



Appraisal News



Northern California Chapter of the Appraisal Institute

CRAIG O WYANG, MAI

President's Message

Well, it's July, which marks the second half of my term as Chapter President. I suppose it's all downhill from now. I hope everyone is getting a chance to enjoy his or her summer. So far, I've been able to visit Sea World and Disneyland with my family. For those of you with young children, I would highly recommend not experimenting with a 4-year old's diet by giving him/her cotton candy and Coca-Cola at the same time. The result is something akin to the space shuttle Challenger.

Declining Membership Participation is a Concern

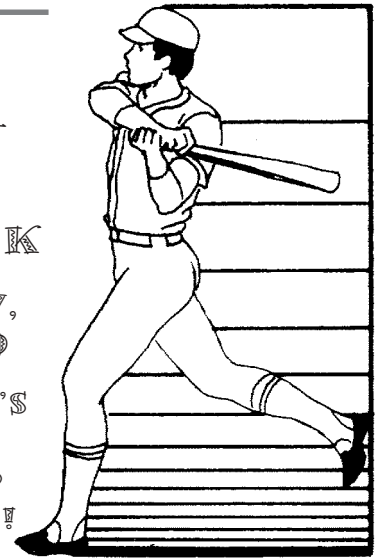
One of the greatest concerns I have had for the chapter has been its declining participation of the membership. The first step the Board of Directors took was to re-establish a centralized Chapter Meeting. Since adopting the centralized meeting concept, attendance has nearly doubled over the average of the past few years. I want to thank those of you who have attended the last few meetings. However, this is only the start. The last two meetings have averaged roughly 50 people... far short of the attendance prior to our mergers. With the modern demands placed on careers, it is difficult to contribute time to professional organizations like the Appraisal Institute. With that in mind, the number of Chapter Meetings has been limited to only four annually. The next meeting will be on September 20 at the Big Horn Grill in San Ramon. I encourage all to attend. Please come, get a couple of CE hours and socialize with your friends. Many people who have not attended in recent years have started to come out of the woodwork. Drop in and see who's there.

The Future of Branch Chapters

Since last November, the Board of Directors has considered the future of Branch Chapters. I have solicited feedback from the membership since the beginning of the year and received just two responses. In both cases, the authors expressed concern for the continuation of the Branch Chapter operations.

With that in mind, the Board of Directors deliberated at length on the subject. For those of you who have worked on committees, it might surprise you to hear the Board actually made a decision. Notably, the Board will be putting forth a bylaw change that will be presented to the membership for approval. The change provides for reduced responsibility/requirements of the Branch Chapter leaders while still maintaining the support of the "mother ship" Chapter. In particular, the

APPRAISAL
INSTITUTE
DAY AT
THE
BALLPARK
THURSDAY,
AUGUST 9
SEE THE A'S
AT THE
OAKLAND
COLISEUM!



Don't expect any CE credit on *this* day! The East Bay Branch of the Northern California Chapter invites you to an afternoon dedicated to "Ballpark Values" while enjoying a game between the A's and the Boston Red Sox. Game time at the Oakland Coliseum is 12:35pm, but please join us for a pre-game social and lunch in the Westside Club on the Second Deck starting at noon. Lunch will include generously prepared carver sandwiches, salads, pasta, chips, etc. Our Second Deck Seats, located near the press box, offer a great view overlooking the infield.

Parking at the Coliseum is \$9 per day. Don't want to deal with parking or traffic? Take BART to the Coliseum Station. So, tell your clients that you are "in the field today." Better yet, bring your clients, spouses, families, office staff, or those nice people at the title company who always send you deeds, to the AI Day at the Ballpark. The cost, including lunch, is \$30 per person. Tickets will be mailed to you well in advance of the game, or can be made available to you on game day at will call.

For registration information contact the Chapter Office at 925/932-7753 or jenny@norcal-ai.org.



