



The following piece is an edited republication of an article from the December 1956 issue of Right of Way Magazine. We hope you enjoy reading about where we've been, appreciate how far we've come and be inspired by where we'll go next.

Good Appraisers Have **No Emotion**

BY HARRY R. FENTON, MAI

A professional appraiser is an experienced and trained fact-finding machine; a statistical evaluator; a cold, calculating analyst; a researcher after the bare facts; a crusader searching for the Holy Grail of truth and defending unto the death the integrity of his or her answer.

This is what they must be in the nature of their work — if they are to remain honest and professional. To be otherwise is to be something other than an appraiser.

The client, seeking appraisal service, asks but one question: "What is it worth?" They do not ask, "What do you think it is worth?" but "What is it worth?" "What is it worth to the market?" The client does not ask, "Should I be a good fellow and pay more for it?" or "Should I take advantage of the situation and pay less for it?" They may have such ideas in mind, but when they come to an appraiser for an appraisal, they want to know, "What is it worth?" The decisions to be made on this answer will be theirs and are not part of an appraisal.



Facts, Not Emotions

Whenever the appraiser begins to sit as judge of the rights and wrongs involved in the appraisal problem, they depart from their function. That the widow should be treated liberally in a condemnation is not an inhuman emotion, but for the appraiser to throw in “10%” for “mercy” is to substitute their opinion of right and wrong for the facts, and they were asked to deliver the facts — just the facts.

For the appraiser, likewise, to appraise low in order that their client may use the appraisal as a club is a strictly dishonorable way for the appraiser to act, for they have, in effect, loaned themselves for the purpose of cheating someone.

And yet it is not uncommon for many people to expect they can and should be able to influence the appraiser’s judgment, appealing to his or her emotions and cupidity. To the extent that appraisers yield to these blandishments do they destroy the integrity of their profession and in doing so do they destroy the long-term benefits which they themselves might reap through integrity and devotion to their obligations.

Just as no one respects a stool pigeon, although paying him for information, so no one respects an appraiser who does not render an honest opinion.

Almost as culpable is the appraiser who substitutes their personal opinion and prejudices for research in arriving at their opinion of market value. Granted that there are many fine and experienced individuals in the real estate profession who can estimate the value of a property closely at a glance; nevertheless, failure to document their opinions has led to some catastrophic errors. Anyone who has been in the real estate business through the vicissitudes of the depression and the war years has seen instances of supposedly well-informed buyers and sellers making tremendous miscalculations. For every buyer who bought low and enjoyed a ride on the inflationary gravy train, there was a seller who sold low, and many a seller was an astute businessman.

Experience Not Enough

No, experience is not enough. Experience should be backed up by research, by careful setting down of all the factual data which can be dug out, and a careful correlation and estimation of the answers which it indicates. The appraisal process was developed by experienced real estate people precisely for the reason that judgment is warped by the limitations of experience, and the prejudices of the individual. The appraisal process was developed in order that the appraiser might more accurately mirror the market. Market price is an actual thing, although it cannot be seen up closely, nor precisely found. It is that price which is estimated in terms of money which the land (together with improvements) will bring if exposed for sale in the open market by a willing seller with full knowledge of all the uses to which it is adapted and for which it

is capable of being used, and allowing a reasonable time to find a willing purchaser buying with full knowledge of all the uses and purposes for which it is capable of being used, neither being compelled to act.

Stocks and bonds have a definite market value which can be seen at any time on the exchanges. Real estate, because of the fact that it is immovable, that each parcel is unique and that there is no known way of posting bid and asking prices, has a market which cannot be determined as precisely. The thought, study and research of thousands of minds on this problem, however, has led to the conclusion that the market value can be estimated quite closely and factually if certain steps are taken, and this is what is meant by the appraisal process.

Three Approaches to Value

The concept that value can be estimated reduces itself to three avenues of approach. The first is by determining the cost of the improvements new, deducting therefrom the loss in value due to depreciation and adding the value of bare land. The second road in estimating values is by comparison — comparing the property to be appraised with similar properties which have sold in the market with due allowances for differences in physical details and location. The third path by which value may be approached is through the capitalization of the income where the property is owned for business purposes.

Essentially, all of these methods are comparisons. Building costs are arrived at by comparison with properties which recently have been built; the comparison approach compares directly property for property; and the income approach compares the price at which similar incomes from similar sources are being sold.

