

Southern NJ Chapter of the Appraisal Institute

September 2007 Edition

Bonnie L. Longo, MAI, Editor

Vegas Regional Meeting Report

Appraisers from across the country (and some ever further away!) gathered in Sin City this summer and had an experience they will not forget. They attended the Appraisal Institute's 75th Anniversary conference, which took place July 15-22 at Caesars Palace Hotel.

The Las Vegas slogan is: Whatever happens in Vegas, stays in Vegas." We're going to make sure that is NOT the case in this newsletter!

According to Conference Director Ruth Kelton, the final count on attendees was 1,176. Highlighting the week-long gathering were popular educational sessions and a gala celebration dinner. A

portion of the week was devoted to meetings of the Appraisal Institute's regional representatives. The event marked the first time all 10 regions met at once.

Many area Appraisal Institute members attended the event, including a large contingency from our chapter. Those SNJAI members in attendance included Michael Jones, MAI, Edward T. Molinari, SRA, Bonnie L. Longo, MAI, and Pat Conover, MAI. Also attending was the Chapter Executive Director, Lisa Weiss.

"Caesars Palace was so impressive," said Molinari. "It was huge, yet every hallway, room, restaurant, and store was just beautiful."

"The Appraisal Institute celebrated their 75 Years of success, progression, and professionalism in style and in Las Vegas at the 75th Anniversary Conference Celebration," said Longo. "I was proud to be one of over 1,100 appraisers in Vegas to celebrate this commemorative event. The Gala Dinner was memorable, while the networking opportunities with the best in the industry were unforgettable. Thank you to the Appraisal Institute for raising the bar for this organization. I look forward to many more regional and national events."



"Las Vegas was a great place to visit and Caesars Palace lived up to its reputation as a First Class Resort! My only wish is that more of our local Appraisal Institute Chapter members would have taken advantage of this learning and networking opportunity," added Conover.

In remarks at Tuesday night's celebration dinner, president Terry R. Dunkin, MAI, SRA, told his audience of nearly 600, "We have come from many places to share this historic moment. As I look around the room, it appears to me that tonight, we have made a commitment – all of us – to preserve the heritage of the Appraisal Institute and rely on that heritage as we meet the challenges and opportunities before us. We've evolved from a group of 100 professionals in 1932 to 22,000 members globally in 2007. It is no coincidence that our organization leads the forefront of the valuation profession today and we now look forward to a prosperous future."

The entire South Jersey contingency attended the dinner (see many picture below, including Eileen Lynn, MAI, from the Philadelphia chapter), and enjoyed entertainment from the Rat Pack: a Las Vegas impersonator group consisting of such artists as Dean Martin and Frank Sinatra. "There



was a lot of history in the room," noted Lisa Weiss. "It was interesting to watch the slide show of the organization's history, and to see some of the people noted in the pictures stand up around the room." Ed Molinari added, "The reception dinner was a very nice event. I was proud to be a

member of the Appraisal Institute. It was nice to meet and talk with members from throughout the country.”

On Wednesday evening, there was a cocktail reception preceding the Annual Auction benefiting AI's Education Trust. The chapter donated a “Taste of South Jersey” basket, filled with items from Atlantic City's Fralinger's Salt Water Taffy, which was purchased by the Connecticut Chapter's Executive Director.

Confirming that the immediate future for commercial real estate looks promising, a panel headed by noted analyst Peter Korpacz, MAI, proved the most popular one of the conference. This program focused on expectations among investors in the coming months. Pointing out that cap rates have been compressed from 9 percent to near 6 percent over the last four or five years, Korpacz noted that this is making investors a little nervous. “Investors are concerned about overbuilding and a bit of a condo problem,” he said. “They recognize the high growth, but there's a little more risk.” He also noted that foreign capital provide \$18.4 billion for acquisition of U.S. properties in 2006. “Global economy is more than a phrase to throw around at a cocktail party to sound smart,” he said. “It's real.” Korpacz was a presenter at the SNJAI Seminars at the Shore in Atlantic City in 2006, and the Chapter looks forward to bringing him back again soon.



