



Appraisal News



Northern California Chapter of the Appraisal Institute

Persistence: Stubbornness with Purpose

*Dawn M. Molitor, SRA
President's Message*

I am a persistent person. I have no difficulty asking for help to resolve a problem, or develop solutions. In this month's President's message I am still in pursuit of "Qualified Appraisers," as noted in the May 1999 newsletter ad, to lead the Redwood Empire (North Bay) and Golden Gate (West Bay) Subchapters. The Chapter office, to date, has received no responses to that ad! So, my stubbornness tells me to keep going, and try a different tactic. Let me take a moment to share my own point of view on the future of our Subchapters, through the story of Charles Kettering.

Charles Kettering is a man we all know, and are most appreciative of his accomplishments. He was a man who believed in getting things done. He was successful not solely because of his determination, but because he possessed a quality he called "intelligent ignorance," a well-informed curiosity which drove him to attack a problem and discover its solution.

After graduating in Engineering, he was recruited by National Cash Register (NCR) where his known success began. Said Kettering, "I didn't hang around much with the executive fellows. I lived with the sales gang. They had some real notion of what people wanted." And what people wanted in 1910 was a self-starting motor car.

Kettering, by then, was a partner in his own enterprise, Delco. It was there that Kettering developed the first practical self-starting ignition system. Introduced

by Cadillac in 1912, it made motor cars practical for everyone. General Motors purchased Delco, and Kettering headed their research division.

Kettering's most notable innovation at GM was the solution to the problem of engine "knock" which resulted in the development of high-octane gasoline, and in turn, the high-compression engine we know today. Kettering remarked, "The only difference between a problem and a solution is that people understand the solution."

At age 71, Kettering retired and spent his remaining years as the nation's foremost spokesperson on industrial progress. Said Kettering, "An inventor fails 999 times, and if s/he succeeds once, s/he's in. S/He treats his/her failures simply as practice shots."

Subchapters Need Volunteers

This Chapter faces a problem, with an obvious solution that lacks follow-through. At present, two of our Subchapters are failing: Golden Gate (West Bay) and Redwood Empire (North Bay). Our Board and I have been unsuccessful in finding members to lead in these territories – the solution. My latest effort, "Qualified Appraisers" wanted ad has also produced no results. So my persistence and creativity are kicking into high gear because those past efforts were just "practice shots".

Just because two and not all six Subchapters are not in disarray does not mean we *all* lack a stake in their futures today. On the contrary, the other four Subchapters have also experienced their own cyclical swings in membership par-

See "President," page 3

State Government Relations

Your California State Government Relations Subcommittee (CSGRS) met in the State Capitol Building for our Spring meeting on Saturday, April 10, 1999. For 1999 your CSGRS is chaired by Harry Holzhauser of the Southern California Chapter. Other officers include Vice Chair Bruce Willmette of the Northern California Chapter; Secretary Greg Stephens of the Northern California Chapter; Treasurer David Kalemba of the Sacramento-Sierra Chapter and Past Chair, the indomitable Kurt Reitman (no chapter claimed his membership).

Other attending CSGRS members were Jon Cox from Central Coast Chapter, Carol Lavale from Central California and David Yerke from San Diego. Keeping us sane in this political undertaking is our legislative advocate Mike Belote of California Advocates, Inc.

With the personnel changes at the top of the OREA and the new State Administration, the CSGRS

See "CSGRS," page 3



Dawn Molitor

INSIDE

Subchapters	2
Member Info	4
National News	5
Installation Survey	5
Education	6
Proposed Database	7
Coming Events	8
Appraisers Wanted	8

**Mark Your Calendars for
This Year's
Annual
Fall Conference**

**Thursday, October 21, 1999
San Francisco Marriott**

- **New! Expanded
12 Session
Breakout Format**
- **Exhibitor & Career Fair**

Subchapter Meeting Info

East Bay Subchapter

Thursday, June 10

Location: Hs. Lordships
Berkeley Marina

Workshop: 4:00pm

Topic: *LoopNet: Real Estate Resources on the Internet*

Presenter: Brian Collins, LoopNet Representative

Social: 6:00pm

Dinner: 7:00pm

Topic: *Finding & Keeping Profitable Clients*

Speaker: Chuck Moyer, Consultant/Trainer

Price: AI Members AI Members

Workshop only: \$25 \$30

Dinner only: \$25 \$30

Both: \$25 \$30

Reservations & Payment:

Advanced reservations are required to ensure adequate seating and workshop materials. Simply fax a completed copy of the address portion of this newsletter to the Chapter Office at 415/398-4259 by Monday, June 7. Please indicate the names of any guests that you might be bringing. Cancellations without penalty must be received by noon on Monday, June 7. Cancellations received after noon on June 7, 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. Attendees staying for the dinner will have a choice of chicken or beef. Please indicate your meal selection on your reservation form prior to faxing it to the Chapter Office. Payment will be collected at the door. We reserve the right to substitute speakers under circumstances beyond our control.