Thus, these approaches to value should clearly spot an area within which the value of the property lies — the actual market value, not the appraiser’s opinion of where it should be. There is no magic in appraising — only hard work, experience, judgment and not the least, integrity.

Any deviation from the answers which the facts indicate to be correct by the appraiser makes the appraisal, to that extent, worthless — to that extent does not reflect the facts tempered by their sincere judgment.

Many fine salesmen do not understand this principle. In fact, their outlook must be different in order for them to sell properties. This is not to imply that they must be dishonest, but it means that the good salesman must be optimistic. If they are to sell the listing that they hold, they must believe in it, although this may sometimes require considerable rationalizing. They must be thinking of reasons why it is worth the price asked when talking to a potential buyer, and when they have a low offer, they must likewise be thinking of reasons why it is not



worth the price asked in order to affect a compromise, but in neither function are they knowingly and consciously interested in seeking the precise area of value. Yet strangely enough, it is through their efforts that the market itself is developed, for it is only the heat of the negotiation that the weight of the opinions of the buyers and sellers fall into place and transactions occur.

This situation however, when translated into the rendering of opinions of value by those who are broker-minded leads to the spoken, or perhaps unspoken, question of “are you buying or selling.”

In condemnation, this presents a very real problem to the sincere professional appraiser.

Usually, the appraiser is found on the side of the condemnor, for all my years of experience, I have yet to have a public official suggest that the appraisal should be in any way tempered. It is almost universally accepted as a moral fact by public officials that the government should never buy for less than it is worth, just as it should never pay more than it is worth. The widows, orphans and the aged owners are entitled to fair compensation just as much as the speculators and sharp shooters are not entitled to a bonus, and just as we taxpayers are entitled to have our money spent carefully. In other words, the government is not entitled to cheat its citizens, neither squander the taxpayers’ hard-earned cash.

The appraiser then, on the condemnor’s side, proceeds to make as fair an appraisal as they can, and any errors in the figures found will be theirs. Being human, the appraiser cannot precisely walk the line of fair market value, but to the best of their ability, they attempt to do so, and in negotiation, the first offer made to the condemnee is that which is considered to be the fair amount to which they are entitled.

It is a tribute to the essential honest of our people that a very large majority of property owners caught in a condemnation seek an honest appraisal and usually comprises are worked out between the appraisers to the satisfaction of all concerned and result in a fair deal for both parties. However, there are always the minority who, through hard-headedness or out-and-out greed, attempt to extract exorbitant amounts for the taking of their property. Seldom does the professional appraiser receive an assignment from these parties. Rather do they come into court with loud claims, substantiated by valuations made by non-professional appraisers. Whereas the professional appraiser works up a carefully written report documented against sales and leases and other factual and pertinent data from which their opinion is extracted, the non-professional witness arrives with their information in their head or on an envelope in some instances. His claims are backed up with the assertion that “I have many years of experience and I know that I can do thus and so with this property.”

Unfortunately, the jury seldom understands this situation, and I am sure that in many cases, the jury is under the impression that this is a regular real estate transaction with the government offering to buy and the seller offering to sell, with the function of the jury being to settle on the price.

Attorney’s Responsibility

Many a condemnation suit has been lost because the condemnor’s attorney has failed to bring out the fact that his appraiser’s figures are not offered for the purposes of driving a bargain, that splitting the difference between the two figures will not be the market value, or just compensation. Many a condemnation suit has been lost because of the failure of the attorney to bring out the fact that his witnesses are well qualified, honest and sincere and are rendering an honest opinion; and conversely, by failing to bring out carefully the lack of qualifications by the non-professional witnesses and clearly exposing the lack of preparation, documentation and correlation with the facts of their opinions.

Just as the attorney expects their appraiser to be truthful, consistent, clear-headed and honest, so must the appraiser expect certain things from his attorney. He must expect his attorney to present him in the best possible light to the jury to bring out his qualifications to their fullest extent, to bring out the standards of ethics under which they operate so that the jury will know how to evaluate their testimony. Under cross examination, the appraiser expects that their attorney will remain alert, ready to defend them against the entrapments of the opposing counsel and ready to defend them against the efforts which will be made to discredit their testimony. For the attorney to go into the case without having carefully covered the ground first with the appraiser is as detrimental to the case as it would be for the appraiser to appear on the witness stand without having more than glanced at the subject property. The two must work as a team. They must know what to expect of each other, and a good appraiser is foolish indeed who will agree to serve in a case knowingly where they will not receive this legal support. For without it, the best of them can be sadly humiliated.

