SHENEHON
BUSINESS & REAL ESTATE VALUATIONS

Valuation Viewpoint

Volume 19, Number 3 November 2014

Corridor Value Methodology and Professional Standards

by John T. Schmick

Editor's note: The following is a summary of an article written by Shenehon appraiser John T. Schmick and Jeffrey K. Jones, MAI, Chief Appraiser of the Alabama Department of Transportation. The full article will appear in the Appraisal Journal *in late 2014. Appraisal Institute members and associate members will be able to access the entire article at appraisalinstitute.org.*

Appraisal literature on corridor valuation most often discusses Across the Fence (ATF) methodology, which originated back in the 1880s, and is the most widely used corridor valuation methodology in practice today. However, ATF has not been updated to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted in 1987 by the Appraisal Foundation. ATF is based on an assumption that a corridor is at least as valuable as the land it passes through. This assumption is often disclosed in appraisal reports but is rarely (if ever) tested or proven. Combined with hypothetical conditions inherent in the methodology, reliance on ATF has produced an entire database of corridor transactions (sales and leases) contaminated by unsubstantiated extraordinary assumptions and hypothetical

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Market Trends and Indicators

Office Buildings–Downtown	↑	5.0%
Office Buildings–Suburban	→	0.0%
Retail Centers	↑	3.0%
Industrial Buildings	↑	3.0%
Apartments	↑	5.0%
New Housing Starts–Midwest	→	0.0%
Productivity	↑	2.3%
Composite PE	↑	26.0
US Unemployment	↓	6.1%
Consumer Confidence Index	↑	86.0

In This Issue ...

Shenehon Selected as Appraiser for City of Minneapolis Nicollet Mall Renovation

The City of Minneapolis and numerous downtown leaders have determined Nicollet Mall is in need of a physical retrofit and upgrade. This redesign will create Nicollet Mile – a downtown destination and urban park, an attractive place to work and experience the city, an economic engine, and an important link connecting various institutions and communities.

The general public will benefit from the project, as recognized by state and city contributions for half of the $50 million cost. The city will levy special assessments against properties for the remaining project cost. Special assessments are charges a city levies against real property for a local improvement that provides special benefits to affected properties. Shenehon Company has been hired by the city to measure the value of special benefits derived from the project and to allocate the remaining project cost in a systematic, rational, and supportable manner.

Relying on extensive market research and empirical analysis, Shenehon recommended the geographic area to which Nicollet Mall renovation benefits specifically extend. We found that special benefits extend to properties beyond those located directly on the mall, but are limited to those properties generally within 10 to 12 blocks on either side of the mall.

We also found that different property classes benefit in different ways. Shenehon is developing an allocation method to reasonably account for the value enhancement to each individual property in an equitable manner. Property characteristics being used to allocate costs to benefited properties include property use, location, street frontage, lot size, and building density. VV

The $50 million renovation of Nicollet Mall will retrofit one mile of this signature street and is scheduled to be completed in 2016.

Shenehon Receives Award for Outstanding Business Valuation Practices

The International Society of Business Appraisers (ISBA) has recognized Shenehon Company for its excellence and adherence to professional performance standards. Shenehon was recently awarded ISBA's Gold Seal of Trust in Business Valuation.

In presenting the award, the ISBA said, "Shenehon's Business Valuation Unit is an outstanding example of a world-class business valuation firm." Shenehon is the only valuation organization in Minnesota to be awarded this honor and is the only recipient in the United States that has a multi-functional practice, handling both business valuations and commercial real estate appraisals. VV

The International Society of Business Appraisers recently recognized Shenehon for excellence in valuation practices. Pictured left to right are: Heather Burns, Senior Business Valuation Analyst; William Herber, CBA, CVA, Senior Vice President, Treasurer, Shareholder; Mark Dominik, Business Valuation Analyst; Scot Torkelson, Accredited CBA, Vice President, Director of Special Projects; Joshua Johnson, Business Valuation Analyst; Robert Strachota, MAI, CRE®, MCBA, FIBA, President, Shareholder; Christopher Olson, MBA, Business Valuation Analyst.

