



Appraisal News

Northern California Chapter of the Appraisal Institute

2004 Annual Fall Conference Plus Career and Vendor Fair

Friday, October 22 - San Francisco Hilton

There is still time to register to attend our 54th Annual Fall Conference that will be held on Friday, October 22 at the San Francisco Hilton. You will want to be one of the over 400 real estate appraisers and related professionals who attends this interesting and informative conference. John Ross, EVP, Appraisal Institute will start off the morning as our Opening Speaker. Our 16 breakout sessions include:

- Tired of Appraising Commercial Properties?
- Residential Market Trends: Why Boom and Not Bust?
- Before You Say "Yes": Clients, Assignments and Pricing
- Internet Research
- Who Gives You the Authority to Tell Me I'm Wrong?

- M&S Connect / AI Commercial Database
- Network Security and the Paperless Office
- San Francisco Market Update
- Residential Consulting Services
- Residential Retrofit: Enhance Your Profit Margin
- Appraiser's Work File
- East Bay Market Update
- Commercial Building Inspection
- Hot Spots and Pitfalls of Appraising Affordable Housing
- Real Estate Damage Economics
- Silicon Valley Market Update

Below is a peek at some of the timely and interesting breakout topics:

Network Security and The Paperless Office

Up until now the idea of a paperless office has been little more than a pipe dream. This workshop provides a

guide that will help you achieve a functional paperless office. The presenters will recommend a list of hardware and software necessary to make the paperless office a reality. They will also address physical and digital security precautions that need to be considered to safeguard your data and reports. This session is a must attend, if your goal is to become totally or partially "paperless" in the near future.

The Hot Spots and Pitfalls of Appraising Affordable Housing

This session is intended for appraisers with some exposure and working knowledge of appraising Affordable Housing projects. This would include not only appraising proposed and existing affordable housing projects, but also appraising market rate housing with an affordable housing component and appraising land for proposed housing with an affordability component. There are basic concepts surrounding appraising affordable housing. As tax credit financing has grown in popularity and people's comfort level with the financial instrument, developers are getting more and more sophisticated. It is

Appraising the Tough Ones

**The Toll House, Los Gatos
Friday, November 12**

If you missed this sold out offering in 2003, you are in luck! This informative one-day seminar is back! This intermediate level seminar provides numerous examples and abbreviated case studies to help attendees learn how to successfully solve complex residential valuation problems. Specific techniques that can be used to address problems such as scarcity of comparable sales, the analysis of cost data, the possibility of rezoning and alternative use issues, and the need to consider specially defined markets and values are some of the topics to be presented. These and other techniques will be applied, separately and in combination, to value diverse properties through case studies. Information will be provided on how "creative" methodology can be developed and applied to derive supportable value conclusions in conformance with USPAP.

After completing this seminar, you will be able to

- Recognize the four factors that create a complex assignment
- Learn how to analyze a "complex" assignment
- Locate sources and creatively apply traditional and non-traditional valuation techniques

This seminar is approved for 7-hours of Appraisal Institute, OREA (#01754C639) 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>.

Members Page

October is Membership Appreciation Month

The Appraisal Institute's fourth annual Membership Appreciation Month kicked off October 1. The month-long observance offers an excellent opportunity to reward members for their continuing support of their chapters and the association as a whole.

Discount on Scope of Work Online Seminar

During October, members can enjoy a discount when registering for the new online seminar, Scope of Work: Expanding Your Range of Services. Originally offered at \$99, it is being offered at a discounted rate of \$75 to Appraisal Institute members. Discount registration is from Oct. 1 through Oct. 17, 2004 (classes begin on either the 1st or 15th of the month). To register, contact John Witham at 312/335-4207.

20 Percent Discount on All Books

The discount code, MAM04, will automatically deduct 20 percent off of the membership price of all Appraisal Institute books purchased via the Appraisal Institute Store - <http://www.appraisalinstitute.org/store/default.asp>. No coupons, no restrictions! This offer is good only from October 1 through October 31, 2004.

