

# Southern NJ Chapter of the Appraisal Institute

**October 2006 Edition**

**Bonnie L. Longo, MAI, Editor**

## **A Message from The President** **J. Paul Balnbridge, MAI**

Summer vacations are over, and school buses, as well as mom and dad's taxi, have once again taken over the roadways. The beach has become quiet and peaceful once again. Swim suits have yielded way to soccer cleats and hooded sweatshirts.

And with that, we enter the last quarter of the year, & my term as president is almost over. ("A tear drop rolls down his cheek.") But there is a lot to update you on, & so much more to accomplish before the holidays come around.

Chapter membership in 2006 has grown tremendously! Membership in January was 128; at the end of September, it is 149. We gained 25 new members and lost 4 -- an increase of about 16.5%. Our membership meeting in June provided an opportunity for non-members to gain insight on the Appraisal Institute. In the month following that meeting, we welcomed 9 new members!

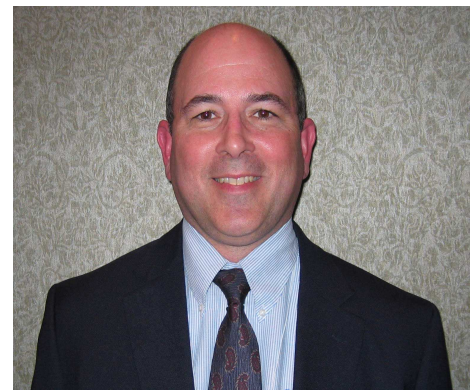
For a second year in a row, our newsletter won the Appraisal Institute Award for Excellence. Congratulations go to Editor Bonnie Longo, MAI, and Executive Director Lisa Weiss who worked very hard to publish award-winning material for you.

At the end of this issue of our newsletter, you will find a 2007 Calendar of Events. Mark your calendars now for these events, and help us by letting colleagues know about our education offerings. If there's an educational offering you would like to see offered, let us know. Please note that Triple Play is December 5, 6 & 7. People interested in helping at the event should contact Mary Fox, MAI.

There are still two more educational offerings scheduled for this year. Business Practices and Ethics is scheduled for November 16<sup>th</sup> with our own Mary Fox, MAI, instructing. It's being held at the Adelphia, and SNJ chapter members can attend for only \$25! For an 8-hour class with breakfast and lunch, it is a BARGAIN!!!

In mid-August, we discovered a need for many members to take the Yellow Book course. To accommodate our

members, we are offering the Uniform Appraisal Standards for Federal Land Acquisitions on October 26 & 27 at the Adelphia. It's a popular course, so register soon.



The next dinner meeting is scheduled for November 9<sup>th</sup>. Member Dennis Scardilli, Esquire, MAI, will present a seminar he personally developed. Come out and support our member and earn CE credits while enjoying the company of your colleagues (and a great dinner!)

Our Long Range Planning committee has been working diligently to expose the chapter name to the greater community. Chapter ads are running in the 2007 Legal Pages, the Triple Play issue of NJ Realtor magazine, the 2006 Legal Almanac, and the 2007 NJ Expert Witness and Consultant Diary. Monthly ads run in the NJPA Real Estate Journal. We are also looking into running regular ads in local newspapers including the Atlantic City Press, Courier Post, Gloucester County Times, and the Philadelphia Inquirer. If you have any ideas on ways we could market the chapter, let me know and we will make it happen.

We've tried to make elections for next year's officers easier for you this year by using email. (Nominees can be found in this newsletter.) A special thanks goes out to Pat Conover, MAI, and the rest of the nominating committee (Dave Curley, SRA, Ed Molinari, SRA, Tim Sheehan, MAI, SRA, Mike Jones, MAI) for their efforts to put together this year's slate.

Enjoy the Fall, and I look forward to seeing you at one of our events soon!

## **Newsletter Wins National Award Second Consecutive Year for the Honor!**

**Did you know that you are reading an award winning newsletter?!**

An Awards Ceremony was held at the Appraisal Institute's National Leadership Conference. The event, held at The Palace Hotel in San Francisco, was attended by Bonnie Longo, MAI.

The following is an excerpt from the award program.