U.S. Labor Department Looking Closely at ESOP Valuations for Inflated Estimates

The U.S. government is increasing scrutiny of valuations of employee stock ownership plans (ESOPs), looking for inflated estimates of the worth of a company's shares, according to an article in the June 23 *Wall Street Journal*. The Labor Department is plaintiff in 15 lawsuits related to ESOPs, with most of the cases claiming shoddy valuations, and some alleging that appraisals were deliberately inflated, harming the plan and participating employees.

Federal officials are expected to propose new rules in 2015 to toughen standards for outside appraisers who prepare valuations for ESOPs.

Company owners can defer taxes on capital gains when they sell all or part of a company to an ESOP, and employer contributions to ESOPs are generally tax deductible. More than 13.4 million U.S. workers were part of an ESOP in plan in 2011 (the latest year data is available), up 7.5 percent from 2006.

Valuations are an integral part of an ESOP plan, as 95 percent of the estimated 6,800 U.S. companies with an ESOP are closely held and not widely traded. Valuations are necessary when the ESOP is established and annually in subsequent years to determine the repurchase price at an employee's retirement, departure or death.

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Market Trends and Indicators

Economic Indicator

	2007	2008	2009	2010	2011	2012	2013	AUG 2014
New Housing Starts—Midwest Yearly Totals	211,700	137,700	97,600	99,400	102,700	135,000	156,800	107,900

P/E Ratios in Select Industries

Industry (Year end)	2007	2008	2009	2010	2011	2012	2013	SEPT 2014
Basic Materials	14.1	15.2	21.6	27.4	19.7	12.6	20.0	32.48
Conglomerates	18.4	15.8	10.7	15.0	16.9	15.2	15.1	23.61
Consumer Goods	24.4	16.3	15.9	24.9	21.1	20.1	22.1	17.98
Financials	13.7	11.7	9.6	36.2	17.9	12.5	14.9	17.69
Healthcare	40.0	26.0	57.7	26.1	18.9	21.5	27.4	36.75
Industrial Goods	19.5	19.5	20.3	23.5	17.9	13.3	27.0	25.31
Services	28.7	24.2	20.1	26.6	27.1	20.1	27.5	29.56
Technology	38.4	23.8	16.4	45.2	20.2	18.1	30.9	24.50
Utilities	20.0	15.3	12.0	28.5	16.2	15.5	29.5	26.15
Composite	**24.0**	**18.7**	**20.5**	**28.2**	**19.5**	**16.5**	**23.8**	**26.00**

Economic Indicators

Indicator (5 yr. avg.)	2005	2010	2011	2012	2013	SEPT 2014
Inflation	3.4%	1.6%	3.1%	2.1%	1.5%	1.7%
Productivity (Aug.)	1.8%	1.5%	0.8%	1.9%	1.4%	2.3%
GDP	3.1%	3.0%	1.7%	2.2%	1.9%	3.6%
Consumer Confidence	107.2	62.0	70.8	72.2	78.1	86.0

Unemployment

	1990	1995	2000	2005	2010	2011	2012	2013	AUG 2014
US	**5.4%**	**5.6%**	**4.0%**	**5.3%**	**9.4%**	**8.5%**	**7.8%**	**6.7%**	**6.1%**
Northeast	5.0%	6.0%	4.0%	4.9%	8.4%	8.0%	8.1%	7.3%	6.2%
Midwest	5.7%	4.5%	3.5%	5.7%	8.7%	7.9%	7.2%	6.9%	5.8%
South	5.4%	5.4%	4.0%	5.2%	9.3%	8.4%	7.3%	6.7%	6.3%
West	5.1%	6.6%	4.6%	5.5%	11.0%	8.5%	8.6%	7.6%	6.6%
Minnesota	**4.6%**	**3.6%**	**2.9%**	**4.5%**	**7.0%**	**5.7%**	**5.4%**	**4.6%**	**4.3%**