No Fees for 2004

During October Appreciation Month, we will waive not only the application fee for those joining as associate members, but also the prorated dues costs from then until the end of the year for both associate and affiliate applicants. *Please be aware that accepted applicants will be invoiced for their full 2005 dues costs.*

Member-Sponsor-a-Member Promotion

By sponsoring a colleague to join the Appraisal Institute, existing members can receive a discount on their own dues. For example, for each new associate or affiliate member you sponsor who joins the association between now and April 30, 2005, you can receive:

- 5 percent off your 2006 dues — up to a maximum of 20 percent
- Full registration to the Appraisal Institute's 2005 summer conference in Seattle, if you sponsor the most members

To sponsor and receive credit for a new member, existing members should visit the Members page at www.appraisalinstitute.org or log into the Members Only section and click on "Sponsor a Member." Once the prospect joins the Appraisal Institute, the current member will receive an automatic five percent discount on 2006 dues. Members have until Oct. 30, 2005, to sponsor a colleague and receive the discount on the 2006 dues. (Please note that timing will not allow discount to be applied to 2005 dues.)

Special Membership Appreciation Month Affinity Partner Discounts

Two of our affinity programs are extending added discounts to Appraisal Institute members during Membership Appreciation Month this year.

■ **eTrac, Inc. Office Management Software.** eTrac is multi-faceted software that allows complete virtual management of an appraisal business. It receives, tracks, notifies, and connects clients, staff, and appraisers in real time 24/7. During October eTrac is offering Appraisal Institute members a 50 percent discount on the total eTrac package for the remainder of 2004. (Members must order the total eTrac package October 1-31, 2004, to receive this discount. The package is only discounted for October, November, and December 2004. As of January 1, 2005, the cost will return to the 15 percent normal Appraisal Institute discount.) For more information visit www.myetrac.com.

■ **JurisPro.** JurisPro, an online directory for attorneys to search for expert witnesses to retain on legal cases, is offering an additional \$10 off of the profile listing to Appraisal Institute members who sign up in October. This adds up to a total

2004 Officers, Directors and Branch Chapter Chairs

PRESIDENT

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jhillas@sierravaluation.com

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GOLDEN GATE/MEETING GROUP Volunteers Needed

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CENTRAL CAL BRANCH CHAPTER
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SILICON VALLEY BRANCH CHAPTER
Jim Gavin, MAI

James_Gavin@standardandpoors.com



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Members Page

2004 Committee Chairs

Arrangements

Siobhan Semple Stoddard, MAI

Membership Development

Steve Castellanos, MAI, SRA

Associates' Guidance

— General

Anthony Mills, MAI, SRA

Associates' Guidance

— Residential

Chris Daniel, SRA

Experience Review

— General

Peggy Darnall, MAI, SRA

Experience Review

— Residential

Michael Dambacher, SRA

Finance

Claudia Carleton, MAI

Government Relations

Carole Laval, SRA

Courses

Steve Kuhnhoff, MAI

Seminars

Frank Schmidt, MAI, SRA

Fall Conference

Peter Overton, MAI

Public Relations

Joe Napoliello, MAI

Technology

Karen Mann, SRA

Newsletter

Sara Cohn, MAI

Melissa Bach, MAI

Nominating

Neil Lefmann, MAI, SRA

Examinations

Art Lombard, MAI

Workshops

John Hillas, SRA

Melissa Bach, MAI

Rob Hensley, MAI

Rick Smith, MAI

60-Day Notice Materials Posted

Please take some time to read the 60-Day Notice materials posted on the Appraisal Institute website — <http://www.appraisalinstitute.org/>. In it are proposed changes to the By-Laws that will be put into effect if not overturned by a 60% vote at the National Board Meetings in November:

- ♦ **Semi-Retired Members:** allows higher income limits
- ♦ **Exceptions to Ethical and Standards Rules:** allows for international members to use their local standards
- ♦ **Requirements to SRA Designation:** removes several requirements including the Demonstration Report
- ♦ **Governance Restructure:** intended to be smaller and more efficient

Your Northern California Chapter will have a full slate of Regional Representatives discussing these and other issues at the Regional Meeting in October. Please share your thoughts with us so we can represent you. Your Northern California Chapter Regional Representatives include:

John A. Hillas, SRA

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Claudia Carleton, MAI

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Frank Schmidt, MAI, SRA

fschmidt@valuationconsultant.com

2005 Leadership Development & Advisory Council (LDAC) Applications

LDAC will be held at the Loews L'Enfant Plaza Hotel in Washington, D.C. March 9-11, 2005. Applications will be ready this fall. Although intrinsically the program will remain the same, it will begin on a Wednesday and end on a Friday next year. Lobbying will be conducted on Thursday, March 10. Please keep LDAC and these dates in mind when thinking ahead for your 2005 projects. If you are interested in attending as a representative of the Northern California Chapter, please contact the Chapter Office at 925/932-7753 or lisa@norcal-ai.org.