IMHO

A few years ago (more than I care to say) I set up a workshop for the AIREA Northern California Chapter titled "Questioning Our Appraisal Habits," in which members and candidates were invited to express their views regarding appraisal practices and methods generally employed by appraisers in our area. There were many willing participants who each spoke for about 10 minutes during the well-attended two-hour session before our dinner meeting.

There's an "appraisal habits" question I've wondered about over the years, long since that workshop, but during the period my work has concentrated in litigation matters. It's this: Should appraisers conclude a higher market value when its applicable definition includes the terms "highest price" rather than other terms such as "most probable price"?

The market value definition for condemnation appraisals, at least in California courts, specifies *highest price*; the USPAP definition specifies *most probable price*. I was an appraiser in a mock condemnation trial put on by the local American Right of Way Association during which one of the attorneys in his closing argument advised the jury that the highest price definition of market value meant the jury members could lean toward a high conclusion of just compensation. The opposing attorney offered no rebuttal.

And yet the opposing argument is that "highest price" results from the highest and best use concept, i.e., that the highest and best use should yield the highest property value.

This question of whether the condemnation definition means a higher market value makes some appraisers uncomfortable, and, believe me, it is controversial, even among attorneys. I bring up the subject at conference lunches all the time, and the tables are invariably split; typically both sides expressing surprise at the others' perspective.

You don't hear much on this subject. Perhaps some fear an attorney could nail the appraiser in cross-examination who had earlier openly committed to one side or the other. My own opinion is that there should not be an upward value adjustment. Anyone care to rebut?

— Paul Talmage, MAI

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 would like to have your thoughts presented in this column to: lisa@norcal-ai.org.

President's Message from front page

Chapter will continue to lend support and administration for functions sponsored by the Branch Chapters. This includes functions like the Valley Seminar, which is being re-introduced by the Sierra Branch Chapter on July 19 in Modesto.

Minneapolis Visit May Yield AI Changes

I write this message on my flight to Minneapolis for the National Meetings. One fun-filled week in Minneapolis: Sea World and Disneyland will pale in comparison, I'm sure. I wanted to give you an update on two of the proposed changes that are likely to raise the greatest concerns. At the Regional Meeting in Seattle, the consensus was to support the alternative for the General Demonstration Appraisal Report and to oppose the Governance Reorganization plan included in the 45-day materials. Notably, almost all of the regions opposed the reorganization plan.

I'll keep you posted on the changes enacted in Minneapolis. The next Regional Meeting will be held in September in the Bay Area. All members are invited to attend in a non-voting capacity.

Take Me Out to the Ball Game! (And Other Events)

I hope to see many of you on August 9 at Appraisal Institute Day at the Ballpark. If you have not done so already, please be sure to mark Friday, November 2 on your calendar for the 51st Annual Fall Conference.

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Are You Compliant With the Privacy Act?

It is likely that you have seen references to the federal law known as the Gramm-Leach-Bliley Act of 1999 (GLB). Real estate appraisers should become familiar with this law and the accompanying Final Rule from the Federal Trade Commission. Compliance is required by July 1, 2001. For more information, visit www.appraisal institute.org.

Members in The News

Thank you **Bruce Willmette, MAI**, and **W. Jack Kidder, MAI**, for serving as the Co-Chairs for the Appraisal Institute's Education Trust Inaugural Event "Transforming Our Future." **George Stauss, MAI**, served as the honorary chair and was joined by the following campaign cabinet members: **James Bautovich, MAI, SRA**; **Willadean Farnow, SRA**; **James Free, MAI, SRA**; **Ron Garland, MAI, SRA**; **William Haley, MAI**; **Dawn Molitor, SRA**; **Craig Owyang, MAI**; and **Kurt Reitman, MAI**.

Other cabinet members not in attendance include **Thomas Clark, Jr., MAI**; **David Hamiltorn, MAI**; and **Thomas Dum, MAI**.

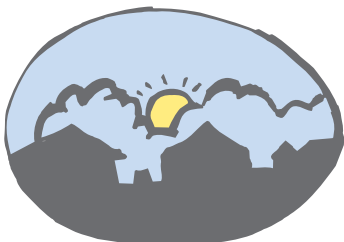
This event marked the kick-off for the Institute's campaign to advance our profession.