Rates of Return and Risk Hierarchy

Investment	
30 Year Treasury	3.3%
Aaa Bond	4.1%
Bbb Bond	4.58%
Commercial Mortgage	5.25–6.0%
Institutional Real Estate	5.75–7.0%
Non-Institutional Real Estate	8.0–10.0%

Investment	
S & P Equity (Duff & Phelps)	10.3%
Equipment Finance Rates	10.0–12.0%
Speculative Real Estate	11.0–16.0%
NYSE/OTC Equity (Duff & Phelps)	14.3%
Land Development	15.0–30.0%
NYSE Sm Cap. Equity (Duff & Phelps)	19.3%

Sources: Appraisal Institute, Business Week, Value Line, U.S. Chamber of Commerce, Standard & Poors, Investment Dealers Digest, U.S. Government Census, Yahoo Finance, Bureau of Labor Statistics, Duff & Phelps, and PwC Real Estate Investor Survey, The Conference Board.

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Corridor Value Methodology *continued from page 1*

conditions. As a result, ATF value opinions, based on current practices, are not considered compliant with USPAP and may not credible.

The appraisal industry is split in its opinion on whether excess land exists in an active railroad corridor. Part of the appraisal community believes the corridor should be valued as one parcel, typically 100 feet wide. Other appraisers say there are distinct differences in the land within a rail corridor: there is land needed for track operations and land not needed for the track operations or excess land. When analyzing highest and best use for rail corridors, these opposing opinions lead to appraisers reaching significantly different conclusions regarding larger parcels, highest and best use, and values, for similar properties.

Reliance on ATF has produced an entire database of corridor transactions (sales and leases) contaminated by unsubstantiated extraordinary assumptions and hypothetical conditions.

The article authored by Schmick and Jones discusses the economic properties of active rail tracks operated by Class 1 railroads as well as guidance established by decisions from the Surface Transportation Board. Suggested economic analysis of average track corridors by the authors illustrate that the ATF assumption, that corridor land value is the same as adjacent land, is rarely supported by market data. The article identifies this basic ATF assumption as an Assumed Minimum Value.

The discussion establishes that the excess land approach is often the correct approach.

The authors explore the reasoning behind the current common practice of not making adjustments to sales data used in corridor valuations for size, shape, topography, etc. Writings from early articles on ATF are referenced, uncovering that the reason for not adjusting corridor appraisals is a belief that if the land was not part of a corridor it would be part of a typical lot, and that comparing sales data to a typical lot does not need adjustments. This rationale constitutes a hypothetical condition which is typically not disclosed in appraisal reports.

The appraisal industry is split in its opinion on whether excess land exists in an active rail corridor.

Finally, the authors assert that eliminating extraordinary assumptions and hypothetical conditions from valuing active rail corridors is necessary to achieve credible value opinions. Returning to basic market analysis and applying adjustments can transform ATF from a flawed methodology to a usable tool to determine market value.

Returning to basic market analysis and applying adjustments can transform ATF from a flawed methodology to a usable tool to determine market value.

About the author:

John T. Schmick is a highly-respected and experienced appraiser who has prepared over 500 appraisals of commercial properties, special use properties, and easements. He is Vice President, Director of Special Projects at Shenehon Company. John's specialty area is corridor valuation. In particular, he values right of ways, pipelines, fiber optic lines, and high-voltage transmission lines. He is frequently called upon to provide litigation support for matters relating to these types of properties. John has published numerous articles in national journals describing valuation methodologies and is adjunct faculty at the University of St. Thomas. He can be reached at 612.767.9444 or jschmick@shenehon.com. VV