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of \$90 off of the regular price. Users set up a profile that includes a biography, a picture, an option to record the user's voice, as well as a web page, background and a CV. For more information visit <http://www.jurispro.com/> or contact JurisPro at 888/905-4040.

For more information on any of the opportunities listed above, contact Wendy Woodburn, Manager, Membership Services at 312/335-4191 or wwoodburn@appraisalinstitute.org.



Chapter Membership Survey

We Want to Hear From Our Members

During the month of November, the Northern California Chapter will be conducting a web-based membership survey. Your cooperation in completing the survey is essential to our forward planning process. A link will be provided on our web site. Copies will be mailed to members who do not have web access. Watch for more information later this month.

More Members Page

Members in the News

Thank you to **Anthony Mills, MAI, SRA**, Chair, General Associates' Guidance for putting together an informative workshop on the General Experience Review Process. Thank you to **Peggy Darnall, MAI, SRA**, and **Dave Hamilton, MAI**, for bringing our General Associates up to date on recent changes to the experience review process.

Karen Mann, SRA, did it again! She provided an informative 3-hour workshop titled "Beat the Clock and Make More Money" to a full house in Pleasanton. Thanks to Karen, many appraisers are already implementing her suggestions for working smarter. Thank you also to **Rob Denton, MAI**, and **Roger Ostrem** for their assistance with registration.

Appreciation is extended to **Siobhan Stoddard, MAI**, and **Shelia Mone** for rising early to handle registration at our September offering of Course 120: Appraisal Procedures in Novato.

RE Feasibility Analysis was a hit! Thank you to **Robin Erdmann, MAI**, for helping to bring this program to the Bay Area. Appreciation is also extended to **Brad MacLane** for assisting with registration.

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>

MapPro Mapping Software Discount

MapPro, Inc. (www.mapproinc.com) would like to take this opportunity to offer a discount on mapping software to all Appraisal Institute members. Members who subscribe to MapPro for one year (signing a year contract) will be entitled to a 20 percent discount off of their monthly service fee. MapPro will also offer a 10 percent discount off the monthly service fee to those who go on a month-to-month subscription with MapPro. For more information, contact Deanna Ragon at dragon@mapproinc.com or by calling 866/362-7776.

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.

Members on the Move

Bill Bacon, MAI

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Number 169D
Sunnyvale, CA 94087-1051
408/737-7014
billbacon@comcast.net

Robin Erdmann, MAI

The Robin Erdmann Group
Real Estate and Land Use
Economic Consultants & Appraisers
1885 Falcon Ridge Drive
Petaluma, CA 94954
707/766-8313 FAX 707/766-8343
RobinErdmann@Comcast.Net

► The ad at right will appear in the December issue of *California Lawyer Magazine*. We welcome comments and suggestions for future PR efforts. Send to: lisa@norcal-ai.org.

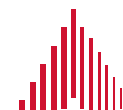
Knowledge.
Experience.
Integrity.

Be known for your integrity.

In today's real estate market, you are known by the company you keep. Always insist on a designated appraiser from the Northern California Chapter of the Appraisal Institute.

The MAI, SRPA and SRA designation represents advanced knowledge. They stand for years of proven, real-life real estate valuation experience. And they always mean a commitment to strict professional ethics and standards.

To learn how we can help you find an Appraisal Institute designated appraiser, or to receive information regarding the Northern California Chapter of the Appraisal Institute, please call 925-932-7753, via e-mail at lisa@norcal-ai.org, or visit our Web site at www.norcal-ai.org.



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Professionals Providing
Real Estate Solutions

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Members Page

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.

A Response to the Proposed Change in the SRA Designation Requirements

After reviewing the 60-day Notice materials and President Taylor's clarification letter of September 23, 2004, it is evident to me that the proposed change to the SRA designation requirements are a profound and ill-advised mistake. The 60-day Notice materials do not include a rationale for the changes; however the Taylor letter states that they are intended to have and promote a designation that is relevant in the marketplace, and better meets the needs of clients and appraisers who seek the highest level of professionalism. The proposed changes will not accomplish these objectives; and will only serve to lower the standard of quality associated with this designation.

