



Appraisal News

Northern California Chapter of the Appraisal Institute

January Workshop, Networking Social and Installation Celebration THURSDAY, JANUARY 27, 2005

Location:	Sheraton Four Points Hotel 5115 Hopyard Road, Pleasanton	
Directions:	925/460-8000 or www.fourpoints.com	
Parking:	Complimentary	
Registration:	2:45pm	
Workshop Hours:	3:00pm – 6:00pm	
Networking Social:	6:00pm (includes wine and hors d'oeuvres)	
Topic:	"2005 State of the Profession"	
Presenters:	Tom Boyle, MAI — Governance Restructure of the Appraisal Institute Greg Harding — OREA, Chief, Licensing & Enforcement Division John Brenan — The Appraisal Foundation	
Price:	AI Members	Non-Members
Workshop Only:	\$30	\$40
Installation/Social Only:	\$30	\$40
Workshop & Installation/Social:	\$30	\$40

Reservations & Payment: Advanced reservations by Friday, January 21 are required to ensure adequate seating and workshop materials. Cancellations without penalty must be received by 12 noon on Monday, January 24. Cancellations received after

♦ [Workshop, page 5](#)

President's Message

A New Year Arrives

Greetings Colleagues and Friends:

With the Holidays now past us, it is once again time to work on New Year's Resolutions and focus on what you hope to accomplish in the coming year. I wish each of you a prosperous, happy, and healthy 2005!

I am honored to serve the Chapter as President this year and look forward to another fun-filled, challenging and rewarding year for the Northern California Chapter. I want to extend a very large thank you to 2004 Chapter President, John A. Hillas, SRA, the 2004 Board of Directors, Branch Chapter Chairs, Committee Chairs, Committee Members, and Staff for their outstanding work during the past year. The efforts of all these volunteers and staff are what make our chapter so outstanding.

We were recognized for the outstanding quality of the services we provide to our membership in 2004 receiving three of the seven awards presented to Chapters of the Appraisal Institute during the November 2004 National Meetings. As the third largest Chapter in the country, with over 800 members, we won the award for our top quality and extensive offerings as an education network provider. In 2005, will offer a similar line-up of courses, seminars and workshops. We also won awards for our outstanding website <http://www.norcal-ai.org> and for our top notch Associates' Guidance Program. Watch for more enhancements to the web site, and for an even larger Associates'

♦ [President, page 2](#)

Real Estate Finance and Statistical Valuation Modeling

**January 19-20
 University of Phoenix,
 Livermore**

Join Ken Lusht, MAI, SRA, for this new two-day course that provides an introduction to statistics, real estate finance, and modeling with applications to residential and commercial real estate appraisal. On the first day, you will develop an understanding of basic statistics and statistical analysis and learn how those skills can be used in valuation and evaluation practice. On day two, you will gain an understanding of real estate finance markets, learn about credit conditions and their impact values on appraisal, and calculate and interpret fundamental numbers on loan payments and balances.

Topics

- Statistics and valuation modeling: Introduction and motivation
- Measures of central tendency: Mean, median, and mode
- Measures of dispersion: The range and the standard deviation
- Statistical inference: Using sample means and statistical deviations
- An application of statistical-based valuation: The regression model
- A regression primer
- Introduction to multiple regression
- RE finance: Introduction and motivation
- A brief history of RE finance
- What determines the availability and cost (interest rates) of mortgage debt?

♦ [Statistical Modeling, page 2](#)

President

from page 1

Guidance Program in June 2005.

It seems that change is an ever constant in the world we live in. This is certainly the case for the appraisal profession. There are some major changes underway that impact all members of our organization as the year unfolds. I would encourage you to attend our 2005 State of the Profession workshop in Pleasanton on January 27th for insight into a few of these major changes. Learn about the significantly increased requirements to become licensed or certified in 2008 from The Appraisal Foundation. Also, learn about the major governance restructure of the Appraisal Institute that was just approved at the November 2004 Board of Directors meeting. This governance restructure will be implemented in 2005. And you will want to hear from OREA about enforcement issues and other pertinent topics of advice. Stay after the workshop and join us for the installation of our 2005 Officers and Board of Directors.

As a result of the major governance restructure that has just been approved at the national level, your Chapter Board of Directors is considering changes to our governance structure that will compliment the national changes and streamline the effectiveness of our operations. Additionally, we had our fourth annual planning retreat for the incoming 2005 Board of Directors in November. We have once again set ambitious goals to help promote, grow, and most importantly continue to provide top quality education and associates' guidance programs to our membership. Due to the success of our education programs over the last several years, I am also pleased to report that the Chapter is in outstanding financial health.

2005 marks my sixth year of active involvement with the Chapter's leader-

ship. I have found this to be a personally rewarding and enriching experience. Although I have given of my time, I have received far more in return than I have given. It is a privilege to be involved with the top caliber people on the Board of Directors that make the decisions that impact all our members. It is also a reward to meet outstanding appraisers from all over the country, that I would not have otherwise had the chance to meet, were I not involved with the Chapter's governance. Mostly I have learned an amazing amount about our organization, and I continue to be amazed at what the Appraisal Institute accomplishes locally and nationally. The Appraisal Institute is truly an organization of professionals who make a difference because of who they are, and what they do.

