

Kenneth Loeb Discusses COVID's Impact on Real Estate Valuations

Kenneth Loeb recently discussed the impact of COVID-19 on real estate valuations.

OTTAWA, ONTARIO, CANADA, March 3, 2021 /EINPresswire.com/ -- The COVID-19 pandemic has had major effects on several industries, and one of them is real estate. [Kenneth Loeb is the Executive Chairman](#) of Ambassador Realty, Inc., and he recently discussed how the pandemic has altered real estate valuations.

Ken Loeb began by explaining that valuations are a critical part of the real estate industry. They affect all real estate transactions from general residential mortgages to major commercial real estate deals. Kenneth Loeb stated that a "valuation" is the process the used to determine the value of a real estate purchase. Valuation experts have faced a number of challenges due to the constantly changing tides of the pandemic.

"Valuating real estate has arguably never been more difficult," Ken Loeb said. "Some properties can't even be viewed in-person due to stay-at-home orders."

Kenneth Loeb added that the lack of physical access to many properties has resulted in some major changes in the industry. For months, Freddie Mac and Fannie Mae permitted exterior-only appraisals for mortgages. Some loans were even able to close without completed appraisals, with a limit of 120 days for the appraisal to be performed.

"Throughout the first months of the pandemic, many homes were taken off the market," [Kenneth Loeb explained](#). "Lower sales and fewer available homes meant fewer comparable sales for creating a proper valuation."

Kenneth Loeb explained that valuations refer to the sale prices of similar properties as part of the process of creating a valuation. It is difficult to determine if sale prices during the pandemic can be comparable to sale prices before the pandemic hit. Ken Loeb added that valuations have had to get creative, looking beyond the sale price and considering the current circumstances.

"A third factor majorly affecting valuations is the turbulent state of the economy," Ken Loeb explained. "At one point, unemployment rates hit record highs and interest rates hit record lows. A fluctuating stock market and numerous other uncertainties have made determining the value of a property drastically more difficult."

Ken Loeb explained that many tenants have fallen behind on rent payments, and some local governments have placed no-eviction orders. This can greatly affect property owners, as they may not be receiving the rent they expect to receive when making a real estate investment.

"It's important that all the factors associated with the pandemic are taken into account when making a real estate valuation," [Kenneth Loeb said](#). "It's certainly a more difficult time for valuers, but provided accurate valuations can have a major effect on the life and finances of a homeowner or investor."

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