

## Field Notes April 2019

### Chapter President's Message

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As we wrap up the first quarter of 2019, I wanted to first thank those who have volunteered their time for the GOCAI. Our chapter continues to work through changes in the industry and the Appraisal Institute. An active chapter and membership are important to maintaining the integrity, identity, and knowledge base for our industry. In this message, I want to update everyone on a significant change in our financial management for 2019, thank our legislative committee for their ongoing work, and present what we intend to accomplish this year.

- **CFMAP** - As many of you have heard, the Appraisal Institute has mandated adoption of the Chapter Financial Management and Administration Program (CFMAP). The Greater Oregon Chapter is transitioning to CFMAP in the coming weeks. This has been a contentious issue over the past 2 years. The biggest concerns with local chapters have been the perceived loss of control and distrust regarding the intention of the Appraisal Institute as it relates to this program. While our Board of Directors will continue to monitor the new program, I can tell you that our local chapter will retain control of its existing bank accounts, we will retain decision making regarding expenditures, and we will continue to control our educational offerings.

**Legislative Committee** - Our legislative committee continues to be active in Salem. Led by Owen Bartels, MAI, the team has been tracking three main items this session:

- Senate Bill 109 – a Bill that would allow anyone to do evaluations.
- LC3810 - this legal drafting attempts to make a “USPAP carve-out” to allow licensed appraisers to write evaluations that do not comply with USPAP.
- LC3290 – this is proposed additional language amending ORS 12.132. This change will ensure the time limitations in ORS 12.132 apply both to civil and licensure action.

Special thanks to our legislative committee for their work!

**Goals for 2019** – As a volunteer organization, we are somewhat limited in what we can realistically accomplish in a given year. For 2019, I would like to focus on two items:

1. Establish a Fall Real Estate Conference put on the GOCAI
2. Increase membership participation

I have had the great opportunity to work within a large, innovative organization that continually seeks to raise the identity of the appraisal community within the larger real estate industry. We can accomplish this at our chapter level through an active chapter that holds itself accountable to the highest professional standards, and by being industry leaders in thought, data, and analytics. Our identity can become tarnished with poor quality or simply lack of relevance or insight. To increase participation, we are looking to present more local networking and continuing education offerings that make financial sense for the chapter. Special thanks to Lenka Keith, MAI and Greg Lamunyan, SRA for all their work to bring us educational offerings. My ask of our membership is to participate and be engaged.

Our most ambitious plan around increasing our exposure and identity in the market is to create a new Real Estate Conference in late 2019. This conference will be an appraiser-led real estate symposium covering multiple real estate topics. We are in the very early planning stages. Our format will be similar to the fall conference in Seattle for those who have attended in the past. It will include various real estate professionals, brokers, and developers as speakers. More information to come in the next two months!

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### Member Spotlight

#### Get to know your GOCAI President!



Jeff Grose, MAI  
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Jeff was born in Everett, Washington, and grew up in the small community of Lakewood in Snohomish County. He attended Willamette University and majored in Business Economics. In his early years he cleaned parking lots and did landscape maintenance and worked in a lumber mill before attending college. After college, he worked for a heavy lift manufacturer.

Jeff was introduced to appraisal through a college professor who connected him to PGP in Portland. He fell in love with the field right away, despite not having a specific background in real estate or appraisal. The combination of analytics, critical thinking, economics, writing and day to day variety was an appealing mix for a career path. He was exposed to a wide variety of work from large investment properties to rock quarries and rural right-of-way projects early in his career at PGP which helped build a wide knowledge base for his future ventures. His biggest takeaway from his early career is to always stay curious and always be learning and asking questions. He became involved with the GOCAI board initially as a board member and then moved into officer roles.

His immediate family includes three children (10, 14 and 17) a dog, two cats and amazing wife of 20 years. Outside of work, Jeff spends as much time with his family as he can, diving into all

of the activities like sports, skiing, hiking, boating and traveling. All of the family fun keeps him busy most of the time, but he says he will eventually need to find a hobby once the kids are grown and out of the house! He loves to travel as part of his job and enjoys visiting new places, specifically in the Pacific NW in the mountains and on the water.

Jeff says one thing that everyone might not know about him is that he proposed to his wife after knowing her for 3 months because he knew he was punching above his weight class and found the most amazing friend, and now they are going on 20 years together!