About the Workshop:

LoopNet is the leading provider of Commercial Real Estate Data over the internet. Founded in 1995 and located in Burlingame, LoopNet offers the power of internet networking unparalleled exposure for commercial real estate listings. LoopNet currently receives over \$196 million of new properties for sale and over 3.6 million square feet of new properties for lease everyday. LoopNet allows interested parties to list and search its database of commercial real estate listings for free via its web site at (www.loopnet.com). User friendly search screens allow for searches based on many parameters, such as location, property type, square footage, price, etc. Find out how to effectively use this powerful resource to increase your productivity and save time with data collection by attending this workshop. Applications for 2-hours of OREA, AI and SBE CEC are being submitted. Attendees seeking CE must arrive by the 4:00pm start time. Partial credit is not available.

About the Dinner Topic:

No appraisal company is completely satisfied with their clients. Clients come and go. Some we hate to lose and we are glad when others are gone. But getting new clients can be tough. Keeping your good clients loyal and turning marginal clients into good clients are keys to success. Our speaker Chuck Moyer will provide tips that you can use now to have a more profitable and enjoyable appraisal business by getting (and keeping) the clients you want.

Mr. Moyer is a consultant and speaker/trainer for small and large business. A former CPA in private practice for over 20 years, he knows the importance of the "bottom line": profits!

Sierra Subchapter

Wednesday, June 16

Location: Stockton Radisson

Workshop: 4:00pm

Topic: *1999 San Joaquin and Stanislaus Counties RE Update & Forecast*

Panelists: Dave Haggerty, CB Richard Ellis
Mart Hess, Prudential California Realty
Shelly Cannon-Kelly, CB Richard Ellis
John Citrigno, Commercial Realty Group
Rod Johnson, CB Richard Ellis
Glenn Race, Prudential California Realty

Social: 6:00pm

Dinner: 7:00pm

Speaker: Ray Learn, Regional Sales Representative

Topic: *Overview of the New (& Old) MetroScan*

Prices: AI Members Non-Members

Workshop only: \$25 \$30

Dinner only: \$25 \$30

Both: \$25 \$30

About the Workshop:

This annual update workshop will focus primarily on San Joaquin and Stanislaus counties with emphasis on Stockton and Modesto. A panel of specialists will speak on industrial properties, retail, office multi-family and the residential market.

About the Dinner Topic:

Ray Learn, Regional Sales Representative, Transamerica Intellitech will be the featured dinner speaker. Mr. Learn will provide an overview of the new and old MetroScan features and how to use them. The presentation will conclude with an opportunity for attendees to ask questions.

Reservations & Payment:

Advanced reservations are required to ensure adequate seating and workshop materials. Simply fax a completed copy of the address portion of this newsletter to the Chapter Office at 415/398-4259 by Friday, June 11. Please indicate the names of any guests that you might be bringing. Cancellations without penalty must be received by noon on Monday, June 11. Cancellations received after noon on June 11 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. Attendees staying for dinner will have a choice of Prime Rib or Salmon. Please indicate your meal selection on your reservation form prior to faxing it to the Chapter Office. Payment will be collected at the door. We reserve the right to substitute speakers under circumstances beyond our control.

Real Estate Connect 99

The Commerce & Technology Summit

San Francisco Hilton & Towers
July 14-16
For more information, visit www.inman.com/summit/
or call 800/775-4662 x123

President

from front page

ticipation and attendance at meetings. Therefore, the Golden Gate and Redwood Empire Subchapters may be setting an example of the future for the remaining Subchapters if we don't act now!

Let's talk facts: It is not an overwhelming task to participate in your local Subchapter. Members at large volunteer, and work together to administer one or two local meetings per year. Tasks are divided to make the process easy to administer. A meeting typically consists of a workshop, followed by a lunch or dinner with or without a speaker at a local facility of your choice. The Chapter office has a multitude of existing workshop topics and programs, as well as ideas for speakers. You are also encouraged to create your own programs. A Subchapter is successful if it meets the desires and achievements of its membership.