"These awards are based on newsletters that provide the best source of information regarding: 1) chapter, regional and national issues; 2) member recognition; 3) editorials; 4) education offerings; and 5) appearance and presentation, including compliance with the Appraisal Institute's graphics standards."

For the Hard-copy Newsletter Award, the Southern NJ chapter won for chapters fewer than 150 members. The South Carolina Chapter won for chapters with more than 150 members. For Electronic Newsletters, the Hampton Roads and Northern California Chapters took honors.

## **Two Important Education Opportunities Available This Fall**

### **Yellow Book Seminar: October 26 & 27**

### **Business Practices & Ethics: November 16**

Many federal agencies such are now requiring contract appraisers to complete a seminar on the Yellow Book. If appraisers have not taken a Yellow Book seminar, they will not meet eligibility requirements for such programs as the USDA Forest Legacy and the Wetlands Reserve Programs. Insure that your work for the federal acquisition agencies meets the highest standards. Federal land acquisition programs have unique appraisal needs. This two-day seminar will acquaint participants with these needs and provide practical procedures and solutions to insure appraisal reports fulfill them. Any experienced residential or general appraiser interested in expanding their client base to include federal acquisition agencies will learn to apply the Uniform Appraisal Standards for Federal Land Acquisitions, including the use of the four special valuation rules related to federal land acquisition appraisals.

**The Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications for Fee Appraisers** will be sponsored by the chapter on Thursday, Oct. 26 & Friday, Oct. 27. It will be instructed by local favorite and internationally-known Vince Dowling, MAI, SRPA. This seminar is approved for 16 CE hours nationally, and will be held at the Adelphia Restaurant and Conference Center (downstairs) in Deptford. Registration is at 8 a.m. on Thursday, with class beginning both days at 8:30 a.m. Tuition for AI Members is \$275; for Non-members it is

\$375. **Southern NJ Chapter members save \$50: tuition is only \$225!!!** Prices include continental breakfast and buffet lunch.

The **Business Practices and Ethics** Course, developed by the Appraisal Institute, is mandatory for all designated and associate members once every five years. Because of this, the chapter will hold the course Thursday, November 16, at the Adelphia Restaurant.

If you are, or want to become, a member of the Appraisal Institute, this second course in the Appraisal Institute's Standards of Professional Practice series is for you. You'll learn how the organization's Code of Professional Ethics can empower you to practice your profession in accordance with the Appraisal Institute's guiding values and principles, and why this is important to you as a practicing appraiser. Participants will become familiar with the definitions and canons of the Code of Professional Ethics and how the code relates to the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Certification Standard.

Chapter member and past-president Mary F. Fox, MAI, will instruct the course. It is approved for 7 CE hours in PA& NJ; 8 for the AI & DE. This course includes a one-hour exam. Registration begins at 8 am, and the class starts promptly at 8:30 am. Tuition for AI Members is \$135, and for Non-members it is \$195. **Southern NJ Chapter members save \$110: tuition is only \$25!!!!** Prices include continental breakfast & buffet lunch.

Registration forms for both classes have been mailed to you, and are also available at [www.ai-snj.org](http://www.ai-snj.org). Materials are directly shipped to you before class. On-line registration is quick and easy; log on to the AI website:

**[www.appraisalinstitute.org/education/southernNew Jersey](http://www.appraisalinstitute.org/education/southernNew Jersey).**

## **State of the Industry Focus of September Dinner Meeting**

On Tuesday, September 12, the Southern New Jersey Chapter of the Appraisal Institute held its Early Fall Dinner Meeting. The event was highlighted by a State of the Industry Seminar, presented by three local experts. The



retail market overview was presented by Steven DePetris of Legend Properties (pictured on left.) David Dolan of Grubb & Ellis offered insight on the office market, while Rosalie Conaty with Weichert Realtors discusses the existing homes residential market.