Before returning home, the Molinari's enjoyed a trip to Red Rocks, 30 minutes from Las Vegas. Above, a picture from their trip.

“I attended the (Korpacz) seminar in the morning and then had the pleasure of dining with Peter and Mark (Steve had to fly home that afternoon) at the 75th Anniversary Dinner that evening,” said Conover. “Mark has an amazing encyclopedic knowledge of current and historical economic events that kept us all fascinated during the dinner hour.”

Another popular draw was the *Cool Trends-Cool Tools* program led by Mark Linne, MAI, and Wayne Pugh, MAI.

Linné wove together a variety of topics, including data, data standards, the emergence of Valuation 2.0 (as a parallel to Web 2.0), AVMs, IVMs (Interactive Valuation Models), technology and GIS to show a picture of what he envisions the future looks like and how the field is moving from an art to a science. According to Linné, the very nature of how we analyze data is likely to change with the profusion of information that is presently available.

All of the seminars were well attended & well received. “The program evaluations indicate that (overall) the attendees were extremely satisfied with the presentations,” said Suzanne Brockway, Conference Education Committee Chair. From Ed Molinari, SRA: “I was on the committee to organize the seminars. We started planning this last year, but we never expected to have as many people attend as we did. We had a total of 920 enrolled in 6 different continuing education seminars!” The following is a list of seminars offered with their attendance:

- ♣ Professional Guide for Conservation Easement Appraisals-81
- ♣ RE Investing & Development: A Valuation Perspective-116
- ♣ The Client Perspective on the Appraisal Profession-121
- ♣ Rates Ratios: Making Sense of the GIMs, OARs & DCFs-163
- ♣ The Real Estate Economy: What's in Store for 2008-232
- ♣ Making Sense of the Changing Landscape of Valuation: Cool Trends – Cool Tools-207

SNJAI members enjoyed many of the seminars, as well as informative meetings. “The conservation easement seminar I attended was excellent,” said Molinari. The Joint Regional meeting addressed many national topics, where a localized Region 6 meeting focused on topics important on a smaller area of the country. Education meetings addressed plans for 2008 as well as successes from 2007. A Chapter Leadership session included roundtable discussions on problems and successes from chapters across the country.

Everyone from South Jersey that attended had a fabulous stay in Las Vegas. “I attended a seminar one day, meetings on 2 ½ days, and receptions 2 nights,” said Molinari, who made the trip extra special by bringing his wife. “I stayed a few extra days so Maryjane and I could see Las Vegas. In the evenings, we walked Las Vegas Boulevard and went in to several casinos. We saw a show



and had a great time with our group from South Jersey when we went to the Comedy Club one night. (See picture below from our trip to the Improv.) Everywhere we went we a great time.” The group had a remarkable trip on the West



Coast, and look forward to telling more about it at future events.

Summer Dinner Meeting Well Attended, Very Informative!

The Southern NJ Chapter of the Appraisal Institute held its Annual Summer Dinner Meeting on Thursday, June 21, at Deptford’s Adelphia Restaurant. Over 80 people were in attendance – an amazing number for a summer event!

“**Environmental Issues in the Real Estate Process**” was a 2-hour late afternoon seminar presented by Laura Brinkerhoff of Brinkerhoff Environmental Services, Inc., and Consulting Engineer John Truhan, P.E. It was presented in two parts. The first segment focused on hazardous materials. This included issues with mold, asbestos, lead paint and underground storage tanks. The second part highlighted engineering as it relates to land use environmental issues. This includes wetlands regulations, preservations areas, and stormwater management.