Ask yourself: How important is it to have local appraisal meetings? To be provided CE credit close to work or home? Do you enjoy seeing and interacting with your local appraiser colleagues? If any of your answers are "yes," please call me. The time commitment is minimal, the rewards are priceless!

Key to Subchapter Survival

The key to a Subchapter's survival and success is *interest, volunteers, and desire*. If your local appraisal community is important to you and worth preserving, I want each member to seriously consider and volunteer to serve on your local Subchapter, or participate consistently through attendance at meetings.

Today, I sincerely want to hear from any members of the Golden Gate or Redwood Empire Subchapters. If you have interest in participating or have an opinion you wish to voice on the future of your Subchapter, contact me. I am just as interested to hear the thoughts from the other Subchapter members, as well.

Otherwise, if I don't hear from you, don't be surprised if you hear from me. I will be personally asking for your participation; I am persistent, stubborn, and have a worthy purpose.

In the end, if I still have no "Qualified Appraisers" who see the benefits of their local Subchapter's existence, I won't consider it a "failure" because it will be "what you (the members) want," but I cannot tell you I won't be disappointed.

Well, I've got to go: my phone's ringing. Is it you calling to volunteer?

"Procrastination is opportunity's natural assassin."

CSGRS

from front page

is attempting to position the Appraisal Institute in a meaningful relationship with the OREA. The Appraisal Institute remains the largest organization of professional appraisers in the State and provides the most appraisal education. The subcommittee's goal is that at the least our opinion is sought prior to major decisions being made and that we are able to suggest positions that are in the best interests of the public, the appraisal profession and the Appraisal Institute.

In recognition of the budget problems of the OREA brought about by a declining number of licensees (18,000 down to 11,000) and the somewhat over-staffed (our opinion) office, *there will be license fee increases*. There are a finite number of appraisers in California. The CSGRS, with a majority of California Chapter Board approvals, has taken the unusual step of supporting a license fee increase to keep OREA operating in a productive manner. Any increase would be partially offset by a 15% reduction (about \$500,000) in OREA's current budget. Licensees may look forward to increases on an annualized basis of at least \$75 per year.

CSGRS is also supporting a change to a two-year license period relative to fees, but continuing a four-year cycle relative to continuing education. This will allow more efficiencies in OREA budgeting and operations.

The subcommittee is recommending that state licensed or certified appraisers be required for non-federally related transactions when public funds are involved. Primarily this would involve public projects. This would exclude public employees.

While the current OREA-required 4-hour Federal and State Laws and Regulations seminar may be of some financial benefit to chapter education programs, it is not a Federally-mandated requirement of continuing education and the subcommittee is not of the opinion that it adds substantial or meaningful knowledge beyond the already required USPAP updates. Therefore we recommend OREA drop this requirement.

Acting OREA Director Jerry Jolly's hat has tentatively been removed from the successor Director ring. Mr. Jolly would be returning to his prior agency, Alcohol and Beverage Control, possibly as early as your reading of this article, or as late as when a replacement appointment is made. The CSGRS and the California Appraisal Institute Chapters would like

Mr. Jolly to stay with OREA. When Governor Davis will make a permanent appointment of a director is unknown as OREA is a small (by California standards) agency. Mr. Jolly's three top lieutenants are capable individuals and reportedly have expressed interest in succeeding him. They are Deputy Director Tony Majewski, Chief of Enforcement John Brennan and Legal Counsel William Lenkeit.

Jerry Jolly proved to the subcommittee that an able administrator supplemented by an appraisal-knowledgeable staff is a workable combination within the OREA. We are less sure of a professional appraiser as director supplemented by administrative-capable staff.

So, what have I learned after one year back in the state subcommittee saddle? Mike Belote remains the most knowledgeable source in the State regarding appraisal legislation. David Kalemba is the best communicator of what the CSGRS is doing. I suggest all California chapters consider copying his articles from the Sacramento-Sierra newsletter. The Appraisal Institute is better positioned with the OREA in 1999 than any time since 1992. The OREA appears interested in what the profession wants and needs it to do.