Minnesota Supreme Court Ruling Provides Guidelines for Minimum Compensation Appraisals

by John T. Schmick

Editor's note: The following piece is a condensed version of an article by Shenehon appraiser John T. Schmick. The complete article will be published in the January/February 2015 issue of Right of Way *magazine, available at irwaonline.org.*

In 2006, Minnesota lawmakers amended Minnesota eminent domain law to include a provision intended to protect business owners from forced closure when property is taken through eminent domain. Minnesota Statute 117.187 Minimum Compensation states, in part:

> *When an owner must relocate, the amount of damages payable, at a minimum, must be sufficient for an owner to purchase a comparable property in the community and not less than the condemning authority's payment of deposit under section 117.042, to the extent that damages will not be duplicated in the compensation otherwise awarded to the owner of the property.*

Within two years, a test case, *County of Dakota v. George W. Cameron*, started its long journey to the Minnesota Supreme Court for clarification of terms used in the new law. In March 2012 the Court of Appeals of Minnesota affirmed the district court decision and it moved to the Supreme Court of Minnesota, which published a decision on November 27, 2013.

The Supreme Court's ruling provides guidelines, which outline what the min-comp statute does or does not provide, and they define "community" and "comparable property."

Minnesota Supreme Court Ruling

The Court clarified that "the remedy afforded by the minimum-compensation statute is not a replacement property. Rather, the minimum-compensation statute provided for monetary compensation, the amount of which is equivalent to the sum necessary to purchase a comparable property."

The Court went on to define, in part, a comparable property as "an existing property – regardless of its availability for purchase." As a result, from an appraisal viewpoint, the Court has created a hypothetical condition in which any comparable property may be considered, even if none is available for purchase. An appraiser must now consider a wider range of property as "comparable" and establish a hierarchy of property categories to ensure a property search results in a reasonable and supportable conclusion.

Minnesota Statute 117.187 Minimum Compensation states, in part: When an owner must relocate, the amount of damages payable, at a minimum, must be sufficient for an owner to purchase a comparable property in the community ...

It is not known, based on the Court guidelines, when there are no comparable properties, if the Court would consider a depreciated replacement cost approach as a last attempt to estimate the monetary compensation amount described in the statute. Some attorneys believe that if there are no comparable properties, the business is lost and the appropriate compensation should be based on loss-of-going-concern value. Ultimately, this is one of many questions that may require a return trip to the Court.

The Court defined "community" in the min-comp statute as: "an identifiable locality that has a socially or governmentally recognized identity, or group of such localities." The Court suggests that, depending on the facts of a particular case, a community "could be a neighborhood, district, town, village, city, county, region or other similar localities." Noticeably missing from this list is the concept of trade area. A trade area is neither a socially or governmentally recognized identity and was rejected at the lower court level.

This definition of community opens the opportunity for an appraiser to consider many sources of information in the search to define a specific geographic area as the relevant community. Geographic locality with a governmental identity certainly includes those categories listed by the Court, but it is not limited to those categories. For example, census tracts and school district boundaries are also forms of government-identified localities. Government identity may include water districts, postal zip codes, park districts, zoning districts, environmental district, or any other form of government identity from any form/level of government. In terms of social identity, an appraiser may now consider such categories as demographics based on ethnic or religious composition, social gathering points, school district demographics, and any other social characteristic that is relevant to the owner's business.

The Court defined "community" in the min-comp statute as: "an identifiable locality that has a socially or governmentally recognized identity, or group of such localities."

Finally, there must be adjustments to the comparable properties. The Supreme Court's definition of a "comparable property" includes the phrase "has enough like characteristics or qualities to another property." Determining what constitutes "enough like characteristics" is subjective to each property and each appraisal assignment. Understanding the subject property so that those characteristics can be identified is essential to the process of measuring minimum compensation under the statute. Appraisers commonly make adjustments to properties for a variety of reasons and using a variety of methods or techniques, including both qualitative and quantitative adjustments. But the Court offers no guidelines or restrictions on what adjustments can be made, or how those adjustments are made to the comparable sales. Ultimately, for an appraiser's minimum compensation analysis to be considered credible, adjustments for difference between the subject and the comparable property are necessary.

