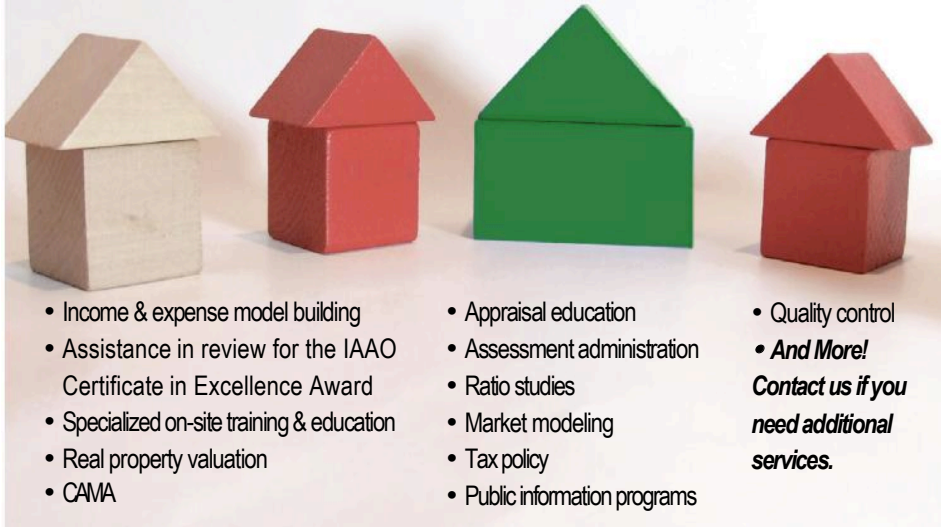
So, how do you appraise this? This is the story of a couple who built their

very own off-grid island. They've been living there for over 27 years now, and have added extensively to it. It's called "Freedom Cove" in Tofino, BC. It all started with a tiny floating cabin they built with driftwood that washed ashore after a storm. And since 1992, they

have been living in it and adding on to it. Take a tour on YouTube <https://youtu.be/jN8qnWyqw4>. ❖

Professional Services

TEAM Consulting, LLC offers expertise in property assessment and valuation to government clients in support of assessing officers and jurisdictions. From discovery and identification through valuation and administration to appeals and policy, our TEAM professionals are prepared to help you meet your needs.



- Income & expense model building
 - Assistance in review for the IAAO Certificate in Excellence Award
 - Specialized on-site training & education
 - Real property valuation
 - CAVA
 - Appraisal education
 - Assessment administration
 - Ratio studies
 - Market modeling
 - Tax policy
 - Public information programs
 - Quality control
 - **And More!**
- Contact us if you need additional services.**

Recent Projects Completed by TEAM for Clients Across the U.S.

- Collection, analysis & model building for income & expense data
- Valuation and review of all commercial properties using remote sensing (oblique and street view imagery) and desktop appraisal technology
- Business process review for the Real Property Tax Administration Division
- Review and training on current processes and procedures relating to commercial properties
- Serve as a contracted County Appraiser (department head)
- Provide technical assistance as outlined by the County Appraiser
- Preformed Administrative and Performance Reviews of Assessor's Offices
- Valued the land and improvements on leased lake lots owned by a city
- Conducted desktop review of residential data characteristics using street-view images and oblique photography
- Performance Audit of Residential Property Reassessment

Services TEAM Consulting provided to Lyon County, Kan.

- ✓ Review neighborhood boundaries
- ✓ Review current staff and staffing requirements
- ✓ Review and development of staff organization charts
- ✓ Field review of a large sample of property data
- ✓ Review all sales and how they are used and maintained
- ✓ Review land values
- ✓ Review collection, storage and model-building processes for the income approach application
- ✓ Establish a plan for the county to proceed with sound processes in place for the valuation of commercial property

R A T I N G ☆ ☆ ☆ ☆ ☆

The County Appraiser for Lyon County, Kan., evaluated the performance of TEAM as "EXCELLENT" in all categories, including:

- ☐ Quality of services/work
- ☐ Timeliness of performance
- ☐ Cost control
- ☐ Business relations
- ☐ Customer satisfaction