The OREA was forced upon the State of California by Federal law. Through grandfathering it created 18,000 "appraisers" in a state where there are really about 8,000. As a "compassionate" conservative, I doubt this was of long-term benefit to the people of California. The major beneficiaries thus far appear to be the lending industry which has been able to get their "due diligence" faster and cheaper than from "just" 8,000 of us. Boy, are they lucky our economy has been one-directional for the last six years.

With OREA's licensees falling back to the "real" appraisers, hopefully OREA's enforcement can concentrate on ethics violations rather than DUIs, mothers not paying child support (I just wanted to see if anyone was reading) and fraud. When the requirements and enforcement make us better appraisers, I know the public will have been best served.

For comments on the California State Government Relations Subcommittee, OREA or Giants baseball, call or write Bruce Willmette—it's in the book. For specific knowledge of California appraisal legislation call Mike Belote at 916/441-5050. The California Advocates, Inc. web page at caladvocates.com is full of free information regarding current legislation and the complete California Codes. Our client user name is ai, and our password is 208. Use it or lose it.

— Bruce R. Willmette, MAI

Member On the Move

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Members in The News

Special thanks to **Claudia Carleton** and **Kay Cuba, MAI**, for helping with registration at the recent Attacking & Defending an Appraisal in Litigation Seminar presented by Ted Whitmer, MAI.

Two Northern California Chapter members had articles published in the April issue of *The Appraisal Journal*. Be sure to read "Appraisal Arbitration: The Role of the Real Estate Appraiser in Resolving Value Disputes" by **Chris Carneghi, MAI**, and also "Real Estate and Business Value: A New Perspective" by **Martin E. Benson, MAI**.

CORRECTION: Arlen C. Mills, MAI, SRA, has been reappointed to The Appraisal Foundations' Appraiser Qualifications Board (AQB) as the Vice Chair for 1999, not the Appraisal Standards Board (ASB) as previously reported.

In Memoriam

We regret to inform you that **Richard A. Brown, II, SRA**, passed away on March 19, 1999. Mr. Brown retired from the employ of HUD as an appraiser in 1990, but continued to do contract work until 1997. He received his SRA designation in 1963. Condolences are extended to the family and former colleagues of this long-time member.

Condolences are also extended to the family and friends of Associate Member **Bernard Hammerbeck** who passed away on February, 11, 1999.

RESPA/TILA Reform: Focus Turns to Section 8

Congress, the Department of Housing & Urban Development (HUD) and the Federal Reserve Board (FRB) are continuing to examine legislative and regulatory proposals that would overhaul the Real Estate Settlement Procedures Act and the Truth in Lending Act (RESPA/TILA). Some reform proposals would "bundle" the appraisal with such settlement services as title insurance, pest inspection, mortgage broker fees and mortgage insurance in the hope that consumers would then be able to comparatively shop for these services.

HUD and the FRB issued a joint report to Congress in 1998 proposing that creditors and others be given a choice between guaranteeing closing costs and providing estimated closing costs that are accurate and within a prescribed tolerance. To encourage guaranteed closing costs, creditors and others would receive an exemption from Section 8 of RESPA, which restricts kickbacks, referrals and unearned fees. To receive the exemption, lenders would have to offer consumers a comprehensive package of the settlement services needed to close the loan at a guaranteed maximum price. In addition, a guaranteed loan rate including points would have to be offered, and services included in the guaranteed package would be listed. Itemization of cost or service provider would not be required.

In early March, Washington, D.C., office representatives attended a forum hosted by HUD and the FRB to discuss reform proposals. The prospect that Congress will consider a major overhaul of home financing laws is looking less likely. Instead, factions within the industry are looking to enact specific reform proposals. Much of that debate has centered on Section 8 of RESPA. "This move away from broad-based reform and toward a targeted approach puts the appraiser in the line of fire," said Donald Kelly, Vice President, Public Affairs. "The Washington office continues to meet with members of Congress and their staffs to discuss our concerns over the packaging of settlement services. Without itemization of cost and service, how can a consumer adequately hope for settlement services?"

Volunteers Sought for 2000 Committees

President-Elect Woodward S. Hanson, MAI, is seeking the names of members who are interested in serving on national committees next year. The composition, powers and duties of Appraisal Institute national committees are set forth in the Bylaws and Regulations No. 7 (see Members Only Section of the national web page at www.appraisalinstitute.org). Committee members are required to attend two committee meetings.