During the meeting portion of the evening, Chapter President Bonnie Longo, MAI, took the opportunity to welcome new members to the organization. Since January, SNJAI has added 30 new members. Those in attendance included:



Matthew Calka, Suzanne Zigo, Rodney Lyden (pictured above), Michael Descano, Bernadette Wisnewski, Nicholas Sapio, Richard Howe, Jr., Stephen Dixon, Helen Montagnaro, Nicholas Canizares, Thomas Laffey, and Kyle

Ingram. John T. Stone, MAI, was welcomed back to the chapter, as he transferred his membership to South Jersey in June. All new members received a framed certificate from the Chapter as well as a SNJAI tote bag.

Longo also recognized students from the SNJAI Starter Set offered in 2007.

The classes offered the opportunity for new appraisers to gain the education needed to obtain their trainee permit as well as their license. The following were guests of the chapter from the 58 students in class:

Andrey LaBoy, Helen Montagnaro, Holly Ginetti, Kyle Ingram, Matthew Kane, Nicholas Canizares (pictured above), Richard Howe, Jr., and Rodney Lyden.



Since so many “new” appraisers were recognized, President Longo took the opportunity to introduce former chapter presidents in attendance: Ed Molinari (2002), Craig Black (1997), Mike Jones (1996), Hank Herskowitz (1989), Mike Sapio Jr., (1986), Ed Bligh (1982), Guy Elzey Jr., (1980), Allen Black (1978), Richard Sheldon (1974), and Norm LeGore (1968).

After enjoying networking opportunities and dinner, the dinner speakers presented “**Changes to the TREND MLS System.**” The presentation was made by Cindy Meidt and Dr. Wendy Tilton of TREND. It focused on new enhancements for searching and reporting, as well as other improvements to the system. There was ample time for Q&A, which led to interesting dialogue and conversation.

At the end of the event, everyone in attendance received a \$40 voucher valid for a future event with the Southern NJ chapter. “Since it is a recertification year, that voucher is very valuable,” said Chapter Vice President Errett Vielehr, who heads the chapter education committee. The chapter will be offering more seminars for appraisers to meet their requirements for continuing education. This includes another dinner meeting in September as well as November, and a USPAP update in November. Hope to see you soon!

Education Update: One hundred percent (100%) attendance is required for all Appraisal Institute education programs. This follows AQB minimum criteria requirements. Credit and a course completion certificate are only issued by attending 100% of the course. No make-up sessions allowed! (A “classroom hour” is defined as fifty minutes out of each sixty-minute segment.)

Election Results for the 2008 Officers & BOD Members ***Congratulations to all, including 2008 President Lana Chiappetta, MAI!***

Elections for the 2008 SNJAI Officers and Board of Directors were held August 27 via email and fax. The following are the results from the election:

NEWLY ELECTED OFFICERS

President	Lana Chiappetta, MAI
Vice President	Errett L. Vielehr
Treasurer	John J. Sheehan, MAI
Secretary	John P. Corbett

NEWLY ELECTED DIRECTORS

<u>Terms Expiring 2010</u>	<u>Terms Expiring 2009</u>
Patrick K. Conover, MAI	Kristen Mansfield
Jerry McHale, MAI	

EXISTING DIRECTORS

<u>Terms Expiring 2008</u>	<u>Terms Expiring 2009</u>
Dan Sheldon	Craig Black, SRA
Michael K. Oxley	
Bonnie L. Longo, MAI (Ex officio)	

The nominees were selected by the Nominating Committee. Chaired by past president, Paul Bainbridge, MAI, the committee consisted of Steve Bartelt, MAI, Mary Fox, MAI, and Mike Jones, MAI.

The new officers and BOD members will be installed at the first dinner meeting of the year, held in January. Look for information on a date and location for this event soon, as plans are already underway for a fabulous evening.

Congratulations to the newly elected chapter leaders!

Two November Seminars Available at DOT *Fill your last minute CE Hours!*

Vince Dowling, MAI, SRPA, will instruct 2 seminars at the DOT offices in Trenton this Fall, offering you another 14 CE credit hours before the end of the year.