"I highly recommend any assessor wanting to improve their assessment approach or data stratification to work with Team Consulting! They are so progressive in their thinking and approaches that no doubt you will be satisfied with their work."
—Cindy Rogers, Assessor, Buffalo County, Wyoming



Leaders in property assessment & valuation

Contact:
Fred Chmura, AAS, Managing Partner
860.974.1354 • fchmura@teamconsulting.cc

Rick Stuart, CAE, Principle
785.259.1379 • r17stuart@gmail.com



■ Les Shaver, *www.globest.com*, Dec. 22, 2020. "CoStar Group expects a large scale of distressed sales to hit mid-2021. The company modeled 16 different scenarios to determine how bad the carnage would be from this recession. In those exercises, the amount of distress landed between \$92 billion to \$370 billion, though it will likely be \$126 billion." <https://bit.ly/38rtm3E>

■ Les Shaver, *www.globest.com*, Dec. 30, 2020. "The scalding hot home sales market is ending the year on a high, according to a new report from Redfin. For the four weeks ending December 20, the median home sale price increased 14% year over year to \$320,714. In July, the median home price was \$300,462." <https://bit.ly/3rCYNrb>

■ *HNNnewswire*, Dec. 31, 2020. "Sonesta International Hotels Corporation (Sonesta) today announced that it has entered into a definitive agreement to acquire RLH Corporation (NYSE: RLH). RLH is the 10th-largest U.S.-based hotel franchise company with more than 900 hotels. After the closing of the transaction, Sonesta will become one of the largest hotel companies in the U.S. with approximately 1,200 hotels in diversified brands across multiple market segments." <https://bit.ly/2X2b6sa>

■ Les Shaver, *www.globest.com*, Jan. 4, 2021. "Since the pandemic began, nearly one-third of commer-

cial leases in the US negotiated since March include the pandemic as a force majeure event, according to a survey by LexisNexis. Robert DiPisa, real estate attorney and co-chair of the Cannabis Law Group at Cole Schotz, notices similar trends. "The force majeure language in almost every lease or amendment that I've worked on since March of 2020 has been negotiated to include language covering both the COVID-19 pandemic and future pandemics," DiPisa says." <https://bit.ly/3ohqZaf>

Editor's note: According to Investopedia.com: "A "force majeure" clause (French for "superior force") is a contract provision that relieves the parties from performing their contractual obligations when certain circumstances beyond their control arise, making performance inadvisable, commercially impracticable, illegal, or impossible." <https://bit.ly/3ncAoi3>

■ *www.press.redfin.com*, Jan. 14, 2021. "The national median home-sale price rose 13% year over year to \$334,300 in December, according to a new report from Redfin (www.redfin.com), the technology-powered real estate brokerage. Homebuying demand barely slowed during what is typically one of the slowest months of the year. Closed home sales were up 16% from a year earlier and pending sales were up 35%, while new listings were up just 14%." <https://bit.ly/3o4ryTX>

■ Lynn Pollack, *www.globest.com*, Jan. 22, 2021. "Rapidly rising lumber prices are constricting the development of single-family homes, with builder confidence hitting a low of 83 in January. Rising material costs (led primarily by lumber, which has continued a steady increase over the past year) together with a

resurgence of COVID-19 has pushed confidence lower, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index released today.

Though housing demand is high across the country and mortgage rates are near historic lows, a lack of new homes on the market is exacerbating affordability—and higher material costs, a lack of affordable lots and labor shortages compound the problem." <https://bit.ly/3pcLRA6>

■ Lynn Pollack, *www.globest.com*, Jan. 22, 2021. "As Californians flee the Golden State for (literally) greener pastures, they're bringing budgets that are nearly 50% higher than locals, according to a new Redfin report. That's driving up house prices exponentially in cities like Nashville, Atlanta, and Austin, all metro areas with populations that were surging even before the COVID-19 pandemic (and resulting work-from-home policies) began impacting migration." <https://bit.ly/3sKqatc>