It is in court that the emotionalism indulged in the construction of an appraisal becomes apparent if skillfully dissected under cross examination, and it is in court likewise that the solidity and soundness and fairness of a factual appraisal becomes apparent, for it will withstand any amount of cross examination. When you tell the truth, you do not have to remember what it was that you said. Likewise, when you give the facts, they speak for themselves more loudly than a flight of oratory.

So in conclusion, may I quote from the famous TV by line, “Just the facts, Ma’am, we just want the facts.” ☘



Harry Fenton, independent appraiser located in Seattle, Washington, was born in Mexico City in 1907. He has lived in Veracruz, Cuba and northern Mexico. Returning to the States and the Seattle area, he graduated from the University of Washington in 1930. In 1933, he entered the real estate field, and in 1936, he became an active real estate appraiser. Since then, he has authored and lectured on many appraisal subjects. His home is now in Medina, a suburb of Seattle.

Following in My Father's Footsteps

Childhood to leadership: A journey

BY JENNIFER SCHWARTZ

When I was a little girl, I looked up to my dad as my hero. He was an advancing businessman in the right of way profession and a volunteer deputy sheriff. He embodied the drive, determination and care for our community that I wanted to reflect when I grew up. Some of you may know by now I'm talking about Carrol McCracken, SR/WA, CEO & president of JCG Land Services, Inc.

Eventually, I followed in my father's footsteps by going to Iowa State University but veered off the path by pursuing a degree in criminal justice, thinking I was going to be some hotshot attorney or probation officer after I graduated. Then graduation came, and I was hit with the harsh reality that getting into a government position is WAY harder than college admissions personnel make you think! So, I did what a lot of college graduates do — I got a job outside of my field of study! I started at JCG Land Services, Inc., in November of 2017 and grew to love working in energy transmission and renewable energy.

Years later, in 2021, I kept hearing about this association called IRWA. At that time, I knew my father was very involved with the Association but had zero clue what it was about, so I went to my first Chapter 41 meeting in Nevada, Iowa, to see what it was all about. Little did I know that only a couple of months later, I would be running for Chapter treasurer for the next fiscal year! One of my major pride points within IRWA so far was getting sworn into my first officer position by my own father — I can only hope he'll be able to swear me into my Chapter 41 president term as well!

Here I am, now nearing the end of the 2023 to 2024 fiscal year, two terms as Chapter treasurer and a partial term of interim president-elect under my belt, eyeing the Chapter president position for the 2024 to 2025 term, all while starting coursework towards designation. I owe many of my successes in the IRWA to my father for guiding me in the Association,

to the members of Chapter 41 for choosing me to be a part of your officer group as a newcomer and to many others in the Association for the advice and guidance I've received along the way! Here's a fun little tidbit about my time in IRWA — my first annual conference was in Cleveland, Ohio, in 2022. I was freshly in a new relationship, getting jokes from a coworker that he was the "future son-in-law" (foreshadowing much, Ryan Stram?), at my second annual conference in Denver, Colorado, in 2023, I was engaged to the same man and now, at my third annual conference in Long Beach, California, in a few months, I will be married to the same man that's been by my side at each of my conferences! But I digress...

I can thank so many people for all their encouragement and support throughout these years of growing in IRWA and reminisce of all the great friends and experiences I've made in the Association, but it's important to remember who got me started in the first place. So, to Carrol McCracken, SR/WA, thank you for being an inspiration to young people in the right of way profession and for encouraging me every step of the way!

So, what are my plans for the future? Keep working toward a designation, continue being an active member and leader in our Association and aim to embody IRWA's mission and values in the right of way industry. 🌟



Jennifer Schwartz has been employed by JCG Land Services, Inc., since November 2017 as a document specialist primarily focused on electric transmission and renewable energy projects. She is active in IRWA Chapter 41 as a Chapter treasurer and interim president-elect, website author and Young Professional. When she's not working or participating in IRWA functions, she can be found at home curled up with a good book or at the gym aiming toward her first powerlifting meet!