Joseph Vella, MAI, was recognized at the Awards Ceremony June 23 during the National Meetings in Minneapolis. He served on the Finance Committee from 1992 until 1997 and has served as the Vice-Chair of the International Relations Committee since 1997. He also serves on the Appraisal Standards Council and is the Appraisal Institute's representative to the International Valuation Standards Committee.

Joe was instrumental in getting the 2000 edition of the International Valuation Standards ready for Valuation 2000 last July and continues to work on the project to create a comprehensive and robust set of international standards that will facilitate cross-border property transactions and facilitate transparency in financial reporting by 2002. Joe has also been active in the Northern California Chapter and is an instructor for Course 520: Highest and Best Use and Market Analysis.

Joe's expertise and poise will assure that the Appraisal Institute continues to be well represented in the international arena.

Congratulations, Joe!



AI on the International Scene Memoirs of an Appraiser in Japan

Dateline: Tokyo, May 21, 2001

I recently had the distinct honor of being the first American to teach an Appraisal Institute program in Japan. The program was presented through the auspices of the Japan Real Estate Institute. JREI publishes the Japanese translation of *The Appraisal of Real Estate* and a synopsis of each issue of *The Appraisal Journal*.

As some may know, the value of Japanese real estate has declined significantly in recent years with many lending institutions now finding themselves with loans on their books that far exceed the value of the real estate securing the loans. This problem is very similar to our S&L crisis in the late 1980s and the inability of owners to re-finance debt in the early 1990s. The Japanese intend to address this problem in much the same way that the US did, by writing down the loans and securitizing equity where it exists into a REIT format.

JREI and the AI have been meeting and working together over the last several years in areas of mutual interest. More recently, JREI expressed an interest in understanding the role of appraisers in the US security markets and to learn more about advanced income capitalization techniques. Having developed the AI's seminar on REITs, being responsible for REIT investments in the University of California's investment funds, and an instructor for Course 510, I was a logical candidate to teach the program.

About 60 people attended the one-day event — JREI members, appraisers, consultants, lenders, investment bankers, and others involved in creating J-REITs. I was impressed with the audiences' thirst for knowledge, their respect for the Appraisal Institute, and their apparent seriousness in wanting to deal directly with the issues.

Some of the more interesting things I learned are the following:

1. Data collection is very difficult for Japanese appraisers because sale and lease information is not widely available, if at all.
2. There is a great deal of interest in how US appraisers determine initial cap rates, terminal cap rates and yield rates. Investment firms that will be underwriting J-REITs are very suspicious about how appraisers support these rates.
3. DCF is the primary tool when valuing real estate through the income approach.
4. The Japanese real estate market, which boomed some years ago, may not have bottomed and is likely to recover slowly. Might the US market follow a similar pattern after our recent years of extraordinary performance?
5. J-REITs will be required to obtain an independent appraisal before acquiring a property and periodic appraisals of all assets. Don't we wish we had a similar requirement in the US!
6. Although translators were used, it was apparent that many in the audience had a good command of the English language. English is clearly becoming the international language of business.
7. The AI's designations could become the global standard in the future.

Our hosts viewed the program as a complete success and hopefully the first of many future alliances between AI and JREI. On a personal note, I would like to publicly express my appreciation for the warm welcome and hospitality that was extended by the JREI to my wife and me on our visit to Japan.

— Gary S. DeWeese, MAI

Members on The Move

Bovey L. Eachus, SRPA

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408/436-5500

Agenda for Associate Members

General Comprehensive Exam

The August General Comprehensive Exam will take place on Monday and Tuesday, August 27-28. Eligible associate members seeking the MAI designation are encouraged to contact Carrie Vann at 312/335-4189 for registration information. The exam will be held at the Park Plaza Hotel in Oakland (near the Oakland International Airport).

For qualification and registration information, contact Carrie Vann at 312/335-4189 or cvann@appraisalinstitute.org or visit www.appraisalinstitute.org download section.