Attendance expenses are not reimbursed for these regularly scheduled meetings. Committees will meet July 6-17, 2000 in Las Vegas and tentatively in December 2000 in Chicago. Members who want to volunteer must complete a Committee Service Request (CSR) form. To receive a CSR form, contact the Chapter Office or download it from www.appraisalinstitute.org. Completed CSR forms should be returned to the Executive Department in Chicago, ASAP. Questions should be forwarded to Dolores Grabowski at 312/335-4117, 312/335-4488 FAX or: dgrabowski@appraisalinstitute.org.

Preliminary 1998 National Financial Update

Lisa Wasserman, Vice President of Finance reported that the Appraisal Institute now expects a net on 1998 of more than \$1 million. This figure is up significantly from the forecast based on October 31 financials. November and December continued to be very good months, exceeding the forecast on revenue and cost consciousness kept us under budget in every expense area.

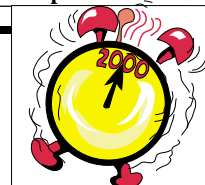
Education/Publications revenues were \$240,000 above and expenses under forecast by \$160,000. Membership dues revenue continued strong right until the end of the year, with renewals and reinstatements. This provides the Appraisal Institute with a strong base to support the program investments approved at the December National Meetings.

Appraisal Institute in the News

The Appraisal Institute is working with the PR firm HLB Communications to develop core messages about the Appraisal Institute and the designations. Survey work is underway and programs are expected to be in place this month. Formal contacts have been established with 125 real estate reporters throughout the US. A member team is in place to deal with press inquiries.



2000 Installation Celebration Survey



Help us design an Installation Celebration that appeals to you! Take a few moments to complete the survey below and fax back to 925/945-0988.

Your responses are greatly appreciated.

Did you attend the January 1999 Installation Celebration?

- Yes No

If you answered "No" to the question above, why did you not attend?

- Prior commitment Too expensive
 Too far from my home Other _____

What city do you live in?

What common freeway corridors do you find access convenient to get to?

How far from home are you willing to travel for an evening event?

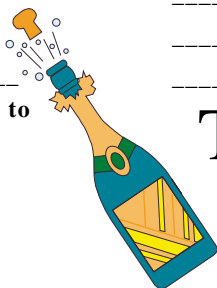
- less than 15 miles less than 30 miles
 less than 60 miles less than 90 miles
 less than 120 miles I don't travel at night

Would you like to see the Installation Celebration in a destination location?

- No
 Yes, Wine Country (Napa/Sonoma)
 Yes, Monterey/Carmel
 Yes, San Francisco
 Yes, other: _____

How much are you willing to spend per person to attend the Installation Celebration?

- \$30 or less \$40 or less
 \$50 or less \$60 or less
 \$70 or less \$80 or less
 \$90 or less \$100 or less



When attending a social function, I prefer

- live music/band DJ
 karaoke background dinner music
 no music or dancing

I think the Installation Celebration dress code should be

- business dress
 formal, black tie optional
 business casual

I would be more likely to attend the Installation Celebration only if

- it was tied to a golf tournament/sporting event
 it was on a Bay Cruise
 none of the above
 other: _____
 I would attend regardless (within reason)

The best month for the Installation Celebration, based on your commitments, is

- December
 January
 February

If the Installation Celebration is arranged according to the answers I've given above, I am likely to:

- attend
 still not attend

Comments:

Thank you for taking the time and effort to complete this survey. Please fax your response to Winnie Farwell, MAI, at 925/945-0988, by July 1.



New Text on Damages Now Available

The cost of all natural disasters in the United States has doubled in the last decade, from roughly \$25 billion to \$50 billion a year. Research has yet to reveal clear reasons behind this phenomenon, though many experts point not to climatic changes but to the growing concentration of wealth and population in coastal areas of the country, which are most at risk from natural disasters.

The publication of *Real Estate Damages: An Analysis of Detrimental Conditions* comes at a fortunate time, with property damage increasing at a geometric rate and appraisers looking for practical solutions to a variety of new valuation problems. Ten classifications of detrimental conditions are thoroughly discussed, each in its own chapter. Case studies and examples of actual detrimental conditions are presented and listings of reference works and government contacts on the state and federal levels make *Real Estate Damages* the most complete resource on the subject available.

This 350-page hardcover is available at an introductory price of \$30.40 for Appraisal Institute members until August 15, 1999. To order your copy today call 847/640-5270 and charge by phone.