■ Lynn Pollack, *www.globest.com*, Jan. 26, 2021. "About 54% of companies received some form of office rent relief directly from their landlord. For those receiving assistance, rent deferral was the most popular option (17%), with the majority of companies polled receiving deferral for two to three months." <https://bit.ly/3qRF11Z>

■ Les Shaver, *www.globest.com*, Jan. 26, 2021. "Property values are falling across regions and property sectors, based on CMBS servicer loan data, according to Trepp. For its analysis, Trepp looked at loans issued after the Global Financial Crisis that had new appraisals completed since March 2020 and where values



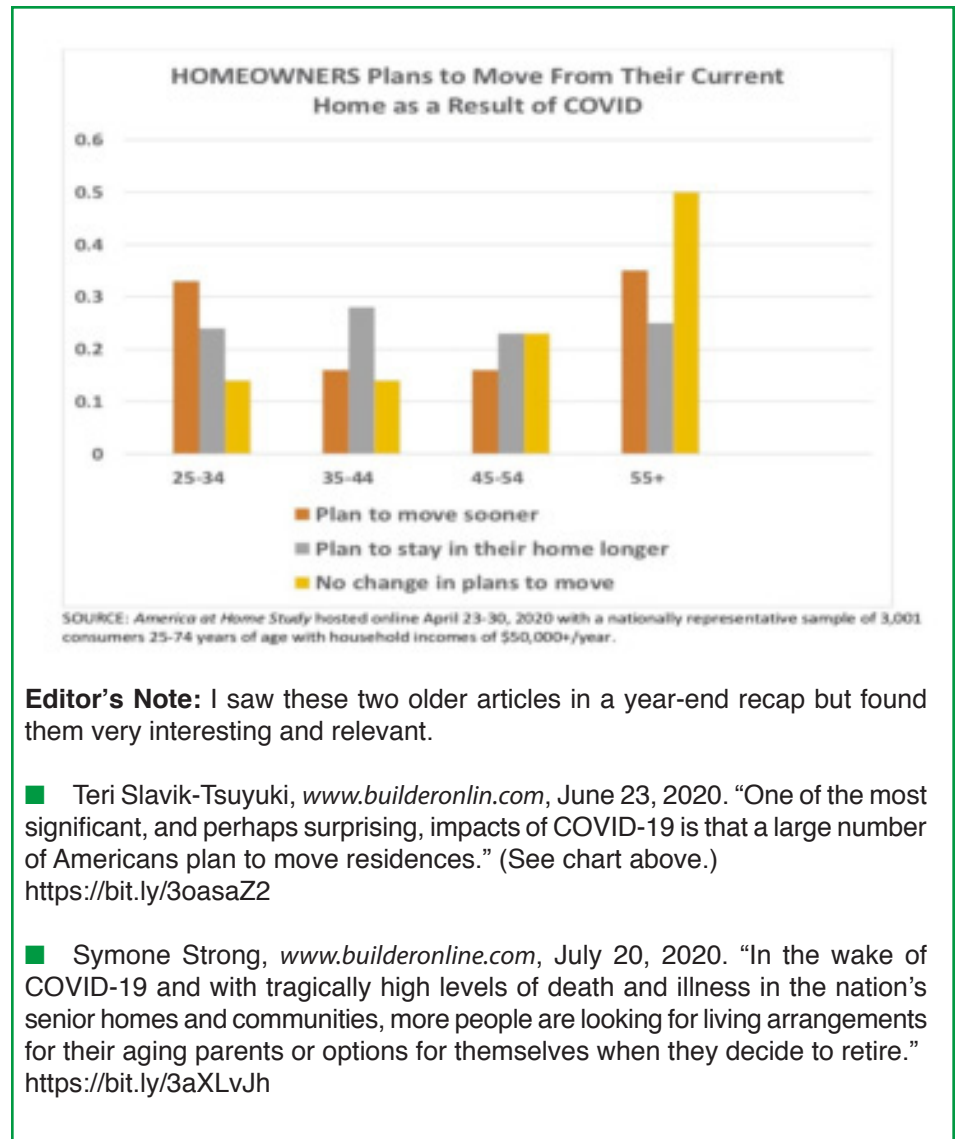
Rick Stuart, CAE, CDEI, FIAAO, is a senior consultant with TEAM Consulting, LLC. He lives in Topeka, Kan.