Attention Soon-To-Be-Newly Designated Members!

New members are reminded to send their "Member Profile" to the Newsletter Editor, c/o Sean O'Reilly, SRA, at workingsean@hotmail.com, upon notification of receiving your designation. In addition, a professional quality black and white, wallet-sized photo should accompany your submission.

All profiles are printed on a first come, first printed basis. Isn't it time that you are recognized for your achievement? Submit your profile today!

Coming Soon: 12th Edition

Classic Valuation Text Updated

For more than a half-century, real estate professionals have revered *The Appraisal of Real Estate* as the industry's real property valuation bible. And now, extensive updates and revisions make *The Appraisal of Real Estate, 12th Edition*, an even more powerful and persuasive tool in the office, the classroom and even in the courtroom.

Updated with a new design, more graphics and refocused editorial content, *The Appraisal of Real Estate, 12th Edition*, retains its distinction as the industry's authoritative work while exploring new data sources. It provides a solid foundation on which to build a successful appraisal practice in the 21st Century. Special introductory price of \$58.75 members and \$65.25 for non-members (plus \$7 per text for postage and handling). The Chapter Office will be stocking a limited supply of the new text at this special price. Our first shipment is expected in early September.

Attention All Members:

Keep Us Posted

If you have recently moved, received a new phone, fax or e-mail, please submit your updated information *in writing* to the Chapter Office. Your assistance in helping us keep your mailing and phone information up-to-date is greatly appreciated, plus it allows us to help others get in touch with you.

When making an address change, please indicate if the update represents your business or home address and whether it is your preferred mailing address.

Assemblyman Cogdill Discusses Proposed Private Property Legislation

Dear Friends:

Thank you for this opportunity to address the Appraisal Institute. While I, and the rest of the Legislature, have been working diligently to solve California's Energy Crisis, I have not forgotten about the many other important issues that deserve the Legislature's attention. Private property rights is a particularly contentious issue that will be dealt with this year in several bills. I would like to address two of those bills today.

As a real estate appraiser, I have spent a considerable amount of time and energy working on eminent domain issues. I am happy to be able to bring my business experience to bear on this significant issue. One very prominent eminent domain bill that is currently going through the Legislature is Assembly Bill 237 (Papan).

AB 237 would allow arbitration to be used to resolve eminent domain disputes. I feel that this bill moves in the right direction. Studies have shown that arbitration resolves disputes in an average of 8.6 months while litigation takes an average of 2-1/2 years to resolve disputes.

As a more efficient means of resolving eminent domain disputes, arbitration will save time and money for the litigants. This would also serve to ease the dockets of our overburdened courts. In addition, alternative dispute resolutions have already proven to be successfully time and cost efficient in resolving disputes in other matters that include construction, securities, insurance, labor contracts, and in many other fields.

The other bill I would like to discuss is one of my own, AB 786, relating to the Williamson Act. As you are aware, the Williamson Act was put into place in order to provide a tax incentive to farmers to preserve their land for agricultural use. AB 786 is a technical cleanup bill and is not intended to change the scope of the Williamson Act or to "water down" the act in any way.

When Stanislaus County first participated in the Williamson Act in the late 1960s and early 1970s, all agricultural property was deemed to be in the County's agricultural preserve. There was no size limitation and many property owners that had small parcels less than 10 acres chose to place their parcels in the Williamson Act.

Since then, the Williamson Act has been amended many times. Presently, the law does not allow parcels of land that are less than 10 acres to enter into the Williamson Act. As a result, many of these undersized parcels have not been receiving any Williamson Act tax benefit since approximately 1985. AB 786 would allow landowners that have a parcel of land that is smaller than 10 acres, and who have been under a Williamson Act contract for more than 10 years and have received no tax relief, to cancel their contracts with no penalties. In an effort to allow all of the affected parties to comment, AB 786 will not be heard in committee until January.

Thank you for the chance to speak to you today. During my time in office, I will continue to bring an appraiser's point of view to the California State Legislature.