New National Education Director Hired

Lorelei Keltner, Director, Education Network was hired in February. Ms. Keltner brings welcomed management support and experience to the Appraisal Institute. She will be responsible for the continued development of the Education Network, which includes 103 chapters and numerous strategic alliances with other organizations. She will direct programs that improve member satisfaction with our education programs and publications, increase sales, integrate our marketing efforts, assess our competitors and help plan accurately for the future.

Lorelei has managed education programs and developed delivery and service networks. Most recently, she was with KDK Training Corporation where she served as Director of Operations. In addition, she has also managed a major corporate campaign related to the Summer Olympics.

Streamlined Appraisal Forms In the Automated Underwriting Process



**Thursday, June 10 • Holiday Inn
Bay Bridge – Emeryville**

This seminar was developed to provide appraisers with the most current information on the automated underwriting process. Upon completing the seminar, attendees will demonstrate familiarity with the major components of automated underwriting. They may conclude that working with an automated underwriting system will help them reach conclusions more rapidly, report conclusions in a more efficient format, save money and free up time for additional work!

Topics include:

- ▶ illustrations of Fannie Mae's Desktop Underwriter System and Freddie Mac's Loan Prospector System;
- ▶ the appraiser's value in automated underwriting;
- ▶ answers to concerns with respect to USPAP and the valuation process;
- ▶ the differences between steamlined and traditional forms;
- ▶ specifically-designed forms that are required to be completed as part of the automated underwriting process;
- ▶ completing Forms 2055, 2065, 2075 and 2070 in compliance with Standard 2 of USPAP;
- ▶ controversial matters: level of inspection as well as elimination of the cost and income capitalization approaches;
- ▶ using quantitative analysis or qualitative analysis to report the sales comparison approach on Forms 2055 and 2065.

Join Sara Schwarzentraub, SRA, for this informative one-day seminar. She'll share with you the problems, pitfalls and opportunities of automated underwriting and its streamlined forms.

The seminar is approved for 7-hours of Appraisal Institute Continuing Education Credit. Applications for 7-hours of OREA and SBE CEC have been

Concluded at right

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A Look at 1999 Educational Offerings

Course 120: Appraisal Procedures **June 7-12**

Instructors: Arlen C. Mills, MAI, SRA & Craig A. Owyang, MAI
 Location: Monarch Hotel, Dublin
 Tuition: \$455 Appraisal Institute Members
 \$575 Non-Members

Streamlined Appraisal Forms **June 10**

Approved for 7-hours of Appraisal Institute CEC; applications for OREA & SBE CEC have been submitted
 Instructor: Sara Schwarzentraub, SRA
 Location: Holiday Inn Bay Bridge, Emeryville
 Tuition: \$145 Appraisal Institute Members
 \$185 Non-Members

Course 530: Advanced Sales Comparison & Cost Approaches **June 14-19**

Instructors: Nelson Bowes, MAI & Virginia Messick, MAI
 Location: Campbell Community Center, Campbell
 Tuition: \$650 Appraisal Institute Members
 \$750 Non-Members

Course 430: Standards of Professional Practice - Part C **July 29-30**

Instructor: Sydney Hawran, MAI
 Location: PG&E Learning Center, San Ramon

Course 310: Basic Income Capitalization **August 5-6 & 12-14**

Instructors: Loren Leavitt, MAI & Richard Betts, MAI, SRA

Residential Consulting **August TBA**

Course 700: Litigation Valuation Overview **September 16-17**

Instructor: Nancy Mueller, MAI

Course 620: Sales Comparison Valuation of Small, Mixed-Use Properties **September TBA**

Instructor: Gary Taylor, SRA

Course 330: Apartment Appraisal: Concepts and Applications **September TBA**

THIRD AND FOURTH QUARTER COURSE OFFERINGS:

Course 710: Eminent Domain - Part A

Course 430: Standards of Professional Practice - Part C

Course 510: Advanced Income Capitalization

FIRST QUARTER 2000 COURSE OFFERINGS:

Courses 410 & 420: Standards of Professional Practice

Course 110: Appraisal Principles

Course 550: Advanced Applications

To receive advanced notification of these upcoming course offerings, contact the Chapter Office at 415/398-2876. We reserve the right to cancel or substitute dates, locations and/or instructors as necessary. Interested attendees are encouraged to register at least 37 days prior to the offering to help avoid possible cancellation.

submitted. Partial credit will not be available. The tuition fee is \$145 for Appraisal Institute Members; \$185 for all others (non-members).

We regret that faxed registrations cannot be processed. All registrants will receive a detailed confirmation letter and map.