Each of the industry experts offered the following topics within their presentations:

- An overview of current market conditions including square footage on the market, proposed construction (including specific projects), sub-lease market space available, vacancy rates, expense ratios, market cap rates.
- Discussion of who are the buyers in their market, what the buyers are they looking for (ideally), and how much capital is involved.
- Discussion of who the sellers are, why they are selling, and their typical length of holding period.
- Also recent sales, leases, sub-leases were presented that indicated current market conditions. Information such as cap rates, expense ratios, and vacancy rates were analyzed.
- The industry expert presented the attendees with their future market predictions. Their opinion as to what's to come in the market including items such as vacancy rates, cap rates, number of buyers and sellers, realization of proposed construction projects.

Handout from each presenter helped keep the information organized, and many were impressed with the presentations.

Before dinner, Richard Sheldon, MAI, read the blessing as written by retired member and mentor George Olasin, MAI, SRA. New members were recognized and introduced. Upcoming events and other business of the chapter was noted. It was a very successful night, with over 40 members in attendance.

The Late Fall Dinner Meeting and Seminar is scheduled for Thursday, November 9<sup>th</sup>, at the Adelphia Restaurant. Three CE hours are pending. Please watch you mail (and email!) for more information.

## **AI Looking for National Screeners!**

The Appraisal Institute needs experienced appraisers to serve as screeners and review committee members.

Volunteers do the majority of AI's experience review and we always need help. We are looking for AI members who enjoy being up-to-date in their skills and are willing to share their expertise with others. The initial training for a screener consists of this 3-hour Experience Review Training seminar for which you will receive continuing education credit. Once you have taken the seminar, you will be mentored through several reviews by an experienced screener.

### ***What is the incentive of being an experience screener?***

Reviewing experience will expand your knowledge as well as providing the satisfaction of mentoring our associate

members. Need another incentive? Each screener will receive \$75.00 per completed experience screening.

A Training Seminar will be held Friday, October 20, at the Woodbridge Hilton in Iselin, from 9 am to noon. **For more information regarding this seminar and to sign up, please contact Marilyn Moore at 312-335-4173 or email at [mmoore@appraisalinstitute.org](mailto:mmoore@appraisalinstitute.org).**

### **Apprentices Available!!!**

Are you looking for help for your business? Do you want to help your profession by training an apprentice? As our Licensing Package ends, we have smart, hard-working, newly-educated people looking to make their first step into the world of real estate appraisal employment. Could you help them as they start their career? For contact info on apprentices, please call Lisa at 856-415-0281 or [Lisamayweiss@hotmail.com](mailto:Lisamayweiss@hotmail.com). You won't be disappointed!!!

## **A Message from AI President Richard Powers, MAI, SRA CEO John Ross to leave AI**

I wish to inform you that CEO John Ross has announced plans to leave the organization in 2007. Having served nearly ten years as the Appraisal Institute's staff leader, John indicated he plans to leave the organization next year, after completing ongoing projects, which will allow for a smooth transition to new staff leadership.

In announcing his decision on September 21, John said that working with members and leaders at the Appraisal Institute has been professionally stimulating, challenging and exciting during the past ten years but that there were other opportunities that he now needs to explore. He stated that he believes that the Appraisal Institute and its members are well positioned to meet the challenges facing the profession in the years to come.

John has been a tireless advocate for the Appraisal Institute and the profession. His dedication to our organization has been unmatched and his vision and innovative spirit have set us on a course to succeed in this rapidly changing environment.

I know you will want to join with me on wishing John the best in his future endeavors.

## **Write for The Appraisal Journal**

Have you encountered an interesting appraisal situation or developed an innovative approach for a challenging appraisal assignment? *The Appraisal Journal* would like you to write about it! They are looking for articles on the

practical application of appraisal theory. Articles on residential topics are especially welcomed.

All members receive 20 hours of continuing education credit for an article published in *The Appraisal Journal*. Also, the Journal presents the Armstrong/ Kahn Award and the Swango Award each year for exceptional articles published in the previous year; each of these awards carries a \$1000 honorarium. For a manuscript guide, go to <http://www.appraisalinstitute.org/publications/periodicals/taj/manuscript.asp>. You can also find this information in the back of the current issue of *The Appraisal Journal*. Still have questions? Contact Nancy K. Bannon, Managing Editor, at [nbannon@appraisalinstitute.org](mailto:nbannon@appraisalinstitute.org).

