



## Real Estate Appraisal Expert Sheds Light On Net Present Value

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Roseville, MN based Minnesota Real Estate Appraisal Services is reaching out to help their community understand Net Present Value (NPV) and how it is utilized. While the company's services enable clients to trust the entirety of a property's appraisal process to their team, Minnesota Real Estate Appraisal Services says an understanding of industry terms can help them make more informed decisions in the future.

Briefly put, net present value is calculated in order to compare the amount invested today to the present value of the future cash receipts from an investment. This means that the amount invested is compared to the future cash amounts after they are discounted by a specified rate of return. It has myriad uses, such as allowing a party to gauge the potential return on investment (ROI) for a certain project (or any expenditure). By considering all the money that stands to be made and considering it from today's perspective, such as by accounting for expected inflation rates during the period in question, a party can determine whether they consider the project to be worth their time.

It is calculated by taking the present value of the future cash inflows and subtracting the cash investment. If all contributing factors are accounted for correctly, this number can prove most insightful.

Minnesota Real Estate Appraisal Services says there are two alternatives that companies use to accomplish the same objective, to varying degrees of success, and each may be preferred more by a party depending on the situation in question and their familiarity with each method. These alternatives are known as the internal rate of return and the payback method. Most notably, however, NPV is often the preferred option among financial analysts because it offers certain advantages over the others (even though the team acknowledges that it may not be the most widely used among the general population).

One reason it is considered to offer greater utility is the fact that it translates future cash flows into today's currency. Since certain factors may make values from different periods more difficult to compare at a glance, NPV can remove these confounding elements and make it much easier to gain a concise idea of the project's potential. Similarly, a party can use NPV as a fixed metric from which to compare an initial expenditure or investment against the present value of the return.

Minnesota Real Estate Appraisal Services offers 40+ years of Commercial, Industrial, Land, Legal and Multi-Family Residential Appraisal Expertise for all projects, and their team regularly uses NPV where applicable. The company, which prides itself in providing accurate valuations that are trusted by the marketplace as well as the legal system, can greatly simplify such processes for their clients. Moreover, since the company believes in making customer service a cornerstone of every service, clients are welcome to bring all their concerns to the team. Minnesota Real Estate Appraisal Services also offers a free initial consultation, so clients may direct any relevant inquiries to the team (regarding their project) during this discussion.

Samuel O. shares an example of the company's approach in their top-rated review on the Google platform. "I called for some insight on remodeling regarding increasing the value of the home," the review says, "and Clark was extremely cordial and helpful knowing that he was merely spending his time to educate me and give me valuable and actionable information."

Peter P. found the company to similarly be of great help. Their review says, "Clarke Goset did a superb job on a project of ours, taking the time to evaluate some tricky easement issues that affected the use of part of a parcel we were developing. His knowledge and expertise helped establish a fair value all parties could agree to."

Minnesota Real Estate Appraisal Services operates statewide, and their experience allows them to work on projects that involve commercial and industrial properties, residential properties, land and development properties and so on. Anyone interested in scheduling a consultation may reach out to Clark Goset of

Minnesota Real Estate Appraisal Services or another member of the team for more information. They can be reached via phone or email. Alternatively, more information can be found here: <http://www.mnreappraisals.com>.

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For more information about Minnesota Real Estate Appraisal Services, contact the company here: Minnesota Real Estate Appraisal Services Clark Goset (612) 618-0917 [cgoset@reappraisalsmn.com](mailto:cgoset@reappraisalsmn.com) 2647 Virginia Avenue Roseville, Minnesota 55113

## **Minnesota Real Estate Appraisal Services**

*Minnesota Real Estate Appraisal Services offers it's 40+ years of Commercial, Industrial, Land, Legal and Multi-Family Residential Appraisal Expertise for your project. We are Real Estate Appraisers you can trust.*

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