DON'T DELAY — REGISTER TODAY!

See box above for other hot education programs being offered this summer!

Deadlines & Guidelines

The newsletter submission deadline is noon on the 5th of the preceding month. All submissions for the July/August, 1999 issue must be received by noon on June 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.

Proposed Commercial Database - Part I

There are many reasons why the Appraisal Institute has developed a threaded discussion on the proposed Commercial Database Project. First, the Negotiating Team wants to secure input from the membership about the project. Second, it is important to inform the membership about the demand for such services (threats & opportunities), and what efforts outside our own are on-going. Third, in order for the project to be successful, membership support of the project is needed.

Q. WHAT IS THE COMMERCIAL REAL ESTATE DATABASE?

A. The Appraisal Institute's Commercial Real Estate Database is to be formed for the purpose of developing the preeminent national commercial real estate transactional database. The cornerstone of the database will be verified sale, operating statement and lease data that is submitted by members utilizing Appraisal Institute approved methods and procedures. The present real estate information market is an industry that is fragmented. In addition, the industry recognizes that a significant void exists regarding lease data and operating expense data. The commercial real estate database will accept data from appraisers and, in turn, allow the data to be accessed, queried, and downloaded via the Internet by a variety of customers that can virtually span the globe.

Q. WHY IS THE APPRAISAL INSTITUTE INVOLVED AND WHAT ARE THE BENEFITS?

A. The members of the Appraisal Institute have two choices - passivity or action. The organization can sit back and watch as the commercial real estate information industry takes shape without our participation or input or a proaction position by launching our own initiative that places us in the driver's seat of change. Appraisal Institute appraisers have the best data in the world available for their own use, for financial institutions and for consumers. However, the commercial database does not in a substantial way diminish the continued need for professional appraisals.

Once the national Commercial Database is operational in the year 2000, accesses to the database will generate revenue for all contributors. It positions members of the Appraisal Institute as the qualified professionals with the quality data and the leaders of our appraisal profession.

Appraisal Institute involvement ensures that the organization and the interests of its members are best served. The availability of the database would be a key member benefit and additional reason to aspire to achieve membership in the Appraisal Institute. Controlling market data on a local, regional and national level, will enable the Appraisal Institute to publish market information and elevate the Appraisal Institute as the industry leader in providing market and trend information. This in turn should also reap great benefits for the members. It will also provide a new revenue source for the Appraisal Institute and its members through data and publication sales.

Q. WHAT KIND OF DATA WILL BE MAINTAINED?

A. Improved and land sale, income and expense, and lease data. Digital pictures of the improved properties will also be maintained. Other real estate data that may be offered includes environmental, tax and flood plain information.

Q. HOW WILL THE DATA BE COLLECTED, QUALITY CONTROLLED AND DOWNLOADED?

A. Desktop software will be provided, at no cost to all Appraisal Institute members that participate in the database. This software will allow appraisers to enter and store commercial real estate transactional information in an Appraisal Institute standard format. The data can then be electronically uploaded via the Internet to the Appraisal Institute database. The Commercial Database will be an open architecture system capable of receiving properly formatted ASCII records. In addition, there will be web page based data entry forms for data submission.

A data quality control staff will receive the submitted data. The data will be reviewed for completeness and checked against existing data for possible duplication.

Accessing the data will commence by submitting a web page based query against the database. The querying party can then flag specific records desired and choose between downloading the records as a Web Page that can be sent directly to a printer or an electronic file format that can be imported into their software. ASCII file

Training on the New FHA Requirements

The Appraisal Institute has formed a strategic alliance with the Mortgage Bankers Association of America (MBA) and the National Society of Real Estate Appraisers (NSREA) to create a 7-hour training program. The program will focus on changes to the FHA manual and VC sheet, including any new additional reporting requirements. The program will also prepare you to take the FHA examination at a later date.

The training will be given in San Francisco on September 1 and in Sacramento on September 8. For a complete listing of training dates visit: www.appraisalinstitute.org.

In addition, the Appraisal Institute will offer the option of online training beginning in August through the Online Education System. Continuing education credit for both the live and online programs are being sought in all states. Questions or need to register?

Contact Bill Endsley at 312/355-4230 or: fhatraining@appraisalinstitute.org.

downloads will also be available for downloads to other popular software programs.

