

Minneapolis Commercial Real Estate Appraiser Clarke Goset Discusses Interest Rate Hike Impact

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Minnesota Real Estate Appraisal Services, a commercial and residential real estate appraiser based in Minneapolis, is sharing its insight on the risks that rising inflation and interest rates pose to commercial property owners in the city and all over the North Star State. More information about the company?s services can be found at http://www.mnreappraisals.com/.

In September 2021, the inflation rate in the United States reached the highest point it has ever been in over 40 years. Since averaging over 7% in 2021, the annual inflation rate has fallen and slowed down to 6% in February 2023. However, while food and energy inflation has declined, rent inflation is still on the rise. In 2023, the latter recorded its highest reading since June 1982 and has squeezed homeowners and commercial renters alike.

Meanwhile, in March 2023, the Federal Reserve raised interest rates for the 9th consecutive time in a row to the highest level since 2007. The implications of the rate hike have been dire for businesses looking to secure money to expand their operations. The Fed intended that the rise in rates should stabilize prices. However, the rate increase has also put pressure on the banking system, and, consequently, news media

and online pundits have been ringing the alarm, warning their audience that another recession is imminent.

Clarke T. Goset, the founder of Minnesota Real Estate Appraisal Services, shared his thoughts on what the current financial landscape means for those with significant commercial property holdings. Clarke says, ?It's no secret that interest rates have been on the rise and are likely to continue to climb for the near term. Combined with the parallel problem of inflation, the crosswinds on commercial real estate values are significant. While inflation tends to increase the value of real estate, rising interest rates have the reverse effect, but do they cancel each other out??

Clarke continues, ?That depends, in part, on the background financing structure. Moreover, it can significantly affect the income method of valuation of the commercial rental property while possibly having a lesser initial impact on the market rate valuations. Over time, these relationships can and do change. This is why you want the expertise of an established commercial real estate appraiser, such as those at Minnesota Real Estate Appraisal Services, always by your side.?

Minnesota Real Estate Appraisal Services has over 40 years of experience offering real estate appraisal services statewide for all types of commercial, industrial, land, legal, and multi-family residential properties. Clarke, who has been an Independent Real Estate Appraiser in the Twin Cities metropolitan market area since 1983, has a portfolio of over 10,000 fee appraisals, and his client list contains more than 300 local lenders, attorneys, and relocation companies. He is licensed as a Certified General Real Property Appraiser for all types of real estate.

Clarke Goset and Kimberly Block provide customers with accurate real property values that will stand up in court as well as the marketplace. The legally defensible nature of their services means that their clients spend less time in court, especially in matters where there are several adversarial interests, and the proceedings are contentious.

Several of the company?s customers have praised the team at Minnesota Real Estate Appraisal Services for delivering reliable results with courteous and friendly customer service. One 5-star 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.?

Another customer noted Clarke?s professionalism by saying, ?I called for some insight on remodeling regarding increasing the value of the home, 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.?

Commercial property owners can contact the company at (612) 618-0917 to inquire about its range of Minneapolis commercial real estate appraisal services.

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For more information about Minnesota Real Estate Appraisal Services, contact the company here:Minnesota Real Estate Appraisal ServicesClark Goset(612) 618-0917cgoset@reappraisalsmn.com2647 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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