If you have not yet returned the 2005 Committee Preference Form you received last month, there is still time to send it in. Please consider how you would like to serve your Chapter. It is not too late get involved and be part of a very successful team of professionals that are making a big difference for the Northern California Chapter! You'll be happy you took the time to get involved and help make a difference!

Thank you to the over 225 members who responded to the Northern California Chapter's Membership Survey. We are looking at the results and ways we can better serve you.

If you have ideas, questions, or concerns about the Chapter or its services this year, please contact me, or any member of your Board of Directors and share your thoughts. You can easily spot Board Members at Chapter events by the red name badges they wear. I look forward to seeing all of you at the many events the Chapter will sponsor during 2005. Have a Happy New Year!

Best Wishes,

— Bruce M. Hahn, SRA

2005 Officers, Directors and Branch Chapter Chairs

PRESIDENT

Bruce A. Hahn, SRA
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VICE PRESIDENT

Claudia Carleton, MAI
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TREASURER

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GOLDEN GATE/MEETING GROUP

Volunteers Needed

SIERRA BRANCH CHAPTER

Volunteers Needed

CENTRAL CAL BRANCH CHAPTER

Kelly Stevens
kellystevens@attbi.com

EAST BRANCH CHAPTER

Volunteers Needed

MONTEREY BAY BRANCH CHAPTER

Volunteers Needed

NORTH BAY BRANCH CHAPTER

Ray Mattison, MAI
mat2apr3@sonic.net

SILICON VALLEY BRANCH CHAPTER

Jim Gavin, MAI
James_Gavin@standardandpoors.com

30-Day Notice Materials Posted

All Members are encouraged to log on to the Members Only section <http://www.appraisalinstitute.org/> to review the Proposed Amendments to the Appraisal Institute's Bylaws and Regulations. Please direct any comments to your 2005 Officers and Directors (see box above).

Statistical Modeling, from page 1

- Getting behind the numbers: How mortgage loans work
- Financing, value, and appraisal and consulting practice: An introduction

This offering is approved for both OREA basic (15 hours) and continuing

education (14 hours) credit. Tuition is \$275 for Appraisal Institute Members and \$375 for Nonmembers. For additional details and registration information on this offering please visit <http://www.norcal-ai.org/event.html>.

Members Page

Questions of the Month

- Q. I'M AN AFFILIATE MEMBER WHO IS NOW DOING APPRAISAL WORK GOVERNED BY USPAP, HOW CAN I UPGRADE TO ASSOCIATE MEMBERSHIP STATUS?**
- A.** If you wish to upgrade your membership, please complete an application for associate membership - <http://www.appraisalinstitute.org/join/default.asp>. There is no fee to switch from affiliate to associate membership. Upon receipt of your application, your status will be switched and you will be sent an invoice for 2005 associate member chapter and national dues.
- Q. IS THERE STILL A \$125 APPLICATION FEE TO APPLY FOR ASSOCIATE MEMBERSHIP?**
- A.** Good news! Throughout 2005 the \$125 application fee for those applying for Associate membership will be waived. Application information is available at <http://www.appraisalinstitute.org/join/default.asp>.
- Q. I'M A DESIGNATED MEMBER AND NEED THE AI DESIGNATION LOGO TO PRINT NEW BUSINESS CARDS. WHERE CAN I FIND THIS?**
- A.** The Designation Emblem request form can be found at www.appraisalinstitute.org/membersonly/request_form.asp. For more information regarding Designation Emblem formats and this form, please contact Nicole Evans, at 312/335-4455, or via e-mail at nevans@appraisalinstitute.org.

2005 Leadership Development & Advisory Council (LDAC)

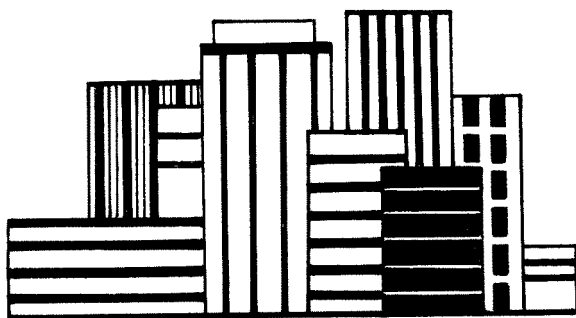
We are pleased that the following members will be representing the Northern California Chapter at 2005 LDAC this March in Washington, D.C.:

Claudia Carleton, MAI
 Robin Erdmann, MAI
 Judson Cline
 Chris Daniel, SRA
 Jeff Enright, MAI
 Rich Paddock
 Steve Castellanos, MAI, SRA

Members in The News

Thank you to **Bill Bambas, MAI**, for volunteering to assist with the General Experience Review Committee. We have another General Associate Member who is now that much closer to receiving his designation!

Kudos are also extended to **Craig Owyang, MAI**, for volunteering to proctor a special re-exam.



2005 Committee Chairs

ARRANGEMENTS

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MEMBERSHIP DEVELOPMENT & RECRUITMENT

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ASSOCIATES' GUIDANCE - GENERAL

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EDUCATION - COURSES

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Steve Geller, MAI - Vice Chair
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NOMINATING

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More Members Page

New Email Addresses

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Laura Shields, MAI
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Member on The Move

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Join the Chapter's Group Email Distribution

Email is one of the quickest and most effective ways that the Chapter can communicate with you. Chapter members who do not currently belong to the chapter's group email, are encouraged to send an email to lisa@norcal-ai.org so that you too can stay informed of chapter events and issues that relate to you, the professional appraiser. In addition, the group email provides a wonderful forum for chapter members to exchange information.