## **When do you need an appraisal that complies with state and federal law?**

By Dennis Scardilli, Esq., MAI, PP/AICP

*This article appeared in the July 28<sup>th</sup> issue of the NJPA Real Estate Journal*

This is the second in a series of articles on real estate appraisal regulation and its role in your life as a real estate professional.

In the previous issue, we saw that such regulation grew out of the "S&L Crisis" of the late 1980's under Title XI of the Financial Institutions Reform Recovery and Enforcement Act (FIRREA). Now, let's discuss when a legally-conforming real estate appraisal is required. Title XI of FIRREA requires use of such appraisals in "federally related transactions", which are defined as real estate-related financial transactions involving a "federal financial institutions regulatory agency" and requiring "the services of an appraiser." Real estate-related financial transactions are "(i) The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; (ii) The refinancing of real property or interests in real property; and (iii) The use of real property or interests in real property as security for a loan or investment, including mortgage backed securities." Regulatory agencies include the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporations, the Office of the Comptroller of the Currency, the Office of Thrift Supervision and the National Credit Union Administration. Real estate appraisals are written documents performed according to "uniform standards" by competent individuals whose work product and "professional conduct will be subject to effective supervision".

The Appraisal Subcommittee of the Federal Financial Institutions Examining Council effectively supervises state

licensing boards, the Appraisal Foundation and each federal financial institutions regulatory agency. Agencies may set standards for appraisals under their jurisdiction, but such standards must be at the minimum level of USPAP. The various agencies have their own requirements based on several factors: intended use of the appraisal; threshold amount; and, who performs the appraisal. Appraisals under these standards must: (a) generally conform to USPAP; (b) be written and sufficiently detailed to support the agency's decision; (c) analyze and report appropriate adjustments; (d) be based upon a regulatory definition of market value; (e) be performed by State licensed or certified appraisers, as per agency requirements. Federal regulations permit "evaluations" which only "provide a general estimate of the value of real estate". However, when an appraiser subject to USPAP performs an evaluation, they must conform to USPAP and an evaluation which requires an opinion of value is considered an appraisal under USPAP.

In New Jersey an appraisal certification or license is required for the appraisal of real property. New Jersey defines an appraisal as "an unbiased analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of real estate". While state law differentiates between a valuation and an appraisal consultation, both are appraisals under the law. USPAP is incorporated, by reference, into the rules of the Board of Real Estate Appraisers.

Pennsylvania has established a broad definition for an appraisal: "A written analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real property, for or in expectation of compensation." Pennsylvania requires real estate appraisal certification for performance of any real estate appraisals. Appraisals in Pennsylvania are to be performed under USPAP, as per the PA Administrative Code.

Subsequent articles will discuss who can perform an appraisal, contents of a USPAP-compliant appraisal and appraisal review.

## **Election of 2007 Officers & BOD Members to be held in October**

Halloween may bring goblins and ghosts. But this year, it also comes with the election of officers and Board of Directors for the upcoming calendar year.

The nominees were selected by the Nominating Committee, chaired by past president, Patrick K. Conover, MAI. The official ballots will be emailed to you no later than October 20, 2006, with the electronic election being

officially held on October 31, 2006. (If there is no email address listed for you, the ballot will be faxed no later than 10/20/06.) The official ballots may be returned prior to the official election date. Secondary Chapter members are not entitled to a vote and will not receive a ballot.

If anyone wishes to nominate another eligible person for a position, a written petition must be filed with Chapter Secretary Lana Chiappetta and signed by at least 5% of the chapter membership. Submit the petition to her by October 13<sup>th</sup>. The petition may be in electronic form. No petitions will be considered after this date and the nomination slate is finalized.

**2007 Nominations for Chapter Officers and Directors**

PROPOSED OFFICERS

President	Bonnie L. Longo, MAI
Vice President	Errett L. Vielehr
Treasurer	Lana Chiappetta
Secretary	John J. Sheehan, MAI

PROPOSED DIRECTORS

<u>Terms Expiring 2009</u>	<u>Terms Expiring 2008</u>
Craig Black, SRA	Michael K. Oxley
John P. Corbett	



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 : The 2007 Triple Play Realtor Convention and Trade Expo is  
 : December 5-7 at the Atlantic City Convention Center. It is  
 : the premiere event for the real estate industry in the tri-  
 : state (NY, NJ, PA) area. More than 10,000 industry  
 : professionals attend the 3-day event. If you would like to  
 : attend part or all of the conference and help work our  
 : booth, contact Mary Fox, MAI.  
 : .....