The relevance of the SRA designation to the marketplace cannot be assessed by analyzing the desires and needs of the greatest common denominator of potential clients. By far, the majority of orders for residential appraisals are generated by the lending industry and mortgage brokers. With a few exceptions, this industry does not value and will not pay more for a higher degree of qualification beyond what is required by law. This portion of the marketplace is primarily motivated by cost and turnaround, and is usually comprised of clients who do not have a material interest in the quality of the appraisal service. Consequently, this segment of clientele has never displayed a true preference for designated appraisers, and there is no reason to expect one in the future. This was especially evident during the latest boom in residential financing where experienced and designated appraisers competed directly (and often unsuccessfully) with new and under-qualified but licensed appraisers, many of whom were trainees. This trend led to a well-documented increase in incompetent appraisals and complaints, but has not altered the process used by the lending industry in the hiring of

residential appraisers. What evidence is there to suggest that changing the requirements or increasing the number of SRA designees will have any impact on the priorities of this market or their methods of selecting appraisers?

The SRA designation is valuable to that segment of the market that truly needs an accurate, reliable, and ethical appraisal. This is usually in cases where the appraisal service will directly affect the client and have a significant impact on the resolution of their problem; such as taxes, divorce, estate planning, litigation, condemnation, etc. This is the market that requires the abilities and qualifications of the designated appraiser and the higher degree of professionalism that is gained through the SRA designation process. This is the market that will recognize and pay for expertise that is beyond the average, typical or common. This is the market where the SRA requirements as they exist now are very relevant. And this is the market to which the SRA should be promoted with greater enthusiasm. The expectations of these clients have not changed as a result of licensing, and there is no logical explanation as to how the proposed changes will better suit their needs. If a generalization can be made about the marketplace for residential appraisal services, it can be said that there are those who care about quality and professionalism, and those who do not. The proposed changes are not necessary or beneficial to those who care, and the changes will have no impact on those who do not.

It has been suggested that the motivation behind the changes is to lessen the difficulty in obtaining the designation, and thereby, attract a greater number of new SRA members. The proposed changes will do little to achieve this goal. It has been my experience during a 19-year associa-

tion with the Appraisal Institute that the main reason colleagues resign their membership or do not pursue an SRA designation is because the fees for membership are deemed too expensive in relation to the perceived return in value of the designation. The proposed changes will not affect the monetary cost of acquiring and maintaining membership; and therefore, do not address the primary reason for the declining enrollment of SRA Associates and Members.

Many colleagues tend to equate the worth of the SRA designation and the cost of membership dues with a comparable gain in business income. This is a misconception; especially when competing for financing appraisal assignments. The monetary and professional gain is accomplished by becoming more marketable and valuable to that portion of the market that has complex appraisal needs and require greater problem solving capabilities beyond the "deminimus" and industry average. It provides the designee with the stature to compete for a more diverse clientele who recognize the value of superior expertise and will pay accordingly. This is where the designee reaps the benefit of undertaking and completing the process. As in any professional endeavor, upward progression in this industry requires work. The SRA designation is intended to recognize persons who aspire to this higher level of professionalism and are willing to prove their competency. It is not to be bestowed on those who are complacent and satisfied with mediocrity or are motivated by a presumed automatic increase in fees. Under the proposed changes, the SRA designation will award Institute membership and recognition to persons who achieve only slightly better than the required minimum. There can be no question that this diminishes the significance of the designation.

The elimination of the demonstration appraisal as a requirement is also a substantial error. The 60-day Notice document indicates that the teaching points of the demo are intended to be covered in the required courses and examinations. This will in effect devalue the quality of the designation process. The demonstration appraisal is the only

Course 700 The Appraiser as An Expert Witness: Preparation and Testimony

November 4-5 * Hyatt, San Jose

They're back! Join Rocky Shiplett, MAI, and Steve Matonis, MAI, at the Hyatt San Jose this fall when they present Course 700: The Appraiser as an Expert Witness. This two-day course introduces the basic concepts and strategies needed to engage in litigation valuation. It explores the scope of activities appraisers can expect in a legal action, including assessing the status of a case, developing a USPAP-compliant appraisal without preparing a written report and understanding legal terminology and jargon. The course addresses how litigation assignments differ from lender assignments and how to market appraisal services to litigation clients. Participants work in small groups to practice effective deposition and direct testimony techniques and a mock trial with a residential case study gives them the opportunity to experience a realistic courtroom environment in which to polish their skills. This course is designed for experienced residential & general appraisers interested in exploring litigation valuation as a specialty, real estate professionals, users of appraisal services, and attorneys.