Minnesota Statute 117.187 Minimum Compensation was intended to prevent the unnecessary loss of businesses and jobs when private property is taken through eminent domain.

Conclusion and a Look Ahead

Minnesota Statute 117.187 Minimum Compensation was intended to prevent the unnecessary loss of businesses and jobs when private property is taken through eminent domain. It is a statute that required review by the Minnesota Supreme Court to clarify specific terms and interpret the meaning of the statute's language. In providing that guidance, the Court has identified a hypothetical condition that appraisers must disclose in their appraisal reports. Ultimately, there will likely be other test cases and a return trip to the Minnesota Supreme Court for more clarification. VV

VIEWPOINT: Questionable Compensation for Temporary Easements

by Robert J. Strachota, MAI, CRE®, MCBA, FIBA

Shenehon Company has recently noticed a pattern where condemning authorities such as the Minnesota Department of Transportation, cities, and counties, establish temporary construction easements and want to compensate property owners in a way that is questionable and unreasonable.

Private land taken for a public project is often acquired in one of two formats: permanent or temporary. The most common temporary easement is a temporary construction easement. Since it is difficult to accurately determine construction timelines, condemning authorities place temporary easements for a longer time period than they actually need to complete construction. For example, a city might need a construction easement for nine months. Since it is difficult to accurately estimate construction timelines, the city might impose the right to use the nine months at any point within 48 months. Lately we are seeing cities like the one in our example offer to compensate property owners only for the nine months of use rather than the 48 months of right to the land. The city claims that since it will use the land for only nine months it must only compensate the property owner for that time.

Some may question this logic. One might argue that since that the city is imposing the right to use the land for 48 months it should compensate for the full 48-month period. Customary leasing practice in the marketplace is for a tenant to pay for the right to occupy a space for a period of time. If the tenant does not actually use the space during the time period stated in the lease, the tenant cannot reduce the rent payment due the landlord.

> ***If the city is imposing the right to use the land for 48 months it should compensate for the full 48-month period.***

Using this customary approach to land use and leasing, we assert that it is improper for the city to impose rights for land use during a specified time period and then reduce its just compensation payments based on the fact that it did not actually use the land.

We appreciate the fact that condemning authorities want to save taxpayer dollars. But the approach we just described is a questionable method to trim costs. We maintain that just compensation is based on rights to land use and not actual use. VV

U.S. Labor Department *continued from page 3*

According to the *Journal* article, federal officials are expected to propose new rules in 2015 to toughen standards for outside appraisers who prepare valuations for ESOPs. Currently there are no minimum qualifications for appraisers who value ESOPs or any specific guidance or rules related to how the appraisals are performed.

The Labor Department is also scrutinizing trustees with a fiduciary duty to employees participating in a plan. A settlement with GreatBanc Trust Co. spelled out practices for GreatBanc to follow, including taking "reasonable steps" to make certain that an appraiser gets accurate and current information to use in the valuation analysis.

ESOP valuations require a reasonable and well-defended valuation analysis, performed by a qualified appraiser, in order to meet the needs of the large number of ESOP stakeholders. Shenehon Company has more than 30 years of experience in business valuations and can prepare valuation analysis for use at the formation of an employee stock ownership plan as well as annual ESOP valuations. For more information, contact Bill Herber at 612-333-6533 or bherber@shenehon.com. VV

Market Transaction: Real Estate

City of Edina Purchases Former Hooten Cleaners Building

Property:	Former Hooten Cleaners and Launderers building in the 50th and France Avenue area: 3944 West 49½ Street, Edina, Minnesota, 55424
Approved:	September 2, 2014
Closing:	Pending
Zoning:	PCD-2, Planned Commercial Development
Sellers:	Soon and Jenny Park
Purchaser:	Housing and Redevelopment Authority of Edina, Minnesota
Source:	City of Edina
Sale price:	$1,550,000
Terms:	Cash, “as is” condition
	Seller is being reimbursed for professional services related to the transaction
Remarks:	Both parties were well informed and consulted with valuation professionals. The threat of condemnation initially was present but the City of Edina decided not to condemn. Price was negotiated and the transaction was discussed over a period of longer than one year.