were different than at securitization. On average, values fell 36% for lodging properties, according to Trepp. It says the collateral properties for 335 loans totaling \$8 billion had been re-appraised.”
<https://bit.ly/3iPY8lo>

■ Mary Salmonsens, *www.builderonline.com*, Jan. 28, 2021. “The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index showed a 9.5% annual gain in home prices for November, up from 8.4% in the previous month. The 10-City Composite annual increase rose to 8.8%, up from 7.6% the previous month, and the 20-City Composite rose to a 9.1% annual gain, up from 8% the previous month.”
<https://bit.ly/3qXMOWw>

■ Eye on Housing, *www.builderonline.com*, Jan. 28, 2021. “Prices paid for softwood lumber increased 12.5% during December 2020, following a 23.9% decline of the prior two months, according to the latest Producer Price Index (PPI) released by the Bureau of Labor Statistics. According to the National Association of Home Builders’ (NAHB) Eye on Housing, Random Lengths data suggests that the PPI for softwood lumber will increase more in January as rising prices in late December and the first half of January are accounted for.” <https://bit.ly/2NNTD5H>

■ *www.magazine.realtor.com*, Jan. 25, 2021. Submitted by Brad Eldridge, MAI, CAE. “One in four homeowners have lived in their home for more than 20 years—the highest level that owners with that tenure has ever reached, a new Redfin study shows. That’s due in large part to the aging in place trend, which is accelerating during the COVID-19 pandemic. As Americans stay in their homes longer, housing shortages are growing. The typical homeowner



Editor’s Note: I saw these two older articles in a year-end recap but found them very interesting and relevant.

■ Teri Slavik-Tsuyuki, *www.builderonline.com*, June 23, 2020. “One of the most significant, and perhaps surprising, impacts of COVID-19 is that a large number of Americans plan to move residences.” (See chart above.)
<https://bit.ly/3oasaZ2>

■ Symone Strong, *www.builderonline.com*, July 20, 2020. “In the wake of COVID-19 and with tragically high levels of death and illness in the nation’s senior homes and communities, more people are looking for living arrangements for their aging parents or options for themselves when they decide to retire.”
<https://bit.ly/3aXLvJh>

in 2020 had lived in their home for 13 years, a big jump from 8.7 years a decade earlier, according to the Redfin study.” <https://bit.ly/2MjZlq9>

■ Lauren Thomas, *www.cnn.com*, Jan. 26, 2021. Submitted by Brad Eldridge, MAI, CAE. “Real estate analytics firm Green Street estimates the values of so-called A-rated malls have tumbled about 45% from 2016 levels. A-rated malls are an important bellwether to monitor in the retail real estate industry because they account for the majority of mall value in the U.S. There are about 250, representing a quarter of America’s roughly 1,000 shopping malls. The biggest U.S. mall owner, Simon Property Group, holds a substantial por-

tion of the A-rated malls and outlet centers in the U.S. And its shares are down more than 32% over the past 12 months.” <https://cnb.cx/2Yzw9Dg>

■ Lynn Pollack, *www.globest.com*, Feb. 4, 2021. **Editor’s Note:** CoreLogic owns Marshall Swift, CoStar and LoopNet.

