

D.C. CHAPTER – APPRAISAL INSTITUTE

Tuesday, October 28, 2008

- 1. Who am I / Who is FF**
 - a. Land Sales**
 - b. Income Sales → VA, MD, DC, PA**
 - c. Advisory Services**

- 2. Who we work with**
 - a. All segments of Buyers & Sellers**

- 3. Status of land market in the DC metro area**
 - a. Supply → High**
 - b. Demand → Low**
 - c. Deals**
 - i. Gap between the BID & ASK**
 - ii. Fear to act because we're not at the bottom**
 - iii. Major problems with credit markets**
 - iv. Consumers are afraid to buy products**
 - v. Everyone wants a new President & a fresh start in 2009**

- 4. Outlook (Better)**
 - a. Consumer home foreclosures are working their way through the system**
 - b. Builders have priced homes to market**
 - c. Traffic & Sales are up**
 - d. Prices are down**
 - e. Treasury starts giving out \$700 Billion**
 - f. Businesses receive credit to operate**
 - g. Banks are starting to sell Notes**
 - h. Banks are starting to foreclose & sell REO**
 - i. Consumer confidence is a question mark**
 - j. There is growing rent up demand by land buyers**
 - k. However, Buyers will be very conservative coming bank**
(i.e. Low Deposits; Takedowns; Major Discounts on Raw Land)

Bottom Line:

- 1. We see 2009 as the year land starts trading again**
- 2. 2110 is when we start to see market stabilization start**

- 5. How can we help you – Land Appraisals require working backwards**
 - a. You must look at:**
 - i. Housing product price and size**
 - ii. Construction Costs**
 - iii. Development Costs**
 - iv. Soft Cost – Entitlement / Financing**
 - v. Profit Margin – 25% or higher**

= value of land

Closing – FF is happy to be a resource for you with your assignments.