

## Appraisal Institute's State of the Market 2024

Tuesday April 23, 2024 @ the Hilton Dedham/Boston Hotel, One Allied Drive, Dedham, MA

### Program Schedule

**7:45 - 8:15 AM Registration & Coffee**

**8:15 AM (30 min) – Welcome Introduction – Thomas Jensen, MAI, AI-GRS, Executive Director Boston Appraisal & Consulting - Moderator**

- Program Overview & Goals
- Recognize Chapter Partners & Program Sponsors
- Introduce the Asian Real Estate Professionals Association (AREPA)
- Introduce Local College & University Real Estate Schools/Welcome Students & Faculty

### Economic & Governmental Overview

**8:45 AM (30 min) – Massachusetts Economic & State Budget Overview – Barry Finegold (D), Massachusetts State Senate**

- Senator Finegold will provide an economic and budget overview of the Commonwealth of Massachusetts.
- Discuss recently enacted and upcoming economic and tax initiatives in the Commonwealth.

### RE Market Overviews

**9:15 AM (30 min) Life Science Market Overview – Jeff Myers, Research Director Colliers**

- Provide an overview of the region's life science sector; discuss current market conditions and projections; discuss venture and other capital source trends; and discuss the impact of the construction pipeline deliveries over the next three years.

**9:45 AM (30 min) Office Market Overview – Jason Cameron Senior Managing Director Newmark**

- Provide an overview of the region's office sector; current market conditions; employee physical occupancy rates and future projections; and discuss other trends in the office market.

**10:15 AM (30 min) Retail Market Overview – Ted Chryssicas, Executive Managing Director Newmark**

- Provide an overview of the region's retail sector; current market conditions and trends; the impact of growing on-line sales on bricks and mortar sales; and discuss the retail sales volume/rental rate affordability relationship.

10:45 AM (15 min) Break

### RE Trend Overviews

**11:00 AM (30 min) Single-Family Rental Market Overview – Sherri Li, CEO C-STAR**

- Provide an overview of the growing single-family residential rental industry; regional concentrations; sources of funding; and future growth projections.

**11:30 AM (30 min) Construction Material & Labor Cost Overview – Stephen Skolas, Senior Vice President of Development, The Davis Companies**

- Provide an overview of the rise in construction material and labor costs; discuss how developers are adjusting to this new environment; discuss value engineering or other changes to development programs; and discuss any recent relief being seen in these costs in the marketplace.

**Luncheon 12:00 – 1:00 PM – (Fairbanks Ballroom)**

### **RE Tax Trends & Valuations**

#### **1:00 PM (20 min) – Interest Rate Impact on Property Values – Thomas Jensen, Executive Director Boston Appraisal & Consulting**

- Explain how higher interest rates and investor return requirements raise capitalization rates.
- Show before and after band of investment capitalization rate examples.
- Show before and after direct capitalization analysis value changes with these higher rates.

#### **1:20 PM (45 min) – Proposition 2 ½, Dept. of Revenue (DOR) Guidelines – Mike Tarello, Vice President of Appraisal Operations Vision Government Solutions / Lane Partridge Director of Assessing Town of Barnstable**

- Explain Proposition 2 ½ as well as split residential/commercial tax rates and the Department of Revenue guidelines.
- Discuss the impact on municipal budgets from lower commercial property assessments and revenue as well as the probable coming increase in residential tax rates.

#### **2:05 PM (45 min) Appellate Tax Board (ATB) Overview – Steve G. Elliott, Commissioner Massachusetts Appellate Tax Board**

- Provide an overview of the ATB; discuss ATB rules and upcoming changes at the ATB; explain Findings of Fact; and discuss common issues with valuations in appraisal reports.

2:50 PM (15 min) Break

### **RE Tax Agreements & Surcharges**

#### **3:05 PM (30 min) Tax Increment Financing Agreements (TIFs) - Peter Milano, Director of Strategy & Business Development, Massachusetts Office of Business Development**

- Explain the purpose of TIF agreements and an overview of their requirements and the approval process; and discuss TIF agreement structures related to a property's real estate taxes.

#### **3:35 PM (30 min) Community Preservation Act (CPA) – Stuart Saginor, Executive Director Community Preservation Coalition**

- Provide a history and overview of the Community Preservation Act; discuss the associated real estate tax surcharge structures; and the range of use options for CPA funds by municipalities.

#### **4:05 PM (40 min) Betterment Improvement Districts (BID) – Rose Boardman, CFO, Downtown Boston Business Improvement District**

- Provide the purpose, history, and general overview of the Downtown Boston BID; discuss the associated real estate tax surcharge structure; and the BID's current role in reactivating Boston's Downtown Crossing neighborhood.

**4:45 PM – Ending Remarks, Thomas Jensen, MAI (Assembly Room)**

**5:00 PM (90 min) Cocktail Reception with Drink Tickets and Light Food**