“Stone Point Capital and Insight Partners will acquire global property information, data and analytics firm CoreLogic for about \$6 billion, signaling an end to a competitive sale process initiated last summer by activist investors from Cannae Holdings and Senator Investment Group.”
<https://bit.ly/3tuewmF>

■ Lynn Pollack, *www.globest.com*,

Feb. 11, 2021. "The specter of declining property values is a frequent objection lobbed by locals when an affordable housing community is proposed nearby. But a new Redfin study may allay those fears. Redfin's analysis of more than 220,000 home sales nationwide found no consistent relationship between the addition of low-income housing and nearby home prices in most metro areas. The study, which spans 2007 to 2019, showed no significant pricing difference between homes in 18 of 26 metro markets surveyed after the construction of low-income housing developments nearby." <https://bit.ly/3jD8Fa2>

■ Les Shaver, www.globest.com, Feb. 10, 2021. "While the hotel sector has been hit hard by the pandemic, lenders haven't been in a rush to take back assets. The only asset sales that we've made for lenders to date have been deed in lieu, where the borrower has essentially handed back the keys and released it from their ownership," Bob Webster, vice chairman and president, CBRE Hotels Institutional Group, said on CBRE's "The Weekly Take" podcast. "But in a forced liquidity trade, which is a trade where the lender has to fight for the keys, that hasn't happened yet."

A primary reason there hasn't been more fallout during the pandemic is that there are companies out there providing lifelines, in the form of capital infusions, to owners who are in a difficult liquidity position. "I've been very surprised at the magnitude of the liquidity in the space, looking to acquire hotels and looking to help with the liquidity distress in the ownership side of our business," Webster says." <https://bit.ly/3jl2thc>

■ Devin Ramey, www.ktvb.com, Feb. 17, 2021. Submitted by Jeff Middleton, Idaho State Tax Commission.

Editor's Note: As a number of you have or will be sending new valuation notices, this little tidbit from the article Jeff sent relating to the Ada County (Boise, Idaho) residential market may make you realize that it could be worse.

"Since 2011, the median price has increased by 241%, hitting a record of \$454,000 in January 2021." <https://bit.ly/3u5tWOp>

■ Lynn Pollack, www.globest.com, Feb. 18, 2021. "Lumber prices are up more than 170% over the past ten months, sidelining homebuyers, pausing pending sales and forcing builders to put new projects on ice. New data from the National Association of Home Builders and Random Lengths shows that the price of lumber hit a record high this week, adding thousands of dollars to the cost of new homes. Prices began rising again in December following a three-month lull that began in September 2020, a trend that's diverged from initial predictions that construction costs would actually decrease during the pandemic." <https://bit.ly/3qAxiXs>

■ Les Shaver, www.globest.com, Feb. 24, 2021. A recap of this article is as follows:

- Home prices jumped 10.4% year-over-year, the highest annual increase since 2013
- Potential buyers moving from urban apartments to suburban homes
- Indicates a migration to the Sunbelt

<https://bit.ly/3pUmdPO>

■ www.fanninmae.com, Feb. 18, 2021. "The U.S. economy is expected to grow 6.7 percent in 2021, an improvement not only from last year's 2.5 percent contraction but up, too, compared to last month's forecast of 5.3 percent, according to the February 2021 commentary from the Fannie Mae (FNMA/OTCQB) Economic

and Strategic Research (ESR) Group." <https://bit.ly/2PfU35t>

■ Rich Miller, www.bloomberg.com, Feb. 19, 2021. "The Federal Reserve warned of significant risks of business bankruptcies and steep drops in commercial real estate prices in a report published today. "Business leverage now stands near historical highs," the central bank said in its semi-annual Monetary Policy Report to Congress. "Insolvency risks at small and medium-sized firms, as well as at some large firms, remain considerable." In part encouraged by government and Fed programs, businesses have taken on more debt over the past year as they've struggled to deal with the economic and financial fall-out from COVID-19, including in some cases forced shutdowns." <https://bloom.bg/3sNaX9X>

■ Michael Tucker, www.newslink.mba.org, Feb. 23, 2021. "The office market has seen less deterioration during the pandemic recession than it did during the Great Recession, but it's not out of the woods yet, reported Moody's Analytics REIS, New York. The national vacancy rate for the office sector reached 17.7 percent in late 2020, a 90 basis point full-year increase. By comparison, vacancies rose by nearly 200 basis points in 2008, followed by a 250 basis point increase in 2009, said Moody's Analytics REIS Head of Commercial Real Estate Economics Victor Calanog. He noted the national office vacancy rate did not top out until late 2010 and increases added up to 500 basis points before starting to gradually decline in 2011." <https://bit.ly/383JgSb>