Do You Have An Opinion?

IMHO (In My Humble Opinion) is a column in which our members have an opportunity to share their opinions and ideas. Views expressed are those of the writer and are not necessarily supported by the Appraisal Institute or its leadership. Direct any comments or if you would like to have your thoughts presented in this column to lisa@norcal-ai.org.

What Does Membership in the Appraisal Institute Offer?

Each month we will highlight some of the benefits available to Appraisal Institute members. To view a complete list, visit <http://www.appraisalinstitute.org/membership/benefits.asp>

USPAP

Standards of Professional Appraisal Practice. Appraisal Institute Members are entitled to receive one free printed copy of the current edition of the Standards from the Appraisal Institute. Appraisal Institute Members may call 312/335-4428 or email gball@appraisalinstitute.org to request their free copy of the current Standards. The Standards set forth requirements for developing and reporting an appraisal, appraisal review, and appraisal consulting analyses, opinions, and conclusions. USPAP also includes ten (10) Statements on Appraisal Standards which clarify, interpret, explain, or elaborate on a Standards Rule and which have the full weight of a Standards Rule. There are twenty-three (23) Advisory Opinions which illustrate the applicability of appraisal standards in specific situations and offer advice from the Appraisal Standards Board for the resolution of appraisal issues and problems. Advisory Opinions do not establish or interpret existing standards. The current edition of USPAP is posted on The Appraisal Foundation's Web site, www.appraisalfoundation.org.

Data

As an Appraisal Institute member, you may participate in programs that use non-downloadable software to access a variety of real estate and real estate appraisal databases, including the following:

Appraisal Institute Residential Database. The Appraisal Institute Residential Database (Appraisal Institute Residential Database) is the first national, Web-based source of residential property data by, of and for appraisers. Appraisal Institute Residential Database's data, built around a core of records supplied by licensed/certified real estate appraisers and backed by more than 17 years of data-management expertise. For more information, go to <http://www.fncinc.com>.

Appraisal Institute Commercial Database. The Appraisal Institute Commercial Database offers a national databank of appraiser-verified commercial real estate comparable information and a suite of tools to assist the appraisal process, providing access to sale, lease and expense data. Benefits for Appraisal Institute members who contribute to the database include:

- Continuing ownership of the data published, which can leverage M&Sconnect as a new marketing and distribution channel for their data; and
- A revenue-sharing royalty of 20 to 75 percent of the record's value every time the record is sold.

For more information, go to <http://www.mandsconnect.com>.

Find an Appraiser. Individuals looking for qualified appraisers can quickly find them by using the Find an Appraiser search utility that references a database of Appraisal Institute designated and associate members. Searches may be performed using various geographic and practice area criteria. Members can also use Find an Appraiser to network with other members. See <http://www.appraisalinstitute.org/search.asp>.

PLEASE NOTE, the benefits discussed in the program(s) above are for informational purposes only and may be subject to separate terms and conditions effective at the time the member signs up to participate with the company administering the respective program(s). Members may be required to agree to separate terms and conditions by the company administering the respective program(s) prior to participating in the program.

Workshop

from page 1

12 noon on Monday, January 24, and “no shows” will be charged unless we are able to re-sell your reservation. *Reservations received after the cut-off date and walk-ins cannot be guaranteed.* Remit payment payable to: Appraisal Institute, 1243 Alpine Road, Suite 102, Walnut Creek, CA 94596, register online at www.norcal-ai.org or fax to 925/932-7754. We reserve the right to substitute speakers under circumstances beyond our control. Confirmations are not sent for workshops.

About the Workshop: This annual workshop has something for everyone who is serious about his or her career as a real estate appraiser! Whether you are a seasoned professional or contemplating a career change into real estate appraising, you cannot afford to miss this informative 3-hour program. Nonmembers are encouraged to attend.

Governance Restructure of the Appraisal Institute

- Board of Directors, Committees, Task Forces & Project Teams
- What does it mean to members?

Appraiser Qualifications Board (AQB) Changes

- A Look at AQB Changes for 2008
- The new qualifying course requirements
- New College Degree requirements

Update from OREA

- Current issues affecting real estate appraisers
- Trends in enforcement
- Best practices within the industry

Continuing Education Information:

Approved for 3-hours of Appraisal Institute and SBE CEC; an application for 3-hours of OREA CEC has been submitted. Those seeking CEC should arrive by the 3:00pm start time and allow 30 working days for the processing of attendance verification certificates.

♦ See page 10 for registration form ♦

Good News ASA and ASFMRA Members

The Northern California Chapter is pleased to extend our discounted membership tuition fees to you when attending Chapter events.

2005 Scholarships Available

The Northern California Chapter is pleased to accept applications for the George and Alberta Stauss Scholarship and Northern California Chapter Residential Scholarship. Below is a brief summary of each of these scholarships:

George and Alberta Stauss Scholarship

George Stauss (1913-2002), was a longtime member of the Northern California Chapter and a former instructor of real estate courses. He obtained his MAI designation in 1966. His teaching career in the real estate program at San Jose State University spanned 20 years, including leading the Rho Epsilon real estate fraternity. Dr. Stauss was a prominent broker with the real estate firm of Coldwell Banker (known today as CB) from 1957 – 1993.