Market Transaction: Business Valuation

1-800-Flowers.com, Inc. Completes Acquisition of Harry & David Holdings, Inc.

As the holiday season approaches, the deluge of catalogs filling your mailbox is inevitable. Have you ever wondered if any of these companies make money selling the multitude of products offered? The answer is a resounding yes (that is why the catalogs keep coming), but as will be seen, it is not easy.

On August 30, 2014, 1-800-Flowers.com, Inc. (NASDAQ: FLWS), a leading multi-channel retailer of gifts for all occasions (most notably flowers), acquired Medford, Oregon-based Harry & David Holdings, Inc. for approximately $142.5 million to complement its gourmet foods and gift baskets segment. Harry & David is a leading multi-channel retailer and producer of branded premium gift-quality fruit, gourmet food products, and other gifts marketed under the Harry & David, Wolferman's, and Cushman's brands. The cash acquisition includes all Harry & David's brands and websites, as well as the headquarters, manufacturing, and distribution facilities and orchards in Medford, Oregon, a warehouse and distribution facility located in Hebron, Ohio and 47 Harry & David retail stores located throughout the country.

Eighty years ago, Harry and David Holmes turned their extraordinary pears into the perfect gourmet gift. One can still send Harry & David's Royal Riviera Pears as well as many other fresh fruits, handpicked to exacting standards. Harry & David makes it easy to send gourmet gift baskets and edible fruits in addition to Moose Munch Popcorn, chocolate-dipped pears, truffles and more, most of which are made in Harry & David kitchens from recipes honed over time. Harry & David hand-packs its gift baskets in exclusively designed gift boxes topped with a hand-tied bow. The company sells its products via catalog, Internet, retail store, and wholesale. The holiday season is Harry & David's busiest time of year, when it generates nearly 50% of its annual sales.

Harry & David Holdings, Inc.

Purchase Price	$142,500,000
Effective Date	August 30, 2014
Acquired By	1-800-Flowers.com, Inc.
Financial Information as of June 30, 2014	
Revenue	$380,000,000
EBITDA*	$41,800,000
Implied Transaction Multiples	
Price/Sales	37.5%
Price/EBITDA	3.4

* EBITDA figure is estimated based upon available information

Management of 1-800-Flowers.com is excited about the transaction as it will propel corporate revenues to nearly $1.1 billion, $650 million from the gourmet food and gift basket segment, while corporate EBITDA increases to approximately $90 million (from approximately $48.2 million in the fiscal year ended June 2014). Revenues for Harry & David through the fiscal year ended June 30, 2014 were approximately $380 million according to 1-800-Flowers.com's most recent Form 10-K filing, implying a multiple of 38% of revenues. Historical earnings for Harry & David were not provided, but could readily be estimated based upon the available data. Looking through press releases and historical Form 10-Ks and 10-Qs for 1-800-Flowers.com indicated that Harry & David had estimated EBITDA earnings of approximately $41.8 million, implying an EBITDA earnings multiple of 3.4x.

In an era of relatively unfounded multiples for companies with little in way of actual products, services, or even defined customers, the application of a 37.5% revenue multiple and a 3.4x EBITDA multiple are very reasonable figures, especially in light of the fact that Harry & David was profitable in the most recent fiscal proximate to the transaction date at 11% EBITDA. Whether this transaction will generate the accretive earnings 1-800-Flowers.com management expects will not be seen until next year, but as Harry & David's was purchased for an earnings multiple well below that of a typical synergistic buy, it stands to reason that 1-800-Flowers.com stands a fairly good chance of succeeding with the acquisition. VV

COMMENTARY:

Five Signs Point to a Housing Comeback

Editor's note: This piece is based on a commentary article that appeared in the September 2014 issue of Builder *magazine. The commentary was written by David Crowe, Chief Economist at the National Association of Home Builders.*

The single-family housing market recovery has been painfully slow and uneven, and there is uncertainty about its future direction. But the National Association of Home Builders (NAHB) is forecasting future growth based on five pieces of evidence that indicate a housing comeback is underway.