Q. WHO WILL DETERMINE THE DATA STANDARDS?

A. The Appraisal Institute will establish and administer the data standards. This involvement allows for the protection of the interests of commercial appraisers.

Want more information on the Commercial Database? Visit the Members Only Section of the national web page at www.appraisalinstitute.com.

Please forward any comments to:

Tom Motta, Chair
tommmai@worldnet.att.net

Brian Glanville, VP
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Bob Stephens
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Craig Smith
Smithpk@gte.net

A copy of your comments can be forwarded to the Chapter Office at Lisa@NorCal-AI.org.

Concluded at right

Looking Ahead

- Jun 7-12 Course 120
— Dublin
- Jun 10 East Bay Workshop/
Meeting
— Berkeley
- Jun 10 Streamlined Forms
— Emeryville
- Jun 16 Sierra Subchapter
— Stockton
- Jun 14-19 Course 530
— Campbell
- Jun 21-30 National Meetings
— Orlando
- Jul 29-30 Course 430
— San Ramon
- Aug 5-7 & 12-14 Course 310
— TBA
- Oct 21 Fall Conference
— San Francisco

Appraisers Wanted

Part-time Site Inspector Needed. Growing Los Angeles consulting firm needs local expertise to periodically inspect condominium associations for capital budget preparation. We provide assignments with flexible scheduling and will train in the use of our forms. Reply to Robert at RNorlund@ReserveStudy.com.

Lend Lease Real Estate Investments, Inc. is looking for a real estate analyst with one to five years experience, proficient in DCF analysis and market research. The position is in San Francisco. Send resume to Chris McEldowney, Lend Lease Real Estate Investments, Inc., One Front Street, Suite 1100, San Francisco, CA 94111 or FAX 415/733-9259.

Detailed Analysis is seeking individuals interested in a career in commercial real estate appraisal. Assignments are located throughout Northern California. Interested individuals should fax their resumes to Patrick O'Malley, MAI, at 650/286-8230.


Curtis-Rosenthal, LLC is looking for the best and the brightest experienced commercial appraisers

to join our rapidly expanding firm. Positions are available in Los Angeles, Newport Beach and San Francisco offices. Assignments include complex properties and possible expert witness services and testimony. Successful candidate will have MAI designation or advanced associate membership; California Certified General License; strong written, verbal and computer skills, an entrepreneurial approach to business and an optimistic attitude and a good sense of humor. Send resume to Jennifer Segal, MAI at FAX 415/677-4102 or jsegal@curtisrosenthal.com.

Independent Contract Appraisers Needed. Commercial and multi-family assignments. Applicant must have form and narrative appraisal experience. WordPerfect and Argus knowledge a plus. Fee split basis. Properties located throughout the Bay Area. FAX resume to 800/364-8087.

Commercial Appraiser/General Manager. Growing appraisal company needs motivated manager to run new Roseville office. Career path, eventual equity ownership. Entrepreneurial types encouraged to apply! Position requires strong appraisal, writing and people skills. FAX resume to 949/733-0073, or call 949/733-0070 x5110.

LAST CALL: Qualified Appraisers

 Are you one of the appraisers in the Redwood Empire Subchapter (North Bay) or Golden Gate Subchapter (San Francisco) who misses monthly (or quarterly) meetings and workshops in your backyard? The Chapter is seeking individuals to lead the way!

If you are an "idea" person or one who can delegate — you are qualified. The job is not ominous and the rewards are many. All Subchapters are supported by an Advisory Committee and Members at Large, plus receive additional administrative assistance from the Chapter Office.

Need more information? Contact Lisa Estes at 415/398-2876 or Lisa@NorCal-AI.org.

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FIRST CLASS MAIL



Mark Your Choice!

Please mark the appropriate boxes below when registering for the June EAST (6/10), or June SIERRA Subchapter Meeting (6/16). Carefully check all that apply.

I am a:	<input type="checkbox"/> AI Member	<input type="checkbox"/> Non-member
I will attend:	<input type="checkbox"/> 6/10 Workshop	<input type="checkbox"/> 6/10 Dinner <input type="checkbox"/> 6/10 Both
EB dinner preference:	<input type="checkbox"/> Beef	<input type="checkbox"/> Chicken
I will attend:	<input type="checkbox"/> 6/16 Workshop	<input type="checkbox"/> 6/16 Dinner <input type="checkbox"/> 6/16 Both
SS dinner preference:	<input type="checkbox"/> Prime Rib	<input type="checkbox"/> Salmon