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## Recent Designee

Rae Nomura, MAI  
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- 1. Where did you grow up? go to school? How did you end up where you live now?**
- 2. What is your “appraiser story?” (How did you end up becoming an appraiser?) and what do you enjoy most about your job?**

I was born and raised in Southern Oregon (Grants Pass). I originally attended the University of Montana for their photojournalism program (in pursuit of becoming a snowboard photographer), but quickly rerouted to University of Oregon, and then finally to the best of them all, Oregon State University (GO BEAVS!!!). During my quick stint at University of Montana I attended a lecture on economics and was hooked! I changed my major to Economics by the time I arrived at OSU and a minor in Anthropology. I graduated in 2010, an unideal time to find a job... and enrolled in the Sustainable Business MBA program at Marylhurst University. Working on my MBA in the evenings I was a claims examiner by day and shortly after its completion I worked in sales and marketing and then a brief stint at Columbia Sportswear in order management.

My mother is a residential real estate appraiser and I swore I would never be an appraiser. After my quick gamut of jobs, I had to bite my tongue and admit, being an appraiser was probably my destiny. – Lesson learned, never say never.

I powered through the trainee classes and began knocking on doors at the end of 2012 and was offered a trainee position by Grant Norling, MAI at Colliers in the beginning of 2013. I worked with Grant at Colliers and left with him when he started Pacific Coast Valuation Group in 2016. Then in 2018 I was offered a partnership at Appraisal and Consulting Group. I am also a part of the sales team for Valcre (appraisal software).

I enjoy many aspects of being an appraiser. Managing my own schedule and work flow is at the top of the list. I enjoy the variation and challenge that each assignment brings. The required thought process, investigative work of analyzing leases, the market, and comparables is always intriguing and never boring. Additionally, I love going on inspections, seeing new places and meeting new people.

- 3. What kinds of non-appraisal things do you like to do? (hobbies, travels, etc).**

Most elements of the Pacific Northwest. I love to hike, camp, board, and travel with my husband

and dog; particularly while enjoying good food and local beverages. I am all about the experience; tasting crazy new beers, hiking a different trail, or meeting new strangers and swapping stories are my favorite ways to spend a day.

#### 4. Favorite things list:

- a. Favorite food: Anything fresh and delicious!
- b. Favorite kind of music: I listen to a range; Folk/Americana, Hip-Hop, and Reggae
- c. Favorite sports team:
- d. Favorite place to visit: The woods; particularly the Mt Hood area.  
Nothing is greater than the crisp fresh air and sound of a rushing river.
- e. Favorite movie or book:
- f. Favorite quote: "Life is not a spectator's sport" – R. E. Fleischman

#### 5. What would be your first choice for a second career?

A journalist for a Food, Wine, and Travel Magazine sounds like a dream job! I would of course still want to manage my own assignments, workload, and time....

#### 6. What advice would you give to someone who is currently working towards a designation?

Patience and persistence. It's not meant to be easy, but it is not impossible, and it is entirely worth it!

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### Why Get A Designation?

Jo Ellen Jarvis, SRA, ASI  
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If you're an appraiser; and, since you're reading this, I'm going to assume that you are – or very soon will be – then you've probably figured out by now that not all appraisers are equal. All start off equal; we all begin our appraisal careers with a license from a certifying board or state entity that entitles us to put out a shingle and start appraising. Yeah! We celebrate that and congratulate ALL appraisers for having attained that first rung on the ladder. But, although that license allows you to appraise, it doesn't necessarily have to be the final rung on the ladder.

Receiving that license is the starting point. What happens after that determines whether you have a career or just a job. Why do some appraisers succeed while others fail? Why do some enjoy the respect and acknowledgement of their peers and receive complicated and rewarding assignments while others seemingly toil away in obscurity, competing on how cheap I can do this and not work myself broke?

Many appraisers *want* to go beyond that starting point; but how? If you're at that point now; if you've noticed that other appraisers seem to be doing better and you want to join those ranks, how do you get there? Bottom line: knowledge is power. Also, letting other people know you have that knowledge increases that power exponentially. As it is now, and forever shall be,



more and more opportunities will open up for those that pursue knowledge.

To start off, I think every new appraiser that wants to move up that ladder should be asking themselves these 3 questions:

1. Why should I join a professional organization/what are they going to do for me?
2. What does the Appraisal Institute offer that another organization might not offer me?
3. Why get a designation/what will that do for me?

The first two questions kind of overlap a bit so let's start there: What will joining a professional organization – and specifically the Appraisal Institute - do for me? Well, lots, actually.

There are three specific areas of advantage that I have found in being a part of a professional organization: **Education, Networking, and Opportunities**. Every good professional organization will offer these 3 things, and maybe more, but you have to join and participate to get the most out of your organization.