The Road Less Traveled: Special Purpose Properties will be held Wednesday, November 7. Examine the challenging aspects of both the valuation and nonvaluation issues of special purpose properties. You'll learn effective ways to do detailed research and find out when information from your own database is appropriate versus when you must rely on other resources. You'll also learn how to creatively apply the approaches to value—one you have discerned if the approaches to value are even applicable. Through a series of case studies, you will gain a hands-on approach to special purpose property assignments, and you will work with a structured checklist to help ensure analysis and valuation is done completely, accurately, and efficiently.

Income Capitalization and the Appraisal Report will be held Thursday, November 8. This seminar was designed by Vince Dowling, MAI, SRPA, at the request of NJDOT to provide real world discussions of issues that occur while using the income approach during the condemnation appraisal process. It is intended to expand the skill level of attendees in preparing, reviewing and understanding analyses of income producing properties using the Income Capitalization Approach while considering the special needs of condemnation appraisal work. The seminar, based in part on real life issues from NJDOT work files, will review fundamentals while providing advanced education to better understand income producing property appraisals. It is designed to allow a more in-depth look at the topic than is normally possible with a standardized course. Attendees should be able to better fulfill their professional responsibilities as they pertain to income producing properties in general, and the Income Capitalization Approach in particular.

Because of space, both seminars are aimed at AI members and DOT employees only. The cost for each seminar is \$130. Lunch is not provided; there is a cafeteria on-site. To register or for more information, visit our website at www.ai-snj.org.

Welcome New Members!

Since June, the following people have become Affiliate or Associate members in our chapter. We proudly welcome them and hope to see them soon at a function, meeting, class or event!

Darryl Fanelli
Joseph Hanahan
Joseph Narciso
James Scarduzio



We also welcome back **John T. Stone, MAI**, who returned to our chapter in June.

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: **Please remember to keep your membership information**
: **(including you web and mailing address) current through**
: **the Appraisal Institute. We update chapter records through**
: **this system. Please go to the Members Only section of the**
: **national website to make any changes. Thanks!**
:

News From the National Office

◆ Anne L. Johnson, MAI, SRA, of Casper, Wyo., has been nominated to serve as vice president of the Appraisal Institute in 2008. The Board of Directors will vote on the nomination at their meeting in New Orleans in November. Johnson would become president elect in 2009 and president in 2010.

◆ The Appraisal Institute's Board of Directors met in Las Vegas July 20-21. Some important points from their meeting follow. As of June 30, 1,238 new associate members have been added for the year nationwide. During a unique portion of the meeting, the Board met jointly with their counterparts from the American Society of Farm Managers and Rural Appraisers. The two-hour session provided the opportunity for these leaders to get better acquainted as well as discuss issues regarding the proposed unification efforts involving the two organizations and the American Society of Appraisers. ASA Board members were unable to be present because the ASA's annual meeting was taking place in California that week. The three groups, however, plan to meet jointly in New Orleans in November. The 15-member Unification Team is continuing to develop a proposal for a unified organization. When the Team issues its proposal, the memberships will have an opportunity to comment.

◆ In June, the Appraisal Standards Board voted to adopt the proposed modifications to the 2006 edition of the *Uniform Standards of Professional Appraisal Practice* as presented in March. The proposed changes include deleting the Supplemental Standards Rule, and resulting definition; retirement of Statement 10; and proposed Advisory Opinions on assignments involving more than one appraiser, ad valorem tax appraisal and mass appraisal assignments, and appraisals for use by a federally regulated financial institution. The proposed changes also include edits to Statements 6, 7 & 8 regarding highest and best use; proposed edits related to advocacy and to the report certification requirements; and the retirement of Advisory Opinion 5, Assistance in the Preparation of an Appraisal. The ASB views the issue of reporting requirements as a long-term project, similar to the process undertaken for the Scope of Work Project. The Board anticipates holding a public hearing on this issue in March of 2008. **Regular USPAP updates as well as all ASB activity can be found on their website:**

www.appraisalfoundation.org. Visit it often to keep up on their news and information.