Topics include:

- * Legal terminology
- * Litigation valuation assignments
- * Preparation for deposition and trial
- * Direct examination and cross-examination
- * Working with other experts as part of a valuation team

Due to the number of early registrations already received, interested attendees are encouraged to register now — don't delay! Registration information can be found at <http://www.norcal-ai.org/event.html>

Associate On the Move

Patricia Rippe

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prippe@sturgisbright.com

Education



Upcoming Educational Offerings

- 2004 Annual Fall Conference** **October 22**
Instructor: Panelists
Location: San Francisco Hilton, San Francisco
- Course 700: The Appraiser as an Expert Witness** **November 4-5**
Instructor: Rocky Shiplett, MAI and Steve Matonis, MAI
Location: San Jose Hyatt, San Jose
- Diminution: Estimating Loss in Value Seminar** **November 9**
Instructor: Richard M. Betts, MAI, SRA
Location: University of Phoenix, Livermore
- Appraising the Tough Ones** **November 12**
Instructor: Dawn Molitor, SRA
Location: The Toll House Hotel, Los Gatos
- NEW! Course 300: RE Finance Statistics** **January 19-20**
Instructor: Ken Luscht, MAI
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
- Avoiding Residential Liability** **January 28**
Instructor: Dawn Molitor, SRA
Location: Radisson Hotel, Dublin
- Readdressing & Engagement Contracts** **February 11**
Instructors: Stephanie Coleman, MAI, SRA
Norm Hulberg, MAI
Location: TriValley (Dublin/Pleasanton) Area
- Course: Basic Appraisal Procedures** **Feb 18-19 & 25-26**
Instructor: Arlen C. Mills, MAI, SRA
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.



Agenda for Associates

Coming Soon:

Residential Demonstration Appraisal Report Writing

This 15-hour online seminar will focus 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 of the Appraisal Institute are encouraged to attend the seminar before beginning their demonstration report. All real estate appraisers are also encouraged to attend at any time. Details will be posted soon at <http://www.appraisalinstitute.org/ai/OnlineEd/>

Advisory Review Update

At the June Board of Directors meeting, Regulation 1 was changed to reflect new terminology for an educational experience review that has been offered to associates for a number of years. Long referred to as Mentoring Review, a general associate has the opportunity to ask for a review of his or her work for educational feedback. To eliminate some confusion with other AI programs, the name has been changed to Advisory Review (as was done for residential associates in 2003) but the benefits are unchanged. At the time of submission for the initial experience level, the associate has the option to have an independent and helpful work review. The intent is educational; to provide counseling and ultimately help the associate toward meeting the requirements of the final level experience review. The review is optional but recommended for all associates.

From July 2004 and going forward, Advisory Review responsibility has been transferred from the chapters to a nationally trained screener, selected from the Experience Review Panel. National screeners performing the Advisory Review will be chosen from the associate's chapter or region if trained and available.

Help! I've Got 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

Steve Castellanos, MAI, SRA
209/929-1441 FAX 209/929-1394
scastellanos@bankofstockton.com

Associates' Guidance — General

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

Associates' Guidance — Residential

Chris Daniel, SRA
831/624-6142 FAX 831/624-6148
ctdaniel@sbcglobal.net

Experience Review - General

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

Experience Review — Residential

Michael Dambacher, SRA
209/532-8833 FAX 209/532-8634
mikedambacher@sbcglobal.net

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
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Katie Powell
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kpowell@appraisalinstitute.org

Associate Records

Dorothy Williams
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Experience Review

Marilyn Moore
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Harriet Kudlacik
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Status/Demo Reports

Nancy Morales
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Margaret Latimore
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mlatimore@appraisalinstitute.org

Appraising Manufactured Housing Seminars Come to California

Manufactured housing retail sales for 2002 were estimated at \$8.4 billion! This seminar will provide residential appraisers with an in-depth look at manufactured housing as well as a means of remaining current with the latest terminology and changing technology of this industry. You will gain a competitive advantage by exploring areas where lenders require assurance that appraisers have the requisite skills. After completing this seminar, you will be better able to differentiate between different types of factory-built housing, assess the impact and implications of different building codes, appreciate the supplemental standards unique to manufactured homes, and be alert to liability issues exclusive to manufactured homes.