Assemblyman Dave Cogdill, MAI, RM, was elected in November to serve the 25th Assembly District. The district contains all or part of Stanislaus, Tuolumne, Mariposa, Madera and Fresno Counties. His district office is located at 1912 Standiford Avenue, Suite #4, Modesto, 95350. The phone number is 209/576-6425. His email address is Assemblymember.Cogdill@assembly.ca.gov

Computer Training At a Discount

Want to become more productive? Need to work smarter but not harder? Computer programs driving you nuts?

If you answered "yes" to any of these questions, we have a solution for you! The Northern California Chapter has teamed-up with COMP USA to offer you computer training classes at a savings of \$45 per class. Choose from Word, WordPerfect, Excel, PowerPoint, Palm Pilot, Web Site Design, Access, ACT, and Quicken to name just a few.

Contact the Chapter Office at 925/932-7753 for more details or send your check payable to: Appraisal Institute, 1243 Alpine Road, Suite 102, Walnut Creek, CA 94596, for \$150 per class.

Classes can be taken nationwide and vouchers are good for the next several years.



E • D • U • C • A • T • I • O • N



A Look at 2001 Educational Offerings

Valley Seminar (see below for details)

July 19

Instructors: Panelists

Location: Legend's Cafe, Modesto

Course 530: Advanced Sales Comparison and Cost Approach July 23-28

Instructors: Nelson Bowes, MAI, & Virginia Messick, MAI

Location: Fremont Chamber of Commerce, Fremont

Course 600: Income Val of Small, Mixed-Use Properties July 26-27

Instructor: Cliff Cryer, MAI

Location: Holiday Inn, Concord

Course 430: Standards of Professional Practice October 11-12

Instructors: Stephanie Coleman, MAI, SRA, & Dawn Molitor, SRA

Location: San Jose Hyatt, San Jose

Annual Fall Conference

November 2

Location: San Francisco Marriott

Residential Problem Solving: Practical Solutions Seminar Early 2002

Instructors: Panelists

Location: TBA

To receive advanced notification of these upcoming course offerings, contact the Chapter Office at 925/932-7753 or jenny@norcal-ai.org.

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.

Valley Seminar Offered in July

Valley Seminar • Thursday, July 19 • Legends Café, Modesto

The Valley Seminar is back! You asked for local, affordable continuing education. The Valley Seminar provides that and so much more. Join us for three informative and timely breakout sessions:

Special Appraisal Development And Reporting Issues

PANELISTS:

Stephanie Coleman, MAI, SRA,
Director of Screening,
Appraisal Institute

Dawn Molitor, SRA,

The Sunrich Company

- limited appraisal development & reporting
- preliminary value study and/or evaluation
- update and/or recertification of appraisal
- two-phase valuation assignments
- providing the second client with results prepared for the first client
- appraisal reviews

Addressing the Needs Of the Client

PANELISTS:

Sonny Groom, Premier Home Loans

Rob Bovee,

Union Safe Deposit Bank

Steve Herum, Land Use Attorney,

Herum, Crabtree & Brown

Eric Griffin, MAI, Appraiser,

Eric Griffin & Associates

- lender client: residential
- lender client: non-residential
- attorney client: reviewer

San Joaquin and Stanislaus Counties RE Update and Forecast

PANELISTS:

Mark Reckers,

Lee & Associates

- industrial market

Shelly Cannon-Keely,

CB Richard Ellis

- office market

Wendy Coddington,

Colliers International

Wayne Rice

- multi-family market

Shane Donlon,

Jack Williams, Delta Islands

- agricultural market

David Capel, The Meyers Group

- production market

Mike Zagaris, PMZ Real Estate

- existing home sales

This program has been approved for 7-hours of CEC by the Appraisal Institute and the State Board of Equalization. An application for 7-hours of CEC has been submitted to the OREA. Register by July 2 and save \$20 off the standard seminar fee. For more information, contact the Chapter Office at 925/932-7753 or jenny@norcal-ai.org.