I am a part of several professional organizations, and have found these elements (**Education, Networking, Opportunity**) in all of them. The first professional organization I joined out of college was the Appraisal Institute. In full disclosure, it was not really an option. As a newly hired researcher for a small appraisal firm, my first assignment was to join the Appraisal Institute and take Introduction to Real Estate – or whatever the first class was called back then. I am forever grateful to my first boss for this. It set me up with goals to be achieved, introduced me to a great instructor that I still quote, and gave me an organization in which I could belong; and, indeed, have belonged for a great many years now. If I was not receiving benefits from my involvement with the Appraisal Institute, I would have left long ago.

The Appraisal Institute is the backbone of the appraisal industry. Their classes offer a strong foundation in appraisal theory and practice. That provides a base from which we can analyze the many different aspects of property appraisal, and confidently take on new and different appraisal problems. After all, each appraisal problem is unique, but the process of analysis remains constant; and, a good foundation is key to addressing the various issues we face as appraisers. Appraisal Institute classes offer good quality education, and by joining the Appraisal Institute you get significant discounts on classes.

The second advantage to joining a professional organization is networking and being a part of a group. The Appraisal Institute keeps track of governmental trends that most appraisers are too busy to keep up on a regular basis. This is an incredible service that most appraisers don't even notice. The Institute is also a good source of information and a vehicle we can use to voice our concerns and opinions.

There are also a meetings, seminars, and events that help us to connect with fellow appraisers. AI gives us a group of people to call on when appraisal questions arise, or business opportunities present themselves.

It helps a lot to be a part of an organization that helps to keep us informed on the latest in the industry. It helps to be a part of an organization where there is a network of like-minded professionals to call on when a question comes up. It helps to know that the classes taught have been vetted and are taught by instructors that care about their industry. And – this is a Big One – they offer Professional Designations. And this creates **Opportunities**.

The Institute helps us to set ourselves apart in the industry. They do this -in part - by providing designations to those that have earned the right to hold them. Those designations tell the whole

world that you care enough about your profession – and your job – to be the best appraiser you can be.

Getting a designation is a tangible way to set yourself apart. It changes the conversation with clients from competing on price to competing on the quality of work product. You may have a good work product, but how will your clients know this from a phone call? Going through the effort to get the designation is evidence that you hold yourself to a higher standard.

And, in my experience, it has paid off in work opportunities and fees. Just being on a path towards designation brought me in front of some of the great appraisal minds in our area. As I went through classes, I met professionals in the area, and they got to know me. This is one of the many advantages to being in a class room setting. It opened doors to appraisal work outside of the mortgage industry, and within the mortgage industry, towards clients that valued a high quality work product.

So will having those letters after your name make you rich, better looking and thinner overnight? No.

The success or failure of your career will depend on many variables, including luck, many of which are outside of your control. However, you *can* control your education and what you do with it. Join the Institute, show up, participate, get to know the people that can help you toward your goals, take classes and work toward a designation.

If you're perfectly happy being a Licensed Appraiser or a Certified General Real Estate Appraiser and see no reason to put forth the effort required to earn a higher designation, fine. But if you want more, get that designation. Be the best appraiser you can be and then let the whole world know it. In and of themselves, those initials are just initials. If your neighbor calls you up and says, "I want you to appraise my house because we want to sell", your neighbor probably doesn't care about those initials. But, to pretty much anyone that matters in our industry and related fields, those initials stand for something. They stand for knowledge and determination. Those initials tell people that you have the qualities that people with difficult appraisal problems look for. Those initials open doors.

So, what does your business card say? Does it proudly state that you are an Appraiser; or, does it say, "Highly Experienced and Highly Educated Master Appraiser and god of All Things Related to Appraising"? *(OK. My card doesn't say that in so many words; but, to a lot of people that matter, those designations pretty much do say that....)*

How do you get involved? Well, like with most things, the most important ingredient is showing up. It's easy. Watch for an announcement for our next meeting. Come for the CE credit, stay for the meeting. Or just come to the social, and find out about our education program and credentialing, and how that can benefit you. With enough interest, we will set up a flow of classes that will take you through the required classes to get designated.

So, ready to take that next big step? Do you want greater diversity in your client base and assignments? Greater income and stability? Want to actually have the knowledge and experience that others respect and admire? Any licensed appraiser (read: *you*) has the same right as any other licensed appraiser to take the courses and receive that designation. If anybody else can do it, you can too. So, as Nike would say, Just Do IT! In more ways than you can even imagine right now, It *will* pay off in the end.