Bakersfield, CA - 11/15/2004

Contact: [Wendy Henderson](mailto:Wendy.Henderson@appraisalinstitute.org),
661/ 640-0169
Instructor: Richard M. Heyn, SRA

Fresno, CA - 11/16/2004

Contact: [Arhlene Delfin](mailto:Arhlene.Delfin@appraisalinstitute.org),
312/ 335-4216
Instructor: Richard M. Heyn, SRA

Redding, CA - 11/16/2004

Contact: [Arhlene Delfin](mailto:Arhlene.Delfin@appraisalinstitute.org),
312/335-4216
Instructor: Richard L. Borges II,
MAI, SRA

Manteca, CA - 11/17/2004

Contact: [Arhlene Delfin](mailto:Arhlene.Delfin@appraisalinstitute.org),
312/335-4216
Instructor: Richard M. Heyn, SRA

Fall Conference

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important for the appraiser to understand the intended use of the appraisal, the intended user and ramifications of making blanket assumptions. We have brought together three very distinguished and highly qualified users of appraisal services in the Affordable Housing industry. They will help address issues that arise in appraising affordable housing and discuss issues they find particularly important to clarify. This session is designed to improve the dialog and understanding between the appraisers and users of appraisal services.

Appraisal Consulting Services

Consulting services provide an additional opportunity for appraisers that possess market knowledge second to none. Excellent appraisal work rises far above looking at comparable sales. It comes from understanding the subtleties of each property and transaction. Learn what consulting means to the appraisal professional and what skills are needed to perform these services. As specialists you can help to identify and maximize the value of your unique property by defining its potential through creative planning and design techniques, tied to market realities. Depending your qualifications, consulting services may include:

- sale of all or a portion of the property,
- gifting to the next generation,
- conservation of all or a portion of the property through conservation easements, arbitration services
- development of the property, or limited development,
- purchase of abutting property
- non-lender related property value assessments

Bay Area Residential Market Trends: Why Boom and Not Bust?

While the Bay Area is experiencing a painfully slow increase in job growth, and the commercial market is deemed "still tough, but getting better," new home subdivisions enjoyed average 5% to 10% pricing increases in the first quarter of 2004. Traffic through the subdivisions increased, absorption rates increased, and waiting lists increased. The only thing that decreased is inventory. What is driving this market? Why

boom and not bust? This session, "Bay Area Residential Market Trends," will provide an overview of the regional housing market and the influences that currently define it, and provide opinions on future housing trends and growth areas. While the session will primarily focus on new construction, trends in the resale market will also be discussed.

Before You Say "Yes": Qualifying Clients, Engaging Assignments, and Product Pricing

Developing a good relationship with a client begins with a clear understanding of what the client and appraiser/consultant expect from each other. The expectation is based upon needs. The agreement between client and appraiser regarding the product to be delivered is a contract. A clear understanding of what will be delivered, when, and at what price is basic to any contract. Asking the right questions enables the appraiser/consultant to better understand the client's valuation needs, and the scope of appraisal work necessary to properly satisfy those needs. Knowing the client's needs and the scope of work, the engagement terms can be fine-tuned to both meet the client's needs and appropriately compensate the appraiser/consultant.

Below is a partial list of exhibitors who will be displaying their products and services at this year's Fall Conference:

- Chesapeake Appraisal and Settlement Services, Inc.
- Liability Insurance Administrators
- World Savings
- EASI
- Appraiser's Paradise
- FNC, Inc.
- Marshall & Swift / M&Sconnect
- NDCdata
- ACI

Approved for 6-hours of CEC by the Appraisal Institute, SBE and States of Montana and Washington. Applications for 6-hours of CEC have been submitted to the States of California (OREA), Arizona, Oregon, Idaho and Nevada.

For conference registration information visit <http://www.norcal-ai.org/event.html>.

IHMO:

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requirement where an Associate must acquire and prove an understanding and ability to use advanced appraisal concepts and techniques in a real-life situation. It serves as an important "test" that requires the Associate to appraise an actual subject property, using actual market data, and explain the components and conclusions of an appraisal in an actual narrative report. The proposed equivalent of class education and examination cannot replace the value of this project. Courses and examinations rely on valuation scenarios and data that are premeditated, calculated, and are provided to students in uniform course materials. They do not require the Associate to extend their efforts beyond the classroom. Consequently, Associates can gain credit for knowing advanced theories and methods without ever having met the challenge of using them correctly under real-life circumstances. It does not matter whether the typical SRA designee will ever conduct or write such an appraisal report again. There is no doubt that they will certainly use and benefit from the knowledge gained from the experience in their daily practice. To eliminate it as a requirement is to remove a very beneficial educational element of the designation process and devalue the quality of the designation itself.