Preparing for 2002: Reply Requested

As you know, the Appraisal Institute provides premier courses and seminars that keep pace with today's appraisers' needs. To help us best meet your designation and continuing education needs, please take a moment to complete the survey below.

Please select and check the proposed course topics listed below that you would like to see offered, then complete the professional affiliation information in the box below and return it all to the Appraisal Institute by fax or mail.

Thank you! Your input will assist us in making sure that the programs you need and want are offered locally:

COURSES

- Course 110: Appraisal Principles
- Course 120: Appraisal Procedures
- Course 210: Residential Case Study
- Course 310: Basic Income Capitalization
- Course 320: General Applications
- Course 330: Apartment Appraisal: Concepts & Applications
- Course 410: Standards of Professional Practice (USPAP) — Part A
- Course 420: Standards of Professional Practice — Part B
- Course 430: Standards of Professional Practice — Part C
- Course 500: Advanced Residential Form and Narrative Report Writing
- Course 510: Advanced Income Capitalization
- Course 520: Highest & Best Use and Market Analysis
- Course 530: Advanced Sales Comparison and Cost Approaches
- Course 540: Report Writing and Valuation Analysis
- Course 550: Advanced Applications
- Course 600: Income Valuation of Small, Mixed-Use Properties
- Course 610: Cost Valuation of Small, Mixed-Use Properties
- Course 620: Sales Comparison Valuation of Small, Mixed-Use Properties
- Course 700: Appraiser as Expert Witness: Preparation & Testimony
- Course 705: Litigation Appraising: Specialized Topics and Applications
- Course 710: Condemnation Appraising: Basic Principles and Applications
- Course 720: Condemnation Appraising: Advanced Topics and Applications
- Course E3: Advanced Rural Case Studies

SEMINARS

- NEW!* Avoiding Liability as a Residential Appraiser (Res)
- NEW!* Convincing Residential Appraisal (Res)
- NEW!* Feasibility Analysis, Market Value and Investment Timing: Introducing the Impact of Option Value (Res/Gen)
- NEW!* Appraisal Review — Residential Properties (Res)
- NEW!* Appraisal Review — Commercial Properties (Gen)
- NEW!* Serving the Client — The Application and Use of the Streamlined Appraisal Process (Res)
- NEW!* Section 8/HUD Rent Comparability
- NEW!* An Introduction to Environmental Issues for RE Appraisers (Res/Gen)
- NEW!* Appraising Environmentally Contaminated Properties (Res/Gen)
- NEW!* Appraising the Tough Ones: Case Studies in Complex Residential Valuation
- NEW!* Small Hotel Motel Valuation: Appraising the Limited Service Lodging Facility (Res/Gen)
- NEW!* Residential Sales Comparison
- NEW!* Computer Plotting of Legal Descriptions
- Real Estate Disclosure (Res/Gen)
- Advanced Writing Skills for the Residential Appraiser
- Analyzing Operating Expenses (Gen)
- Appraisal of Nonconforming Uses (Gen/Res)
- Appraisal Office Management: Making Your

- Business Profitable (Gen/Res)
- Appraisal and RE Lending: What Every Banker Should Know (Gen/Res)
- Appraising from Blueprints and Specifications (Gen/Res)
- Appraising High-Value and Historic Homes (Res)
- Appraising Manufactured Housing (Res)
- Basic Income Modeling Using Spreadsheets (Gen)
- Case Studies in Commercial Highest & Best Use (Gen)
- Case Studies in Residential Highest & Best Use (Res)
- Data Confirmation and Verification Methods (Gen/Res)
- Dynamics of Office Building Valuation (Gen)
- Eminent Domain and Condemnation Appraising (Gen/Res)
- Federal Land Exchanges and Acquisitions: Appraisal Issues and Applications (Gen)
- FHA Appraisal Inspection from the Ground Up: What Every Appraiser Should Know (Res)
- Highest and Best Use Applications (Gen)
- Litigation Skills for Appraisers: An Overview (Gen/Res)
- Partial Interest Valuation — Divided (Gen)
- Partial Interest Valuation — Undivided (Gen)
- Regression Analysis in Appraisal Practice: Concepts and Applications (Gen/Res)
- Residential Consulting (Res)
- Residential Design and Functional Utility (Res)
- Special Purpose Properties: The Challenges of RE Appraising in Limited Markets (Gen)
- Subdivision Analysis (Gen)
- Supporting Sales Comparison Grid Adjustments for Residential Properties (Res)
- Understanding and Testing Discounted Cash Flow Valuation Models (Gen)
- Valuation of Detrimental Conditions in RE (Res/Gen)
- USPAP Update Seminar (7-hours)
- Federal and State Laws & Regulations Workshop (4-hours)

