

“Beyond Three ‘Comps’ and a Conclusion”

Effective Use of Economics (and Econometrics?) in Appraisal Reporting

IRWA Chapter 1 Valuation Conference - February 12, 2019
Dr. Chris Thornberg / Regina Danner / Michael Yoshiba



CONSULTANTS:
Appraisal and Economics



Litigation: Initial Considerations

- Project requirements
- Property rights - already owned or acquisition required
- Anticipating legal issues from acquisitions
- Environmental, Title, Land survey, Appraisals
- Evaluate Consultants for Eminent Domain Litigation – Appraisers, etc.



Key Appraisal Factors for Litigation

- Search for data, analysis, conclusions
- Project description
- Region, area, neighborhood
- Property description
- Identify key property data
- Create chart/grids of key data
- Data analysis
- Specific Project impacts
- Opinions



How Attorneys Review Your Appraisal Report

- Review reporting
- Conclusions
- Opinions
- Data
- Review reliability of data, analysis, conclusions
- Evaluate reporting adequacy
- Analyze

A decorative graphic on the left side of the slide. It features a solid red arrow pointing to the right, positioned horizontally. Behind the arrow and extending upwards and to the right are several thin, dark grey, curved lines that resemble stylized grass or reeds. The background of the slide is a light, pale green color with a subtle gradient.

Economics




Why and When to Utilize Other Consultants?



ECONOMICS

Defined



Compare Economics, Econometrics and Statistics

- ❑ Economics deals with the way production, distribution and consumption of goods and services are influenced by our behavior — what we buy, when buy it and so on.
- ❑ Statistics is mainly applied math. It involves collecting and analyzing numerical data so that you can come up with proportions from a representative sample.
(Reliability of data acquired/assembled?)
- ❑ Econometrics (use Econometrics to analyze statistical information.)



Nuanced perspectives



Data - Sources, collecting, reliability



Market swings



Trends



Uses of data





Reports/reporting





Valuation of Specific Properties



Other Topics?



Legal presentation of Economics Expert Opinion Testimony

- What
- Foundational to appraisals
- Primary
- Impeachment
- Rebuttal
- When indicated



Wrap



Questions?



Thank you



Dr. Chris Thornberg

Beacon Economics, LLC
5777 W. Century Blvd. | Suite 895
Los Angeles, CA 90045
424 | 646 | 4659
888 | 821 | 4647 fax
Chris@beaconecon.com
www.BeaconEcon.com

Regina Danner

Richards Watson & Gershon
355 S. Grand Avenue, 40th floor
Los Angeles, California 90071
(213)626-8484
rdanner@rwglaw.com

Michael Yoshiba

Richards Watson & Gershon
355 S. Grand Avenue, 40th floor
Los Angeles, California 90071
(213)626-8484
myoshiba@rwglaw.com