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## Housing Crisis – What Now and What’s Next

Submitted by  
Lenka Keith, MAI  
[lkeith@columbiabank.com](mailto:lkeith@columbiabank.com)



This three-hour seminar on April 25 was well received with numerous questions throughout. Our three outstanding speakers, who come from diverse backgrounds (Greg Frick of HFO, Conor Finlay of CORE Realtors, and Noel Johnson of Cairn Pacific), shared a wealth of pertinent information as well as different perspectives.

Do we have a housing crisis? Yes - according to renters, who are still struggling to find housing, especially at prices they can afford; and yes - according to property owners, investors and developers who face a cap on rent increases in spite of rising expenses and construction costs.

**What now?** Based on a 20,000-foot view, the recently passed rent control bill (SB 608) has not yet impacted property values or cap rates, and for the most part it is not expected to have a “shock wave” effect in its current form; however, some things are clear, such as the days of apartment self-management are over due to the complexities of new regulation. Sellers of small, owner-managed multifamily properties with rents intentionally kept below market will be forced to take significant discounts as rents will now have to be adjusted gradually, thus buyers base their pricing decisions on rents in place rather than market rents; the alternative is to increase rents to market and pay tenant relocation fees. Properties in Portland are subject not only to SB 608 but also the City’s rent control ordinance, which adds further complexity and fees. Portland’s Inclusionary Housing (a.k.a inclusionary zoning) is resulting in some developers not building to full potential density in order to avoid Inclusionary Housing coming into play, which results in even fewer units being built in comparison with the number of units that likely would have been constructed were it not for Inclusionary Housing. Based on demographic statistics and current construction pipeline, the shortage of rental units will not go away any time in the foreseeable future.

While the impact may not be felt immediately, SB 608 (as well as inclusionary zoning and Portland’s rent control regulation) is likely to be reflected in higher administrative expenses, and could lead to investors (small local buyers on up to institutional entities) opting to invest in other markets, avoiding Portland and Oregon due to fear of what is to come. Similarly, owners of seasoned properties may postpone renovations as the cost of tenant relocation, renovation, and lease-up may not be feasible when time value of money is factored in. Thus, property values will be impacted in more subtle ways. It is thought that SB 608 is only a “foot in the door” with anticipated amendments ratcheting down the rent increase limit.

On a more positive note, while there was some recent softening in rents and occupancy in the downtown core, especially at the upper end of the market, population statistics are now showing strong growth in households with incomes  $\geq$ \$75,000 (target audience), indicating that this softening should be short-lived, and developers should already be gearing up for new projects taking into account the long lag time from application to completion that is, unfortunately, typical for the Portland market.

**What Next?** That is the million dollar question, especially with so many wheels in motion. Stay tuned for a sequel!

After the seminar we were pleased to present two new designee's with their MAI certificates. Congratulations, Chad Ellis, MAI and Rae Nomura, MAI. It was a beautiful evening to be out on the private patio of McMenamins in Wilsonville. Lots of networking and good food. Thank you to everyone that stayed for the social!



Rae Nomura, Mike Hinnant, SRA,  
Chad Ellis, MAI



Matt Call, MAI, Jon Brown, Chad Ellis,  
MAI, Bryan Copp, MAI, Rae Nomura,  
MAI



Karin Kelsey



Jory Wilcox, MAI



John Gill, MAI, Patrick Barry,  
Matthew Larrabee, MAI, Paul  
Moscato, MAI



Chad Plaster, MAI, Kurt Plaster, MAI

## Upcoming Events

### May 13-14

Residential Report Writing and Case Studies(**class cancelled**)

### May 15

Business Practices and Ethics  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR

### May 16

How Tenants Create or Destroy Value:  
Leasehold Valuation and its Impact on Value  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR

### May 17

Ignorance Isn't Bliss: Understanding an  
Investigation by a State Appraiser Regulatory  
Board or Agency  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR

### September 11-12,

Advanced Residential Applications & Case  
Studies/Part 1  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR

### September 13-14, 16-17

Advanced Residential Report Writing, Part 2  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR

### December 6

7-Hour National USPAP Update Course  
DoubleTree by Hilton  
9575 SW Locust Street Tigard, OR



Register Online

**Sincerely**

A handwritten signature in black ink that reads "Zoe R. York". The signature is stylized, with a large, looped "Z" and "Y".

Zoe R. York, MAI  
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