Other Topics:

Name _____

FAX (____) _____

E-Mail _____

City of Residence _____

City of Employment _____

Northern California Chapter Member:

- Yes No

Check all that apply:

- MAI SRPA SREA SRA RM
- General Associate Residential Associate
- Affiliate Member

I am seeking education for:

- Continuing Education
- Appraisal Institute Designation Requirements

Facility suggestions:

Thank you for your prompt response. We look forward to once again helping to meet your education needs in 2002!

Return to: Appraisal Institute, 1243 Alpine Road, Suite 102, Walnut Creek, CA 94596 or FAX to 925/932-7754.

2001 Annual Fall Conference Returns To the San Francisco Marriott Friday, November 2, 2001

Hopefully you have already marked your calendar to attend this year's Annual Fall Conference. Our 2001 conference will mark the 51st year of this long-running, well attended and respected educational event.

Listed below is a sampling of the 12 informative breakout sessions:

Residential Energy Crisis: The Electrocution of California

The deregulation of the energy industry was not supposed to be like this. Rather than seeing lowered rates and smoothly running generating facilities, California consumers and corporations are faced with wildly escalating rates, and plants that go off line for regular maintenance and repair. While the State struggles, scrambles, and strives to negotiate its way out of the morass, homeowners and business owners grapple with its impact on their finances and the implications it has for them to remain in a state that got Re-regulation all wrong.

This session will provide a macro and micro overview of the crisis from a residential/consumer perspective, including:

- Energy Efficient Mortgage products by Fannie Mae — the appraisal for this mortgage appears “typical,” but it’s not. Learn what an EEM is and how they impact the mortgage industry, why they are gaining popularity throughout the country, what special appraisal forms are required, and the type of energy efficiency knowledge you need as an appraiser to complete the assignment competently.
- Expert research has quantified what the “real” payback is for energy efficiency products and equipment in the home, and why conserving is important to the economics of our country. Find out about this research and learn how to use it to evaluate energy efficiency in a home and its market to develop accurate and supported adjustments in your appraisal assignments.
- “What the heck is that?” Discover, from a “hands-on” approach the number of different but common energy efficient products being installed by homeowners today: tankless water heaters, solar water heaters, solar power (what is good solar exposure), types of insulation and where it counts the most, ventilation devices, electrical wiring and lighting, kitchen appliances. What does the Energy Star label really mean?

Technology Update

Computers are now an essential element of an efficient appraisal office. And, every year, the changes are considerable and consume a major amount of appraisers' time. This year, we appear to be moving forward with several new areas of technology that seem likely to actually save appraisers' time.

Come hear two very knowledgeable people in appraisal software present the case for these interesting new ideas, as well as their assessment of all the technological changes that you will have to cope with over the next several years!

Valuing Intangible Assets For Property Tax Assessment Purposes

Assessors are required to assess only the real property (and depending on the state, the personal property) component of an asset for real estate taxation purposes. The methodology employed to isolate and value the intangible components of certain property types, such as hotels, has evolved in recent years and is the subject of intense debate, particularly in property tax appeals.

This session will set forth a methodology that has been developed to isolate and value the intangible components of a hotel in both the sales comparison and income approaches to value. Viewpoints of this issue will be set forth and discussed from both the assessor's and real estate appraiser's point of view.