Having been a member of the Appraisal Institute and proudly holding the MAI designation for over 30 years, Dr. Stauss and his wife have generously granted funds to the Appraisal Institute Education Trust for the purpose of establishing a scholarship fund to assist:

- Associate members of the Northern California Chapter of the Appraisal Institute seeking the MAI designation, students or instructors in the field of real estate appraisal, real estate counseling, or real estate economics
- Individuals who contribute valuable writings or publications in the field of real estate appraising, counseling, or economics
- Individuals deserving financial support for the advancement of their educational career in real estate appraisal, real estate economics, real estate counseling, or individuals who have made a specific educational contribution to the field of professional real estate appraising, real estate counseling, or real estate economics.

Preference in the awarding scholarships of \$500 to \$1,000 will be given to recipients specializing in the commercial (general) real estate rather than residential (single family homes). At the discretion of the Appraisal Institute Education Trust (with the input and advice of the Northern California Chapter) the amounts may be larger or smaller than the above stated amounts in any given year.

Preference in awarding the scholarships will be given specifically to students with a bachelors degree and taking courses leading to the awarding of the MAI designation. Consideration will also be given to persons active in real estate appraising or counseling, or real estate economics taking courses for continuing education, however, the continuing education expenses must be for a course of study approved by the Appraisal Institute.

Scholarship awards for instructors can be for four-year college or university courses, with preference given to instructors of Appraisal Institute offered courses or seminars.

Northern California Residential Scholarship

In recognition of the need to encourage primary and continuing education to its members, the Northern California Chapter of the Appraisal Institute is pleased to offer an Education Scholarship to assist Residential Associate members of the Northern California Chapter of the Appraisal Institute. Preference in awarding the scholarships will be given to recipients specializing in residential real estate rather than commercial (general). Furthermore, while any Residential Associate Member is encouraged to apply, preference will be given to those actively pursuing the SRA designation. Finally, given the large size of the Northern California Chapter, geographic distribution will also be considered. The scholarship is awarded and administered at the sole discretion of the Northern California Chapter. The scholarships will consist of discounted attendance fees for programs presented by the Northern California Chapter of the Appraisal Institute.

For application information on the George and Alberta Stauss or Northern California Residential Scholarships, please contact the Chapter Office at 925/932-7753 or lisa@norcal-ai.org. The application deadline is February 15, 2005.

Education

Avoiding Liability as a Residential Appraiser

**Radisson Hotel
— Dublin**

Friday, January 28

Join Dawn Molitor-Gennrich, SRA, in this practical and timely seminar as she helps appraisers learn how they can avoid becoming the subject of appraisal-related lawsuits. Gain valuable insight on how to conduct inspections and write reports in a manner to minimize your chance of being sued. You will better appreciate the degree of liability that exists in the appraisal profession, and will come away with dozens of suggested responses and sample disclaimers for use in your own reports. Actual and hypothetical accounts of common appraisal situations are used to illustrate potential liability as well as possible preventative measures. Other topics will include understanding errors and omissions insurance vs. general liability insurance, recognizing and avoiding fraudulent situations, developing useful engagement letters and avoiding inappropriate employment agreements.

While titled as a residential seminar, most of the concepts and topics are readily applicable to non-residential appraisal assignments.

Seminar consists of five key topics:

- Lawsuits and litigation
- Reducing exposure
- Producing defensible reports
- Overvaluation, whitewash, and fraud
- Insurance

This seminar is approved for 7-hours of Appraisal Institute, OREA (#04754C785) and SBE CEC. Tuition is \$165 for Appraisal Institute Members and \$195 for Nonmembers. For additional details and registration information on this offering please visit <http://www.norcal-ai.org/event.html>.

Upcoming Educational Offerings

- Real Estate Finance Statistics and Valuation Modeling** **Jan 19-20**
Instructor: Ken Lusht, MAI, SRA
Location: University of Phoenix, Livermore
- Course: Basic Appraisal Principles** **Jan 21-22 & 28-29**
Instructor: Arlen C. Mills, MAI, SRA
Location: University of Phoenix, Livermore
- Course 550: Advanced Applications** **Jan 24-29**
Instructors: Gary DeWeese, MAI, and Craig Owyang, MAI
Location: University of Phoenix, San Jose
- Workshop: State of the Profession** **Jan 27**
Panelists: Greg Harding, OREA
John Brenan, The Appraisal Foundation
Tom Boyle, MAI, Appraisal Institute
Location: Sheraton Four Points, Pleasanton
- Avoiding Liability as a Residential Appraiser** **Jan 28**
Instructor: Dawn Molitor-Gennrich, SRA
Location: Radisson Hotel, Dublin
- Going Concern Valuation** **Feb 7**
Instructor: Deane Wilson, ASA
Location: Sheraton Sonoma County, Petaluma
- Course 400: National USPAP Update** **Feb 8**
Instructor: Stephanie Coleman, MAI, SRA
Location: Petaluma Community Center, Petaluma
- Reappraising, Readdressing, Reassignments and Engagement Contracts** **Feb 11**
Instructors: Stephanie Coleman, MAI, SRA, and Norm Hulberg, MAI
Location: University of Phoenix, Livermore

Yes, please provide me with registration information on the above checked education programs.

