

Water Impacts, Data Analysis

Dear Readers:

The fall issue of *The Appraisal Journal* contains four feature articles—two addressing issues related to properties near water and two addressing analysis of data.

The first feature article, “The 50% FEMA Rule Appraisal,” by Patricia Staebler, SRA, summarizes the Federal Emergency Management Agency’s rule on improvements and repairs of structures located in flood-prone areas. The article explores the different valuation methods that may be appropriate in a 50% FEMA Rule appraisal.

The second article, “Benford’s Law in Appraisal,” by Mark Pomykacz, MAI, AI-GRS, Chris Olmsted, and Katherine Tantinan, outlines the principles of Benford’s Law and how they can be used to detect database anomalies, including data errors or manipulation.

The third feature, “The Impact of Water Clarity on Home Value in Northern Wisconsin,” by Thomas Kemp, PhD, Irene Ng, and Haikal Mohammad, demonstrates how the expenses of water improvement activities can be recouped in increased tax dollars related to increased property valuations.

The fourth feature, “Market Equilibrium Analysis,” by Richard L. Parli, MAI, and Norman G. Miller, PhD, takes a look at analysis of market rent data. The article presents a new definition of market equilibrium that emphasizes stable rental rates, and equilibrium vacancy is offered as an indicator of rent change.

You will also find a review of *Misbehaving: The Making of Behavioral Economics*, a book by Nobel Prize winner Richard H. Thaler that looks at how our presumption of rational market participants might not be so accurate after all. Rounding out this issue, you will find the Cases in Brief column, reporting the latest valuation cases of interest.

Finally, *The Appraisal Journal’s* Editorial Board is encouraging individuals to write point-counterpoint articles on valuation issues with distinctive schools of thought. If you are interested in writing such an article, please send your proposal to me or Nancy Bannon, Managing Editor.

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Editorial Board Chair and Editor-in-Chief
The Appraisal Journal