The value of the Appraisal Institute to the marketplace is created by a publicly held trust and perception that its members possess the highest level of ability and professionalism of any other organization in the appraisal industry. The only way to maintain this public trust is to preserve these high standards. The proposed change to the SRA designation requirements will not improve the stature of the designation or its relevancy to the market, nor will it increase revenue from membership dues. It will only serve to diminish the quality of the designation and the widely held regard that the Appraisal Institute is the leading professional organization in the residential real estate appraisal industry. Lowering the standards for the SRA designation is a considerable step backwards with no apparent benefit. It is a mistake that warrants a diligent and vigorous effort by the membership to overturn its adoption and reinstate the previous requirements.

— Anthony C. Mills, MAI, SRA
September 30, 2004

News From National

Board Amends USPAP Course Requirements

At its meeting in Toronto in June the National Board of Directors amended Regulation Nos. 1, 2 and 10 to provide that designated and associate members may fulfill their USPAP course requirements by taking and passing the appropriate national uniform USPAP course from an AQB-certified USPAP course instructor. It struck the language that required the course to be given by an appraisal sponsor of The Appraisal Foundation.

For designated and associate members to be granted credit for their respective USPAP requirements, the course must have been taken **on or after January 1, 2003**, and have been taught by an Appraiser Qualifications Board (AQB) certified USPAP instructor. The Appraisal Foundation's "USPAP Course Completion Verification Form" must be forwarded to the Membership Services Department to be reviewed for credit in lieu of the Appraisal Institute's *Course 410 (15-Hour National USPAP)* or *Course 400 (7-Hour National USPAP Update)*.

Associate members should submit the appropriate documentation to Dorothy Williams at: dwilliams@appraisalinstitute.org; T: 312/335-4172; F: 312/335-4170.

Designated members should submit the appropriate documentation to Rebecca Hiddle at: rhiddle@appraisalinstitute.org; T: 312/335-4190; F: 312/335-4195.

Prerequisites to be granted reciprocal credit for the 7-Hour National USPAP Update Course:

- The 15-Hour National USPAP (or an acceptable equivalent) must have been taken from:

- an Appraisal Institute local chapter, or
- an appraisal sponsor of The Appraisal Foundation (www.appraisalfoundation.org), or
- another provider **on or after 1/1/2003** and taught by an AQB-certified USPAP instructor.

If these requirements have not been met, then the *7-Hour National USPAP Update* will **not** meet the Appraisal Institute's USPAP requirements for members.

Two Instructor Leadership & Development Conferences This Fall

Are you interested in becoming an Appraisal Institute instructor? If so, the Appraisal Institute will offer two Instructor Leadership & Development Conferences this fall. Currently designated members of the Appraisal Institute can attend the ILDC and be on their way to teach our three brand new courses. One conference will be presented in Los Angeles and the other in New York City.

- October 29 – November 1, 2004
Los Angeles, CA
The Westin, Los Angeles Airport
- November 18 – 21, 2004
New York, NY
Baruch College
Steven L. Newman
Real Estate Institute

The purpose of the ILDC is to assess the instruction/communication skills of each potential instructor as well as to review educational principles and practices that will prepare participants to teach Appraisal Institute courses effectively. This program includes sessions on:

- Communication skills necessary to teach adults
- Identifying problem areas in teaching the three new courses: *Basic Appraisal Principles*, *Basic Appraisal Procedures* and *Residential Market Analysis & Highest and Best Use*
- Active Learning Exercises and videotaping sessions to evaluate and increase the participant's ability to teach Appraisal Institute courses

Current Appraisal Institute instructors may also attend the ILDC either to freshen up on the new materials or gain approval; you could attend at a reduced cost! Contact Jimmy Driskill at jdriskill@appraisalinstitute.org for additional information.

Planning Underway For Visibility Campaign to go Nationwide In 2005

Based on the analysis and findings of the Tampa and Houston pilot programs, which occurred this spring, plans are now underway to develop an expanded visibility campaign for a nationwide launch in early 2005. The program objective remains unchanged, creating a preference for MAI, SRPA, and SRA designated appraisers by promoting specific real estate solution specialties. The core message of the campaign continues to be: *Appraisal Institute designated appraisers are best qualified to provide sound and unbiased real estate valuation information.*

In early August Don Kelly, Public Affairs VP, and Hope Atuel, Director of PR/Marketing, met with consultants at Ogilvy PR to review the strategies and messages that were implemented in the pilot programs and identified those approaches that were most successful. In Tampa, where the target audience was financial planners, the radio buys on WFLA-Tampa were successful. In Houston, the interactive media and advertorial type of print advertisements were successful in reaching attorneys to communicate the value of obtaining the services of designated members when it comes to specialized appraisal services such as litigation, eminent domain, and conservation easement issues.