1 Pent-Up Demand

The deep recession and long, slow recovery has resulted in substantial pent-up demand for single-family homes. In fact, the median length of stay for homeowners has increased two years, going from nine years in 2005 to 11 years in 2011. The NAHB has calculated that four million existing home sales were delayed or cancelled during the economic downturn, compared to what would have occurred during a normal market. Some of these sales will happen as the economy improves and consumer confidence returns, according to the NAHB.

2 Greater Household Formations

During the past six years, household formations were down two million, about half of what they should have been, given the demographics of the country. Additionally, new households created during this period were more likely to be renters rather than homeowners. As more jobs become available and incomes rise, mortgage access will increase and households in the 25- to 34-year-old age group will move to home ownership. This demographic continues to indicate they would like to be a homeowner, but don't have the financial resources and stability to purchase yet.

3 Employment Growth

In 2014, there has been more consistent job growth, with monthly increases exceeding 200,000 nearly every month. Unemployment rates are approaching what economists call natural long-term equilibrium levels, total employment is above the peak before the recession began, and the gap between overall unemployment and younger age group's unemployment rates is narrowing. Blue Chip Economic Indicators concensus forecasts from private-sector economists predict continued job growth.

4 Low Credit Cost

Mortgage rates are higher today than their record lows in 2012 and early 2013, but are still low by historical standards. U.S. long-term rates have benefited from Federal Reserve actions and international flight to safety during uncertain worldwide events. Rates will rise as the Fed ceases purchases, uncertainties are resolved and the economy expands. Although rates will move up, mortgage rates are not expected to go above six percent until 2016.

5 Mortgage Availability

Access to credit is more problematic for buyers than the cost of credit, especially for first-time home buyers. Younger buyers are most impacted by tight underwriting standards as they are facing student debt, lower earnings, and job mobility issues, as well as a preference for urban rental living. The tide may be turning—in 2013 and 2014, average credit scores for successful mortgage borrowers dropped slightly and more positive regulatory signals indicate additional improvement.

Nothing is certain as many forces shape the path of the housing market. But the primary drivers behind single-family house demand point to a continuation of modest but forward movement. VV

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Shenehon company is a real estate and business valuation firm, serving both the private and public sectors throughout the United States. Our unique combination of real estate and business valuation expertise allows us to provide a wide range of services and to offer innovative solutions to difficult valuation issues. Obtaining accurate and reliable industry information and expertise should play a key role in any decision-making process, and Shenehon Company is dedicated to equipping its clients with the tools necessary to make informed and knowledgeable decisions regarding their capital investments.

Areas of Expertise:

- Allocation of purchase price
- Asset depreciation studies
- Bankruptcy proceedings
- Charitable donations
- Commercial properties
- Condemnation
- Contamination impact studies
- ESOP/ESOT
- Estate planning
- Feasibility analyses
- General and limited partnership interests
- Gift tax evaluations
- Going public or private
- Highest and best use studies
- Industrial properties
- Insurance indemnification
- Intangible asset valuation
- Internal management decisions
- Investment counseling
- Land development cost studies
- Lease and rental analyses
- Lost profit analyses
- Marriage dissolution
- Mortgage financing
- Multi-family residential properties
- Municipal redevelopment studies
- Potential sales and purchases
- Railroad right-of-ways
- Special assessment appeals
- Special purpose real estate
- Tax abatement proceedings
- Tax increment financing
- Utility and communication easements

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