Name _____ Phone _____

FAX _____ Email _____

There are three ways to receive advanced notification of these upcoming education offerings: ① visit our website at www.norcal-ai.org; ② call us at 925/932-7753; or, ③ fax this page back to 925/932-7754. We reserve the right to cancel or substitute dates, locations and/or instructors as necessary. Interested attendees are encouraged to register at least one month prior to the offering to help avoid possible cancellation.

FROM THE OREA: Important Announcement Regarding USPAP CEC

Effective January 1, 2005, the 15-hour National USPAP Course may NOT be used to satisfy the 7-hour National USPAP Update Course continuing education requirement. Therefore, only the 7-hour National USPAP Update Course may be taken to satisfy the continuing education USPAP requirement after January 1, 2005. If the 15-hour National USPAP Course is taken on or after January 1, 2005, as continuing education, the course can be applied towards the overall continuing education hours only.

Education

NEW! Basic Appraisal Principles

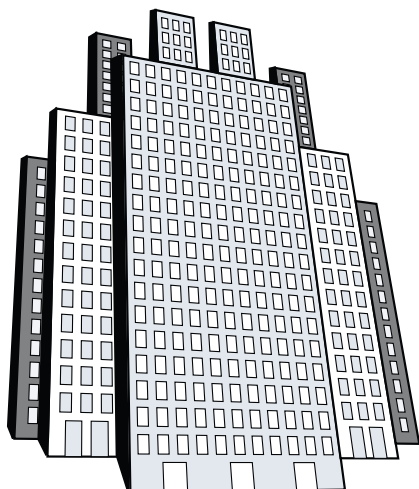
January 21-22 and 28-29
University of Phoenix,
Livermore

If you are considering a career in professional valuation services, plan to join Arlen C. Mills, MAI, SRA, this winter when he debuts *Basic Appraisal Principles* in the Bay Area. This four-day course will introduce you to real property concepts and characteristics, legal considerations, influences on real estate values, types of value, economic principles, real estate markets and analysis, highest and best use, and ethical considerations. The course will provide a solid foundation in basic appraisal principles no matter what appraisal specialty you pursue.

Topics

- Influences on Real Estate Value
- Types of Value
- Real Estate Market & Analysis
- Appraisal Statistical Concepts
- Legal Considerations in Appraisal
- Economic Principles
- Highest & Best Use Analysis
- Valuation of Partial Interests

Tuition is \$495 for Appraisal Institute Members and \$595 for Nonmembers. For additional details and registration information on this offering please visit <http://www.norcal-ai.org/event.html>.



Going Concern Valuation Seminar

Sheraton Sonoma County, Petaluma
February 7

Together with the San Francisco Bay Area Chapter of the American Society of Appraisers, the Northern California Chapter is pleased to present a one-day seminar on going concern valuation developed and presented by Deane Wilson, ASA.

Going Concern for real estate appraisers is an overview that synthesizes the latest thinking and information surrounding properties that are integrated with a Going Concern. The content is intended for experienced real estate appraisers but presents a fundamental understanding of the topic. The seminar covers USPAP and FIRREA requirements when dealing with properties that have personal property, trade fixtures, and intangible assets. The topics covered include definitions, methods, techniques, distinction rules, applicable properties, a case study, and a comprehensive list of resource material that includes suggested advanced courses on the subject. The seminar allows appraisers to understand the concept of a 'Going Concern' and provides appraisers the shortest path to advance their abilities when dealing with elements integrated into a Going Concern property.

This seminar is designed for intermediate and advanced general appraisers as well as chief appraisers, reviewers, assessors, and State Board of Equalization staff. Right of Way and acquisition agents may also find this seminar useful.

Tuition is \$165 for Appraisal Institute/ASA/ASFMRA Members and \$195 for Nonmembers. For additional details and registration information on this offering please visit <http://www.norcal-ai.org/event.html>.

Building Measurement Standards

Are you aware that there are several building measurement standards available that provide an industry accepted practice for measuring the gross building area of several different property types? These standards are available for purchase on-line at nominal costs, and considerable information can be found at www.buildingareameasurement.com. This web-site has links to ANSI (American National Standards Institute) www.ansi.org and several other key sites.

The National Association of Home Builders www.nahbrc.org has an ANSI approved standard for the measurement of single family residential property. This standard can be purchased and downloaded from the NAHB web site in PDF format.

Several years ago, the Building Owners and Managers Association (BOMA) www.boma.org developed a standard for measuring office buildings which is also ANSI approved. The BOMA Office standard can be purchased and downloaded from BOMA's web site.

In October 2004, BOMA, in conjunction with the Society of Industrial and Office Realtors (SIOR), developed the BOMA Industrial Standard which can also be purchased and downloaded from BOMA's web site. Although not yet approved, it has been submitted to ANSI for its certification, which is likely. Previously, the American Industrial Real Estate Association www.airea.com had developed an industrial building measurement standard in 1993 which it sold for about \$10 per copy via US mail. The BOMA standard is likely to replace this lesser known standard, particularly when it becomes ANSI certified.

Although there are not yet standards for the measurement of retail, multi-family or other special purpose properties, they may appear soon. Watch for them, or for changes to the existing standards. And be sure to obtain the existing standards if you are actively appraising any of these property types.

