



# SCSU REAL ESTATE ALUMNI ASSOCIATION NEWSLETTER

VOLUME 18, ISSUE 1

SUMMER 2011

## Watch for these upcoming events:

Boys and Girls Club, National Night Out! Tuesday, August, 2, 2011

Happy Hour and Twins Outing, Tuesday, September 20, 2011

2011 Golf Outing, Rush Creek Golf Course, Maple Grove, Monday, October 3, 2011

## WHO'S WHO: JOHN CHAU

*John Chau is a 2004 graduate who recently started his own full-service commercial appraisal firm, Chau Appraisals, Inc.*

### **Tell us about your new company, Chau Appraisals, Inc.**

Chau Appraisals, Inc. is a full-service commercial real estate firm committed to serving clients with the highest level of commercial property valuation services and consultation. We are located in the Twin Cities metropolitan area and serve the entire state of Minnesota and the Midwest.

### **Did the economy affect your decision to start your own company?**

The economic recession has had a large impact on the commercial real estate market. Now more than ever, users of commercial real estate appraisals need to be able to rely on accurate property valuations based on market fundamentals. Like everyone else in this economy, I am concerned about the strength of the recovery and possibility of a double-dip recession but remain optimistic. The decision to start my own company was more of a timing decision than one based on the economy. I saw an opportunity and decided now was the time. I had enough confidence in the economy to make that leap.



### **What have been the biggest steps in your career?**

Big steps in my career include getting my first job at Mark A. Oehrlein Appraisals, Inc. where I stayed for seven years, beginning as a trainee and eventually obtaining the certified general license. Over that time, I gained invaluable experience appraising hundreds of commercial properties all over the [\(continued on page 6\)](#)

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WELCOME TO THE  
SCSU REAA NEWSLETTER  
tell us what you think  
by clicking **HERE**



# Summer Event

Pinstripes in Edina welcomed the SCSU REAA group to a fun-filled evening of bowling and bocce ball on June 2<sup>nd</sup>.

The activities, food and refreshments at this event were free to all SCSU REAA members thanks in part to a generous donation by the SCSU Alumni Association.

**Thank you to the SCSU Alumni Association for their support!**



## WHO'S WHO: JOHN CHAU

([continued from page 1](#)) Twin Cities and the Midwest. In 2010, I was awarded the MAI designation (Member Appraisal Institute) from the Appraisal Institute, long considered the industry standard for commercial real estate appraisers.

### Why did you choose real estate?

I went to SCSU knowing that I wanted to get a degree in business but not exactly sure where I wanted to focus. In business school my sophomore year, each student was required to take an introductory course where all the department heads within the business school would come and talk about their respective departments. The only department head that gave an interesting presentation was Dr. Mooney. I remember he demonstrated the principle of the time value of money and compound interest by demonstrating the European settlers actually overpaid for Manhattan Island when bringing the payment to present value. I don't really remember any of the other department heads' presentations. After that, I decided to enroll in the real estate major.

### What are some changes you see coming in the appraisal industry over the next few years?

The commercial appraisal industry has experienced a lot of change since the recession. There used to be a fairly large and consistent inventory of "good" market sales to use as comparables. Since the recession though, there has been significantly fewer traditional sales, significantly more distressed sales, and a significant drop in the overall volume of sales. This has made the appraiser's job a bit more challenging. Moving forward, I think challenges still lay ahead as the market moves through all the inventory of distressed properties. Appraisers who have all the tools and experience to cope with a vastly changed and frequently volatile market are now a must. From an income standpoint, I think the industry will expect appraisals going back to the fundamentals in terms of the underlying financial health of the tenants in determining the value of a property. Also, the residential appraisal industry has been undergoing a lot of change as a result of the Dodd-Frank Act, and it will be interesting to see what regulatory changes, if any, are made to the commercial appraisal industry over the next few years.

### How has your involvement in the SCSU REA helped your career?

The SCSU REA has been an important resource to me. It's a simple way to stay current with what's going on in other fields of commercial real estate besides appraisal. Also, it seems like every week I speak with another alum through the daily course of business.

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