2007 Meetings & Education

2007 7-Hour USPAP Update Schedule

Friday, November 2 (at the Adelphia, Deptford)

2007 Seminars

Two 7-hour Seminars with Vince Dowling at NJ Dot, Trenton

The Road Less Traveled: Special Purpose Properties

Wednesday, November 7

Income Capitalization and the Appraisal Report

Thursday, November 8

2007 Dinner Meeting Schedule

Thursday, Sept. 20

Early Fall Meeting

Thursday, Nov. 15

Late Fall Meeting



Chapter News and Notes

◆ **Ridgeley P. Ware, MAI**, passed away June 21. He had become a designated member of the SNJAI in 1958. In 1994, he earned the lifetime retired member designation. He is survived by his wife of 38 years, Lynn, and 3 sons (Ridgeley II, Randall and Christopher) and their families. He is missed by all who knew him.

◆ **Maggie May Sabota**, the reigning Miss Cumberland County, recently competed in the Miss New Jersey 2007 Scholarship Pageant. She is the daughter of member **Wayne Sabota**. The pageant, sponsored by the Miss America Organization, was held in Ocean City, NJ. Her platform is Lyme Disease Prevention. Maggie attends Elizabethtown College in Pennsylvania where she is majoring in Music Education. Congratulations to the Sabota family!



◆ Chapter Executive Director **Lisa Weiss** will participate in Autism Speak's Walk for Autism Research on Saturday, September 29th. This is the 3rd year that *A Miracle for Mason* has participated. Lisa raises funds and awareness in honor of her son, Mason. If you would like to make a donation to fight autism, visit www.developmentscience.com for a link to the web page.

◆ In our June newsletter, we noted that **Jay Renwick** was activated by the United States Marine Corp Reserves. Since May, he's been stationed in California. He will visit home for 6 days in the first week of September. Jay will then return to California, and leave for Iraq later in the month. He is slated to return home again next May. Please keep Master Sergeant (MSgt-E8) Renwick in your thoughts and prayers as he defends our country away from home.

◆ Now a Floridian, 1998 Chapter President **George Powell, MAI, CRE** is a partner at Duane Morris in Miami. Currently a member of the South Florida AI chapter, he moved from South Jersey in 2006. Congratulations and good luck to an old friend!

New International Members

Over the last few months, the Appraisal Institute awarded the MAI designation to Gerritt Leopoldsberger, MAI, the first German to receive the designation while working in Germany, and Siska Hutapea, MAI, the first Indonesian woman to receive the designation. AI now has over 400 members outside the United States including more than 150 associate members working toward designation.

Seminars at the Shore 2008
Mark your calendars; Tell a friend!
May 29 & 30th
Trump Taj Mahal, Atlantic City

As of 1/1/08, new AQB course requirements for Licensing/Certification become effective. If you are entering the profession or upgrading your license, and anticipate that you will not be able to complete your education prior to this date, you will fall under the new education criteria. Visit www.appraisalinsttue.org/career for more on these important changes.

SNJAI Golf Outing
Friday, October 5
White Oaks Country
Club, Newfield
1 p.m.



Get your foursome together now for Fall golf!
What could be better than 18 holes of golf in the beautiful Fall air on one of South Jersey's premiere courses?

(View the course: www.whiteoaksgolf.com)

A dinner will follow golfing, complete with awards & prizes. Visit www.ai-snj.org for more information and how to register.

Everyone is welcome to join us for this wonderful afternoon. Help us spread the word to make this a great event!

2007 OFFICERS AND DIRECTORS

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Bonnie L. Longo, MAI

Vice-President

Errett L. Vielehr

Treasurer

Lana Chiappetta, MAI

Secretary

John J. Sheehan, MAI

Directors

Steven W. Bartelt, MAI, SRA

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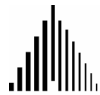
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