News From National

Changes to SRA Requirements Go Forward Except for Demo Report

The changes to the SRA requirements proposed by the Residential Admissions Project Team included in the 60-day notice at the November 2004 meeting of the Board of Directors were adopted by a nearly 90 percent majority vote, except for the recommendation regarding the SRA demonstration appraisal report, which the project team withdrew for further study. The project team will continue developing an alternative requirement for the demonstration appraisal report, expected to be rolled out by 1/1/2006. The project team will now enter Phase II, with work on development of specializations, additional membership benefits, continuing education and professional development, and marketing in conjunction with the new Visibility Campaign (promotion of the designations).

A more recently formed General Admissions Project Team outlined for the Board a series of initial considerations addressing MAI designation requirements; any recommendations for change will not be forthcoming until next year.

Board Approves Governance Restructure and Visibility Campaign

By a nearly two-thirds majority, the Appraisal Institute's Board of Directors adopted Bylaws and Regulation changes that allow the governance restructure plan to become operational as of January 1, 2005. The action taken by the Board occurred during its meeting in Chicago November 7-9.

GOVERNANCE RESTRUCTURE: In addition to creating a 26-member Board of Directors, reflecting two directors from each region, the new system decreases the overall number of national committees. Several key groups in the new structure include the Strategic Planning Committee (SPC) and Leadership Development and Nominating Committee (LDNC). The LDNC will be responsible for identifying, mentoring, and recommending members throughout the organization for various leadership positions. The restructure effort emphasizes the need for grassroots involvement and participation, both in identifying member needs and in implementing programs and services to meet those needs.

A new Admissions Designations and Qualifying Committee (ADQC) will replace the General and Residential Appraiser Councils. Other changes include having four Board meetings a year and specifying a 30-day notice, rather than a 60-day notice, to members on Bylaws and Regulations changes requiring such notice. The first meeting of the new Board will occur February 4-5, 2005, with others scheduled for April, July, and November.

VISIBILITY CAMPAIGN: Responding to continuing member feedback that promoting their designations is a key benefit of membership, the Board approved funding for a \$1.4 million multimedia Visibility Campaign for 2005. The campaign will target four key client groups for appraisers—lawyers, financial planners, accountants and lenders—and will include national print advertising, local market radio, and online advertising. In addition, the campaign is designed to generate media interest by placing articles in national and/or regional publications highlighting the value of using Appraisal Institute designated appraisers. The campaign is envisioned to be continued over a three-year period.

2005 LEADERSHIP TEAM: At the conclusion of the Board meeting, the following officers were sworn in to serve in 2005: President Bruce Kellogg, MAI; President Elect Richard Powers, MAI, SRA, and Vice President Terry Dunkin, MAI, SRA, who was elected to that office by the Board earlier in the meeting. In remarks to the Board, Kellogg introduced his theme for the coming year, "Valuing our members, our profession, and the world," emphasizing his desire for the Appraisal Institute to be a visionary and inclusive organization both for the benefit of the membership and the world in which members do business. Gary Taylor, MAI, SRA will work with the other officers as Immediate Past President.

February is Membership Month

If you have any questions regarding the program listed below, please contact Wendy Woodburn, Manager, Membership Services at 312/335-4191 or by email at wwoodburn@appraisalinstitute.org.

Member Sponsor a Member Program. The Appraisal Institute is offering the member who has sponsored the most members from October 2004 (Membership Appreciation Month) to May 2005, and his or her spouse a free hotel stay and full registration to our summer conference in Seattle, Washington, July 8-10, 2005. Full member registration includes up to 16.5 hours of continuing education,

President's Reception, President's Banquet, Welcome Reception, breakfast and breaks. Spouse registration includes President's Reception, President's Banquet, Welcome Reception, breakfast and breaks.

Hotel stay is for three nights and four days at the Sheraton Seattle. Watch for more membership specials in next month's newsletter.



Agenda for Associates

Residential Demo Report Writing Seminar Now Available Online

Residential associates who still need to write their demonstration report can now take the demo report writing seminar online — <http://onlineed.appraisalinstitute.org/ai/onlineed/default.asp>. This one-day program focuses on the mechanics of demonstration appraisal report writing and will help ensure that the appraiser's presentation is logical and understandable. The seminar also provides an extensive examination of the cost, sales comparison and income capitalization approaches; highest and best use; reconciliation and the final value opinion. Associate members are encouraged to attend the seminar before beginning their demonstration report. (Attendance is mandatory for those associates who have never taken the seminar and need to review and resubmit their demo report.) Designated members are encouraged to attend at any time. The online version offers 15 Appraisal Institute CE hours. This seminar is not yet approved for state CE credit.

When Appraisal Review and Supervisory Work Qualify as Experience

The Appraisal Institute Experience Review Staff regularly receives questions asking what type of review work qualifies for experience credit. In general, qualifying appraisal review assignments are those that are subject to Standard 3 of USPAP.

Supervisory work by associates is defined in a number of ways, but generally includes supervision of the appraisal, mentoring, and other general training or oversight of appraisers.