Given these results, we are looking at focusing our marketing initiatives on either national or a broader reach of regional radio spots, national print advertisements in specific trade publications, interactive advertisements and earned media, with supporting tradeshow participation in various client groups. Four top-tier client groups or key audiences have been identified: attorneys, bankers, builders/business developers and accountants/financial planners. In the next few weeks, we will be holding conference calls with an advisory team of members to fine-tune messages we've used in this campaign with specific key audiences in mind.

Looking Ahead

- Oct 7 Course 400:
USPAP 7-Hour
— Emeryville
- Oct 8 Course 420: Ethics
— Emeryville
- Oct 22 Annual Fall Conference
— San Francisco
- Nov 4-5 Course 700:
Expert Witness
— San Jose
- Nov 9 Diminution Seminar
— Livermore
- Nov 12 Appraising the
Tough Ones
— Los Gatos
- 2005**
- Jan 28 Avoiding Res Liability
— Dublin
- Jan 21-22 & 28-29
Basic Principles
— Livermore

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Library Hours by Appointment

Appraisers Wanted

Commercial Appraiser or Appraiser Trainee Position Available at a prominent appraisal firm in San Jose, California. All applicants must be analytical, detail oriented, self starter, computer literate and have strong research and writing skills. Please email your resume and cover letter to: ewessels@cbppraisal.com.

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.

Full-Time Staff Appraiser – San Rafael. Must have Certified General Certificate and minimum three years experience appraising real estate. Strong writing and analytical skills required. Appraises all real estate without regard to value or complexity, which includes on-site inspections of residential, commercial, and income-producing properties. Please fax resume to First Federal Savings and Loan Association of San Rafael, Attn: Arsine Almquist, at 415/456-1164 or email hrrarsine@aol.com.

Commercial Real Estate Valuation Associate. Associates in the Standard & Poor's CVC Real Estate Valuation Group support a wide range of client interests, from financing, purchase price allocations (merger & acquisition support), and pension reporting to litigation support and feasibility studies. Recent projects range from luxury hotels and office towers to sports and semiconductor facilities. Associate responsibilities include: Research, Valuation Analysis, Site Visits (Approximately 30% Travel), and Report writing. Must be motivated, detail orientated and possess strong analytical and writing skills and should have 1-2 years experience in real estate. Experience with discounted cash flow analysis (in MS Excel and/or Argus) a plus. Competitive salary with excellent benefits. Submit your resume via email to: melissa_arabian@standardandpoors.com.

Residential Review Appraiser - Bay Area (North), Marin County. GreenPoint Mortgage is seeking a Residential Review Appraiser with a CA state license or certification and 3 to 5 years of experience in the Bay Area market. Excellent computer, writing and communication skills are a must. GreenPoint offers an excellent salary/benefit package. To submit your resume, visit the Careers Section of our website at www.greenpoint.com and Reference Job ID # 7403, or fax to J. Watkins at 480/755-8002. EOE. We value diversity!

Bay Area Commercial Appraiser position(s) available. The Schmidt-Prescott Group is a growing real estate firm based in San Jose, and is headed by two MAI's. Must be analytic, thorough, motivated, and computer literate. Applicant requires an under graduate degree. Prefer experience but will consider trainees with at least an OREA trainee license. Send resume and qualifications to Frank Schmidt, MAI, SRA, at fschmidt@ValuationConsultant.net or fax 408/255-1788.

Northern California/Bay Area Market Researcher needed for Commercial Real Estate Appraisal Firm. Must be detail oriented, analytical, able to multi-task, and extremely organized. Applicants should have excellent communication and computer skills, be able to work with minimal supervision and have a general knowledge of the Bay Area. Baccalaureate Degree required. Email your qualifications and resume to: jobopenings@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.

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.

Miscellaneous

Argus, Excel Proforma Modeling. Office, industrial, retail, housing, mixed-use, self-storage, sub-division. Due diligence services also. Major developer/project experience. On-time delivery and guaranteed service. References available. Contact Doug Ryan toll-free at 866/468-6831 or email dryan.rea@sbcglobal.net. FAX 626/285-9456.

Classified Guidelines & Deadlines

The newsletter submission deadline is noon on the 5th of the preceding month. All submissions for the January 2005 issue must be received by noon on December 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