■ Kate Duguid, www.reuters.com, Feb. 22, 2021. "Rising sea levels and extreme weather could cause \$20 billion of flood damage to at-risk U.S. homes this year, rising to \$32 bil-

continued on next page

lion by 2051, according to research from New York-based flood research non-profit First Street Foundation published on Monday. "Increased awareness of flood risk and rising future insurance costs impact perceptions of value, which will impact real estate markets," said Matthew Eby, founder and executive director of First Street Foundation. The cost of flood damage was approximately \$17 billion annually between 2010 and 2018, according to testimony (here) from Federal Emergency Management Agency representative Michael Grimm. First Street does not have comparable estimates for 2020 or 2019. <https://reut.rs/3sK8ZXU>

■ Lynn Pollack, www.globest.com, March 3, 2021. "Buying is officially cheaper than renting in 15 of the 50 largest US metros—and that number is growing, despite double-digit home price increases in some cities. Of the top 10 markets where it's cheaper to buy, homebuyers save an average of 11% of their monthly costs compared to renters, according to Realtor.com. Perhaps unsurprisingly, San Jose, Austin, Sacramento, Seattle and San Francisco top the list of cities where it's cheaper to rent.

■ Ericka Murphy, www.globest.com, March 5, 2021. **Editor's Note:** In the last issue was a brief article concerning CoStar purchasing CoreLogic. Well, that has now changed.

"CoStar is withdrawing its multi-billion dollar bid for CoreLogic after recently dropping its offer from its original \$6.9 billion proffer to about \$6.6 billion. In a press release announcing its decision, CoStar said it believes rising interest rates will negatively impact the outlook for the mortgage refinancing market. Accordingly, these rising interest rates have caused valuations for residential property technology compa-



■ Symone Strong, www.builderonline.com, Jan. 26, 2021. "SQ4D, a construction technology company from Patchogue, New York, has listed the first 3D-printed home for sale in the United States. It received a certificate of occupancy and is listed on MLS as new construction for \$299,999. The quaint home features over 1,400 square feet of living space, plus a 750-square-foot garage on a 1/4 acre. It includes three bedrooms, two full bathrooms, and an open floor plan." <https://bit.ly/2YncAxU>

nies to decline significantly in recent weeks, which has changed CoStar's view of the value of CoreLogic. "With interest rates moving up, now is not the time for us to aggressively buy into the residential mortgage market," said CoStar CEO Andrew C. Florance in prepared remarks." <https://bit.ly/3qhoEfD>

■ Les Shaver, www.globest.com, March 5, 2021. "With many commercial real estate sectors struggling because of the pandemic, investors are zeroing in on a few specific places—apartments and industrial. "The capital hasn't gone anywhere," Chris Niederpruem, managing director, group head, Real Estate Finance, CIT Group said on a panel discussion during GlobeSt. Apartments Spring 2021 virtual conference held this week. "We're probably at pre-COVID pricing levels in terms of those asset classes today." <https://bit.ly/3bIL1MV>

■ John Gittelsohn, www.bloomberg.com, March 1, 2021. "U.S. mall values plunged an average 60% after appraisals in 2020, a sign of more pain to come for retail properties

even as the economy emerges from pandemic-enforced lockdowns. About \$4 billion in value was erased from 118 retail-anchored properties with commercial mortgage-backed securities debt after reappraisals triggered by payment delinquencies, defaults or foreclosures, according to data compiled by Bloomberg." <https://bloom.bg/3ckXnnx>

■ Jena Tesse Fox, www.hotelmanagement.com, March 12, 2021. "U.S. weekly hotel occupancy reached a 20-week high during the week of Feb. 28–March 6, according to STR's (Smith Travel Research) latest data. During the week, hotel occupancy reached 49 percent, down 20.5 percent from comparable week in 2020 but up from 47.5 percent for the last week in February and 48.1 percent the week before." <https://bit.ly/3rL7tEP> ❖

TEAM
Consulting LLC
www.teamconsulting.cc