Most supervisory appraisers do not perform the extent of the appraisal process or work required to meet experience criteria — their contribution typically

Help! I Have a Question

Need help understanding the requirements for designation or a little nudge to get your demo started? Confused about all of the changes that have occurred since you became an associate member? Fear no more! Contact the following committee chairs for assistance:

Membership Development & Retention

Anthony Mills, MAI, SRA
707/765-6246 FAX 707/765-9634
acmills1@msn.com

Associates' Guidance — General

Anthony Mills, MAI, SRA
707/765-6246 FAX 707/765-9634
acmills1@msn.com

Associates' Guidance — Residential

Nancy Townsend, SRA
510/524-6469 FAX 510/527-6409
nancy@townsendappraisals.com

Experience Review - General

Rich Labagh, MAI
650/843-0740 FAX 650/843-0742
rlabagh@aol.com

Experience Review — Residential

Peggy Darnall, MAI, SRA
510/452-4477 FAX 510/452-4230

involves oversight and mentoring. It is unlikely that many reports can be used for experience by both the supervisory appraiser and the primary appraiser; however, it is possible.

Many associates erroneously believe that because they co-sign the appraisal and have assumed responsibility for the report and opinions, they will automatically receive credit. Regulations 1 and 2 (Part F, Section 2, Significant Professional Responsibility) indicate that the associate must be able to show that the appraisal process was followed and that this resulted in analysis, opinions, and conclusions that were then incorporated in the appraisal. In the Experience Review process, the Screener or Reviewer may determine that the associate meets the test of Significant Professional Responsibility if the associate is the sole signer of the report or is cited in

addition, feel free to contact the Member Services Department at the National Office. The professionals who staff this department, are experts in helping to determine your needs and can help put you on the path toward designation.

Comprehensive Exam

Carrie Vann
312/335-4189
cvann@appraisalinstitute.org

Katie Powell
312/335-4187
kpowell@appraisalinstitute.org

Associate Records

Dorothy Williams
312/335-4172
dwilliams@appraisalinstitute.org

Experience Review

Marilyn Moore
312/335-4173
mmoore@appraisalinstitute.org

Harriet Kudlacik
312/335-4157
hkudlacik@appraisalinstitute.org

Status/Demo Reports

Nancy Morales
312/335-4177
nmorales@appraisalinstitute.org

Margaret Latimore
312/335-4174
mlatimore@appraisalinstitute.org

the certification as having significant professional responsibility with disclosure of the extent of the contribution. While USPAP requires that you take full responsibility for reports that you sign, you do not receive experience credit without contributing significantly to the report.

The key to obtaining appropriate credit for appraisal contribution to an appraisal report is allowing the Screener to understand who did what. This allows each participant to receive credit for what was contributed, if appropriate. Standards Rule 2-2 (a, b, and c)(vii) indicates that "When any portion of the work involves significant real property appraisal assistance, the appraiser must summarize the extent of that assistance."

The Appraisal Standards Board has

Agenda for Associates

Experience

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clarified certification and significant assistance issues (2002 FAQ #108 and a June 2003 Q & A). They note that anyone who signs any part of the report must sign the certification and anyone who does not sign but has made a significant contribution is disclosed in the certification. Description of the assistance isn't required to be in the certification but must be in the report. Therefore, it is reasonable to expect that experience credit cannot be given for any reports in which proper disclosure of assistance provided is not evident.

Janice F. Young, MAI, SRA
Director of Experience Screening
Appraisal Institute
P: 503/439-9954
F: 503/533-8207
jyoung@appraisalinstitute.org

Associate Update

Paul Maquera
PTACS: Property Tax Advisory &
Compliance Services
P.O. Box 190986
San Francisco, CA 94119
510/652-1790
cutcosts@proptacs.com

Affiliate Update

E. David Roberts
The Fillmore Group
1062 Willow Street
San Jose, CA 95125
408/299-0444 FAX 408/299-0449
droberts@fillmoregroup.com

General Comprehensive Exam

**February 21 and 22
Oakland Airport Hilton**

For registration information visit:
http://www.appraisalinstitute.org/membership/members_downloads/guidebook.pdf

Associates' Guidance Program Planned For June 2005

The Northern California and Sacramento-Sierra Chapters are jointly planning a weeklong Associates' Guidance Program for June 2005. The event is likely to be held in the beautiful Napa Valley and will include Ted Whitmer's Comprehensive Exam Review Workshop, the General Demonstration Appraisal Writing Seminar, plus a workshop featuring the Directors of Screening and Experience Screening who will answer questions regarding the experience review process, demonstration appraisal reports and the comprehensive exam. The week may also include the Demo Lock-In, a continuing education seminar, and will culminate with a networking social. Watch for additional details in early 2005.

Classified Guidelines & Deadlines

The newsletter submission deadline is noon on the 5th of the preceding month. All submissions for the March 2005 issue must be received by noon on February 5. We reserve the right to reject or edit classified ads. Ads are limited to 40 words. A \$40 publishing fee must accompany submission from non-affiliates. Advertising is complimentary for AI members and affiliates. Ads will be printed on a space available basis. The Appraisal Institute assumes no responsibility for the reliability of ads other than to publish them. Submit ads via email to lisa@norcal-ai.org.

Appraisers Available

Appraiser Trainee Available. I am seeking a full or part-time position as a Real Estate Appraiser Trainee. I have completed 90 hours of required education, passed the state's licensing exam and obtained my trainee license. I am a highly organized person with a great personality and the ability to work well under pressure and within strict time constraints. Please contact cprescott94086@earthlink.net.