**Billboard Valuation Info in New  
Appraisal Institute Publication**

*The Valuation of Billboards* provides essential information appraisers need to describe the physical characteristics of billboards and to understand the outdoor advertising industry. Because billboards are often valued for eminent domain purposes, the regulatory and legal issues that surround the outdoor advertising industry are explored and the many state and federal regulations and legal precedents that affect the valuation of billboards are examined. A case study is used to demonstrate the application of the approaches to value. This meticulously researched book will provide a basis for a sophisticated analysis of outdoor advertising signs and illuminate the ongoing debate that characterizes this controversial

appraisal specialty.

**PRICE AND ORDERING INFORMATION**

*The Valuation of Billboards* (Stock No. 0708M) is available to Appraisal Institute members for \$40; \$45 for nonmembers. **Through December 31, AI members can take advantage of a special introductory price of \$32 for a single copy.** To place an order by telephone, call 800-504-7440, or online [www.appraisalinstitute.org/ecom/publications](http://www.appraisalinstitute.org/ecom/publications).

**Upcoming Meetings & Education**

*The 2007 Installation of Officers and Holiday Party is tentatively scheduled for January 30 at The Mansion in Voorhees. Look for more information to come very soon!*  
**Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book Seminar)** Th. & Fri., Oct. 26 & 27  
**Late Fall Dinner Meeting** Thursday, November 9  
**Business Practices and Ethics** Thursday, November 16  
 The above events will be held at the Adelphia Conference Center and Restaurant, Deptford.

**NJ Realtors Triple Play Convention** Dec. 5-7 in Atlantic City  
**2007 Licensing Package**  
 Basic Appraisal Principles: March 3, 10, 17, 24  
 Basic Appraisal Procedures: April 14, 21, 28, May 5  
 Residential Market Analysis and H&B Use: May 12 & 19  
 USPAP: June 2 & 9

The above Licensing Package will be held at Rowan University. More info will be coming by the end of the year.

**2007 7-Hour USPAP Update Schedule**  
 Friday, April 20 (at the Clarion Atlantic City West)  
 Friday, June 22 (at the Adelphia, Deptford)  
 Friday, November 2 (at the Adelphia, Deptford)

**2007 Course Schedule**  
**PA Cert. Act Rules & Regs Seminar** Friday, June 1  
**General Market Analysis H & B Use** May 17, 18, 24, 25  
**Real Estate Finance, Statistics and Valuation Modeling**  
 June 14 & 15  
**Residential Sales Comparison and Income Approaches**  
 August 2 & 3, 9 & 10

**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.appraisalinstitute.org/career](http://www.appraisalinstitute.org/career) for more on these important changes.



## PA Licensed Appraisers!!!

Mark your 2007 calendar! We will hold the PA Appraisal Statutes, Regulations & Board Policies seminar on June 1.

This program is intended to review, inform and assist appraisers practicing in Pennsylvania about the Real Estate Appraisers Certification Act, Chapter 36 of the Rules & Regulations, Act 48 Penalties Imposed Against Appraisers and Recently Completed State Disciplinary Actions.

The 2-hour class, instructed by Val Pasquarella, Jr., SRA, will begin with a breakfast buffet at 7:30 am, at the Adelphia Restaurant in Deptford. So, get your PA required class out of the way with a good breakfast before work! Look for more info to come at the beginning of the year.

### Name and Address Changes

**All name & address changes should be made through the Appraisal Institute, not the chapter. We generate regular updates from there to update membership info for our directory, email notices, mailings, etc. Please go to the Members Only section of the national website to make the changes. Thanks for keeping your info current!!!**

### 2006 OFFICERS AND DIRECTORS

#### President

J. Paul Bainbridge, MAI

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Errett L. Vielehr

#### Secretary

Lana Chiappetta

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James J. Renwick

John J. Sheehan, MAI

Daniel Sheldon

#### Past President

Patrick K. Conover, MAI



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