

FEATURED USER



Don Martin
Martin Appraisals
Orland Park, IL

Title: Chief financial officer and owner, MartinAppraisals.Com, Real Estate Appraisers & Consultants, Orland Park, Ill. (a Chicago suburb)

Responsibilities: I am responsible for marketing strategies for our service, hiring of all appraisers, allocation of assignments for both our residential and commercial departments, and capital reinvestment for current and future expansion.

Years with company: 20

Years in industry: 20 in relocation appraisals, 26 total as an appraiser.

How I became involved in the business: My family has been involved in appraising for nearly nine decades and four generations. My father was designated as a senior residential appraiser (SRA) in the 1950s and my grandfather and great grandfather were appraisers before that. During the early 1980s, I began doing relocation appraisals for the late William E. McDonnell, MAI, SRA. He taught me how to do my first relocation appraisal. This intrigued me at the time because it was my earliest experience doing an appraisal for non-mortgage purposes. I saw right away that every appraisal was a test for me, a challenge to see how close I could ultimately come to the actual sales price of the subject property.

AppraisalPort: Of our clients, AIDC, Bank of America/HomeFocus, Bank One, Saxon and Washington Mutual are linked to AppraisalPort. We deliver approximately 13 appraisals a month via AP. I like the relatively seamless ease of use and the multi-functionality of AppraisalPort. It keeps track of what I have out and when it's due, gives us a central location to post correspondence and gives us confirmation that the report has been successfully uploaded to the site upon completion.

I also like the idea of not having a loan officer or loan consultant trying to call us. Only once did a loan officer call and I reported it and that was the end of that, no more calls from the loan officer.

Current application volume decline and short-term future of the mortgage market: The current application volume decline is something those of us in the business for some time have seen many times. In our market area, like many others, our volume is driven by a variety of forces.

With mortgage work there tends to be two major forces: seasonal and economic. Seasonal is pretty simple for us to understand in the Chicago market, when it gets cold it slows down; when it gets really cold and weather gets really bad, it gets really slow. Economic considerations are multiple and overlapping. They tend to be a function of the interest rate and a mix of both local and national employment as well as a reflection of the cost of living.

While both these forces worry me, they are a fact of life as an appraiser. To insulate myself somewhat from mortgage appraisal work, I do some litigation-related appraisals for divorce and estates along with some expert witness. I work with builders and developers who require not only appraisals, but also some feasibility analysis and occasional expert witness before local zoning authorities. I work with numerous relocation companies doing relocation appraisals on the ERC Appraisal form. If things are really slow, I will do some teaching as I have in the past or compose an article. There really is no such thing as nothing to do in this business, but by diversifying and by routinely being involved in client redevelopment we can minimize the impact of a declining market.

The worst market I remember was during the Jimmy Carter years when interest rates were around 16% to 18%, unemployment was high and gas prices soared. I can think of no worse time for an appraiser out of the last 26 years than the Jimmy Carter years. Interest rates and unemployment were the highest they have been during my career.

Biggest job challenge: Leaving the savings and loan industry as a salaried staff appraiser in 1983 to become a self-employed independent appraiser. My former chief appraiser, John J. Hobin, SRA, RM, now retired, always told me to keep my honest and integrity. He said, "You are the eyes and ears of the client" and told me I would always do well through good times or bad.

Biggest change I've seen in the industry: It's hard to choose just one, as there are at least two or even three major changes that I have seen. The first was ERC's standardization of forms for the appraiser. Because of mergers occurring, there was an increasing need for standardization. The ERC appraisal form has continued to evolve like a living document to address the needs of our clients and evolving requirements under USPAP (Uniform Standards of Professional Appraisal Practice).

The second biggest challenge has been the technological revolution that we have been in and are experiencing, not only as appraisers, but in all disciplines within the ERC community. It has been a great challenge to use available technology to provide a service to benefit the transferee. "While the means of delivery and communication of an appraisal report have changed greatly over the years in a technological sense, the basic fundamental aspects of performing an appraisal and the relationships with our clients remain virtually unchanged.

The third biggest change to the industry as an appraiser has been state licensing, which occurred 12 to 14 years ago in some states. This provided a minimal competency level so that relocation clients, lenders and other users of appraisal services could be assured that all appraisers would have required education and experience. The requirements are continuing to evolve, with educational and experience requirements tending to increase over time.

Issue(s) the industry most needs to address: Education always needs to be one of our main focuses. Even as we reach the point that we may be knowledgeable in the profession, we need to continue to improve and maintain our skills. ERC must continue to maintain and develop education to its members as we continue into the future.

We also need to continue to address technological enhancements through the adaptation of e-commerce and other available technological improvements as they become available.

With the use of current technology, our delivery time on completion has changed from a day or two, down to less than a few seconds, by using broadband communication. The time savings and efficiency created through this technology must continue to benefit all of our members.

Where the industry is heading: The industry is heading toward more specialization, which probably will mean fewer appraisers performing relocation appraisals. Appraisers also will have to grasp and use technological advancements in the data collection, preparation and delivery of ERC Residential Appraisal Reports.

Because of the significant differences and customization of homes and changing markets, the services of appraisers will continue to be in demand. There are few generalizations that can be made within the real estate market and the only constant expectation is that we can expect to see constant change and perhaps larger fluctuations.

Personal: Donna, my wife of nearly 20 years, and my daughters, Nicole, 18, Heather, 15 and Courtney, 13, are my main focus in life. We have lived in the Chicago suburban area our entire lives. Right now I feel like I'm a freshman in college, sophomore in high school and in the seventh grade all at the same time.

Donna is the spiritual leader of our family, making sure everyone feels okay and has what they need to get through each day and that everyone gets to where they need to be. In my earlier years – when I had more free time – I was an avid player on a chess team.

I also have an interest in camping and fishing. In my college years, I was very active in politics, serving an internship as a legislative aide to a state representative. I also have been a precinct captain and helped on a couple of political campaigns. Far into my future, perhaps in my retirement years, I have always felt I will get back into politics and run for office. I believe I can make a difference in our future, as each and every one of us can.

In addition to raising a family and running an appraisal business, I am also an appraisal instructor and adjunct faculty member for Moraine Valley Community College in Palos Hills, Ill. I also have been an appraisal instructor for the appraisal portion of the CRP™ exam and a regional guest speaker for CRC (Corporate Relocation Council).

If I could be doing anything else: I would like to travel and see not only the many sights and wonders that our country has to offer, but travel around the world. I'd also like to catch up on my reading. I love theory – Plato, Socrates, Quintilian, St. Thomas Aquinas, and others.

Final thoughts on appraising: The one thing I'd like to share is appraising is like life; don't expect to get more out than you put in! Many appraisers complain about the lack of or need for change in the industry. Instead of complaining to your friend or business partner about the problems in the industry, try taking the pen to the paper and write about it!

Surprisingly very few appraisers actually write their congressman, senator or representative either on a national or state level. I'm a firm believer that we can change almost anything if we try as a concerted voice. I am also a firm believer that little will change if we don't do anything. We can also write to newspapers, different but related trade magazines and engage in public speaking.

Many chambers of commerce and local related trade groups look for experts to speak on topics of related importance to their trade. We can control and guide much of our destiny if we become involved. I know it takes time out of our busy schedules, but you won't know how effective you might be if you don't try. Many trade magazines and newspapers are eager for our thoughts, because there are so few of us in the business that give it, among other things this will be a good resume builder for those of you, most of you that probably have not done it and good exposure to many potential clients.

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