Active Appraiser Trainee Available Part or Full time — Seeking work in the East & North Bay Area under my trainees license. Very motivated, with complete home office, (except software and subscription services). Have completed several appraisals this year. Very self-sufficient. I have a Bachelors degree and many years of business experience, and attend A.I. workshops and classes. I plan to seek designation. Available immediately. Contact Karen Lauricella. Email: klaurice@stmarys-ca.edu or 925/631-8287, or 925/878-9804.

Appraisers Wanted

EASI (Electronic Appraisal Solutions Inc) is looking for a few good appraisers. We are expanding through out the Western United States, and need your assistance. We are seeking fully licensed appraisers with at least 2 years of experience. You work from home and are paid on the 15th and 20th of each month. Sound interesting? Contact Alan Wright at 925/586-4602 or awright@easiappraisal.com. We are currently hiring for the Bay Area and Sacramento.

Northern California/Bay Area. Licensed appraiser (AL or above) position available for split fee work at an established San Francisco Bay Area appraisal firm. We are looking for coverage in San Francisco, Marin and Sonoma Counties. An estimated 15-30 orders a month can be expected. Please contact Shelby Shankland at 415/695-7400, or via email at shelby@bayarea-appraisal.com.

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REGISTRATION FORM

"2005 State of the Profession" – Thursday, January 27, 2005

*Kindly observe the January 21 registration deadline.
This program is likely to sell out early.*

Name: _____ Phone _____

Email _____

I am a/an: AI/ASA/ASFMRA Member (\$30) Non-Member (\$40)

I will attend: State of the Profession Workshop
 Installation / Networking Social

Charge my: VISA MasterCard

Account # _____ Exp Date ____ / ____

Signature _____

AI Use: Rec'd _____ Ck # _____ Amt _____ Bal Due _____
DBM _____ DBE _____

Upcoming Programs & Events at a Glance

January 16 — February 12, 2005

Sun	Mon	Tues	Wed	Thu	Fri	Sat
JAN 16	17	18	19	20	21	22
			RE Finance Statistics/Valuation — Livermore		Basic Appraisal Principles — Livermore	
23	24	25	26	27	28	29
	Course 550: Adv Applications — San Jose					
				Workshop Networking Social & Installation of Officers/ Directors — Pleasanton	Res Liability Seminar — Dublin	
					Basic Appraisal Principles — Livermore	
30	31	FEB 1	2	3	4	5
6	7	8	9	10	11	12
	Going Concern Seminar — Petaluma	Course 400: USPAP Update — Petaluma			Readdressing Engagement Contracts — Livermore	

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Library Hours by Appointment

More Appraisers Wanted

Commercial Real Estate Appraisal Position Available. National appraisal firm located in Walnut Creek seeks experienced commercial appraisers to appraise institutional grade properties. Applicants should have at least two years of commercial appraisal experience. Must have a good understanding of discounted cash flow analysis and experience with Argus software. Competitive fee splits and benefits offered. Fax your resume to Diane F. Nowak, MAI, Joseph J. Blake and Associates at 925/974-0338 or email me at dnowak@blakeglobal.com.

Residential Subdivision Appraiser. Hulberg and Associates is looking for experienced residential subdivision appraisers for our San Jose and San Ramon offices. Appraisers will have experience in narrative writing formats of small infill up to large master plan developments. Self-motivation, integrity, attention to detail, and strong analytic and writing skills are a must. Hulberg & Associates offers attractive income potential, medical and dental, medical reimbursement, and 401k plans. Fax or e-mail resume to Merrellyn McMillen, Operations Manager, 408/279-3428 or merrellyn@hulberg.com.

Northern California/Bay Area: Commercial Appraiser position available at a growing commercial firm. Must be thorough, detail oriented, motivated, computer literate, and have strong writing skills. Certified State License required. 5+ years experience. MAI or actively seeking designation. Must have commercial experience. Contact: Jeffrey Fillmore, MAI at 1062 Willow Street, San Jose, CA 95125, Telephone 408/299-0444, Fax 408/299-0449, e-mail your qualifications to: jfillmore@fillmoregroup.com.

Santa Cruz/Monterey Area. Commercial appraisal position available with Smith & Associates. We are growing in the Bay Area and have established clients in Santa Cruz/Monterey/S. Santa Clara/San Benito Counties. Looking for detail oriented, motivated individual with strong computer and writing skills. 2-3 years experience & Certified State License preferred. Competitive fee split and incentives to expand business. Send resume to Terry Larson, MAI; fax 925/855-4951 or tlarson@smithassociatesinc.com. Please see our web site at www.smithassociatesinc.com.

Commercial Real Estate Appraisal Position Available. East Bay firm seeking commercial appraiser with experience in various non-residential property types. Applicants should have at least two years of commercial work experience, and be technically proficient. Fax CV to Peter Overton, Yovino-Young Inc. at 510/548-3110, or email poverton@yovino.com.

Miscellaneous

Office For Lease at 2520 Douglas Blvd., Suite 160, Roseville, CA. Private Office, Class A Bldg - \$575/MO Full Service. Can also share services, (CoStar etc.), and equipment. Contact Gregg Waters, MAI, at 530/550-1010 or e-mail waters@exwire.com.