



Press Release

Woodinville, WA
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Appraisal Firm shines amid recession

With Washington state currently beset by the twin ills of gridlock traffic and an ailing economy, one might expect these to be tough times for a local real estate appraisal company dependent on favorable interest rates and a healthy residential real estate market for success. In light of the challenges facing our national and regional economy, the Seattle / Puget Sound area has defied home sales slumps in other areas (NWMLS, May 7, 2002) and low interest rates continue to offer the homeowner an advantageous way to access cash, lower payments, and/or invest in property.

Bridgeport Appraisal, LLC is taking full advantage of this opportunity and is building an organization that embraces technology to better serve the customer. President Rob Hronek of the Woodinville-based Appraisal firm says his company generated \$1.6 million in revenues last year - a 60% increase over 2000. This was the best year ever for the firm, which was established in 1995. The pace for 2002 is slightly below last year. Overall revenues are down 8.2%.

Hronek says his business often benefits in a recession climate. "Although we are hopeful for an upturn in the economy, we are pleased with the pace of our business over the last couple of years. We have expanded our customer base significantly, and implemented internal data management tools that have improved our service and made our product even more predictable and consistent." He continues, "While many in our business are negotiating lower fees in a reactive measure to the forecasted impact of valuation technology, we have invested more than ever in technology tools and marketing (while maintaining competitive fees) to expand our opportunity to bring more business under management."

Bridgeport has taken a novel approach to their business management. They have strategically set themselves up for consistent service throughout the entire Puget Sound region. With a professional appraisal staff of 15, and centralized support for processing, customer service, and marketing, they can handle volume while remaining competent with "specialists" that focus in defined markets. Bridgeport's more than 200 clients include mortgage brokers, banks, relocation companies, and lawyers. With the diversity of clients and the need for accurate and timely communication, the company needed to develop a system that would allow them to put large amounts of work under management and maintain outstanding communication with this growing customer base.

In 2000, the firm entered into agreement with a local software developer to create a "transaction management" tool that would help them to organize and assign work, manage internal timelines for everything from assignment to delivery, and track and develop a customer data base. Bridgeport has used this tool to begin a crusade focused on excellence in customer communication, predictable results, and a professional customer service department. The system was developed on an intra-net network (available only to Bridgeport employees). As the company expanded market share in 2001, it was clear that they were on the right track, but rapidly realized that they needed to take another step forward.

Reid Hadley, Vice President, noted, "Our customers have grown to higher levels of expectations and we want to be on the front end of that wave and create change in our field." "The rules for market leadership are changing - success will go to those that stay in front with service and speed to market." It is critical to the lender that real estate appraisal reports be both accurate and timely. The appraisal is often the last piece of the puzzle for a financial institution to make a decision on the mortgage loan.

After 2001, the company chose to take the next step which was to build on the successful features of the current intra-net tool and add more detail that would allow for unlimited access of information on any file in process via a corporate website. This site will be the portal where completed appraisals are electronically delivered to the lender. The company has contracted Second Meadow, Inc. out of Laguna Beach, CA to handle software development and design of its corporate site.

The service is called **AppraisalPoint™**. Hronek believes that the key to the future success this platform will bring to Bridgeport is the industry's "need for speed" and the web of communication that occurs between lenders, appraisal firms, real estate agents, and the home buyers. "In any given appraisal order, you may have up to 10 different process points where individuals need to 'touch' the file. Our AppraisalPoint™ system will give instant information to those that have access." **AppraisalPoint™**, a link via the Bridgeport corporate website (www.bridgeportappraisal.com), will be accessible via an assigned password from the company. The company expects this service to reduce turnaround time by as much as 25%, and allow for an efficient status and communication port between all the critical players in the transaction. Target date for a full implementation of AppraisalPoint™ is July 1st, 2002.

Most importantly, Hronek states that the company has remained profitable - while making significant investments in technology and continuing to grow its customer base. Bridgeport has recently opened a branch in Gig Harbor to better serve and expand market share in Kitsap County. "With our investment in people and the efficiencies we have established with **AppraisalPoint™**, we are as dependable and consistent in Bremerton as we are in Bellevue."

Hronek, who joined the firm in 1998 with the successful merger of two appraisal firms, believes the key to his company's success goes much deeper than technology. "We are dedicated to providing this industry

with on-time results and respect for all those we come in contact with. Bridgeport does not take its growth for granted. There are no excuses for late assignments or communication breakdown. This is a people business where service and the building of mutually beneficial relationships are what we hang our hat on. Long-term success in the appraisal business requires avoiding over commitment. We keep a very close track of the business we have in our pipeline and manage our resources to hit timelines and deliver on everything we say 'yes' to. Reputation is critical - if a mistake is made, you have to own it, and do whatever it takes to rectify it. The current recession has proved these ideals solid, and we at Bridgeport Appraisal are confident in the direction our company is headed."