Impact of Energy Crisis on Commercial Property Values

The energy crisis has hit California hard and many appraisers are struggling to interpret how the rising costs and rolling blackouts have impacted the value of the commercial buildings we appraise. Obviously, the impact will be felt most directly by buildings with full service leases. However, even net leased properties will also see the impact on both micro and macro levels.

As tenants seek relief from the rising costs, they will consider properties that provide energy efficient features over those with obsolete HVAC and power systems. It will eventually be the task of the appraiser to discover how the market perceives the properties we appraise and how rents and returns are affected.

This session will provide a panel of experts from the field of commercial property lending, acquisition, leasing and property management. We will address the market from the tenant's side, the investor, the owner and, finally, the lender. We will discover how players in the market are protecting themselves through underwriting investments and loans. Finally, we will see what steps a progressive property manager has taken to reduce the costs to his client.

Watch for registration information later this month. Register early and save. Applications for 6-hours of OREA, SBE and AI CEC are being submitted.

More Affordable Education Offerings Just an Email Away!

The Chapter is always looking for new, accessible, and affordable facilities to hold its courses and seminars. If you know of any facilities that meet this criterion, please forward the name and location to Lisa Estes at lisa@norcal-ai.org.



Looking Ahead

Jul 19	Vally Seminar — Modesto
Jul 23-28	Course 530 — Fremont
Jul 26-27	Course 600 — Concord
Aug 9	AI Day at the Ballpark — Oakland
Aug 27-28	Gen Comp Exam — Oakland
Sep 20	Chapter Workshop/Social — San Ramon
Oct 11-12	Course 430 — San Jose
Oct 18	Workshop/Meeting — San Francisco
Nov 2	Fall Conference — San Francisco

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Library Hours by Appointment

Appraisers Wanted

World Savings Bank has staff positions for full-time experienced, licensed/certified appraisers for most appraisal offices in Northern California. Computer experience and a positive attitude are a must. We provide a company car, training, data sources, and state-of-the-art computer equipment. The compensation plan is a combination of salary and bonus depending on experience. In addition, we offer a full benefit package. Please contact Robert Huffman, Sr. VP, 3348 Lakeshore Avenue, 2nd Floor, Oakland, CA 94610. 510/464-8848, FAX 510/464-8844 or Bhuffman553@WorldSavings.com.

Curtis-Rosenthal, LLC wants to know... Are you an experienced commercial appraiser? A team player? Computer savvy? A good communicator? Are you looking for a supportive, entrepreneurial environment? Challenge and growth in your career? Balance in your life? If so, join our expanding California team in SF, LA or Newport Beach. Please send resumé, comp history and references to Claudia Carleton at 415/677-4102 FAX or ccarleton@curtisrosenthal.com.

County of Sacramento Real Estate Division has positions open for an Assistant RE Agent (\$2710-3998+) and Associate RE Agent (\$3951-4802+). Duties include appraisal, acquisition, relocation assistance, space leasing, and property management. Professional organization in growing community with affordable housing. Contact Craig Thurston, MAI, Division Chief at 916/876-6220 or thurstonc@saccounty.net.

Experienced Commercial Appraiser and/or Commercial Appraiser Manager position available at a growing commercial firm. Must be thorough, detail oriented, motivated, computer literate and have strong writing skills. State license required. MAI or actively seeking designation. Send resumé to: Jeffrey W. Fillmore, MAI, 4100 Moorpark Avenue, Suite 201, San Jose, CA 95117, 408/241-4400, 408/241-1414 FAX or jfillmore@fillmoregroup.com.

PGP Valuation Inc. with offices in California, Oregon and Washington has immediate openings for licensed, experienced appraisers in its Sacramento office. Leave the traffic behind and relocate to where housing is still affordable. Competitive fee-split structure including 401K and medical benefits. Proficiency in MS Word and Excel required. Great support staff to assist you. Email resume to Chris Vaterlaus@Cvaterlaus@PGPInc.com.

Classified Guidelines & Deadlines

The newsletter submission deadline is noon on the 5th of the preceding month. All submissions for the September 2001 issue must be received by noon on August 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.



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