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Seven Hour Seminar Bend, OR. Monday, September 22, 2014

On Monday, September 22, GOCAI will be offering three seminars in Bend:

1. A two-hour presentation by the new ACLB Administrator, Gae Lynne Cooper and recently appointed ACLB Chair, Jim Baumberger.
2. A two-hour presentation by Peter Christensen, LIA, regarding liability issues for appraisers performing litigation and other non-lending work.

August 2014 Field Notes

Message from the President:

Beth Aquilizan, SRA

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I hope that you have been having a productive and satisfying year as the economy and the real estate landscape move towards recovery.

Your chapter leadership has been busy attending to all the "moving parts" that make up the activities of service to our members. In this issue I would like to give you an update on just a few of these areas.

Owen Bartels, MAI, has been operating as our Government Relations Chair and although Oregon had a short Legislative Session this year, he and his committee consisting of Chad Plaster, MAI and David Balfour have remained busy.

1.) A letter was drafted to the ACLB which I read at the January ACLB Board Meeting expressing concern that the incoming administrator has some prior valuation industry experience. We secured an additional letter of support from Chapter 3 IRWA.

Ultimately, the Board appointed the interim administrator, Gae Lynne Cooper to the position who does not have this background but to whom we offer our thanks for her service and a promise of support in any areas in which our organization can be of assistance.

2.) We continue to track Oregon HB 2801 for implications to your business. The Bill mandates the creation of Building Energy Performance Score Systems to reflect energy performance of homes.

3.) Our Chapter has been without lobbying representation for several years. This is a costly but necessary tool in safeguarding the best interests of our members and the public trust. We have been able to reach an agreement with the Oregon Mortgage Bankers Association, in which their lobbyist is tracking appraisal issues for us. Thanks go to Owen Bartels who serves on the Government Affairs Committee of that organization as well and was able to set this up for us. We may choose to seek additional representation over time, but are happy to have re-established a presence in Salem.

4.) Members Kurt Plaster, MAI, and Owen Bartels, MAI attended LDAC in Washington DC in May and met with staff from both of Oregon's senators and four of Oregon's five house representatives to discuss the implications of SBA "going concern" appraisals in the 7(a) Loan Guaranty Program.

5.) Representative Kurt Schrader has been working in support of the real estate appraisal community in the area of going concern assignments and in July Owen Bartels, MAI attended a fundraising event at Rep. Schrader's home, with AI's national lobbyist Bill Garber and Region 1 Government Affairs Chair Justin Slack, MAI, SRA, as guests of the AI PAC.

I am pleased to have such a hard-working and effective Government Affairs committee working for you. I have always noted that we have "top shelf" talent within our membership and this is being borne out this year by our educational offerings as well.

3. A three-hour presentation by Peter Christensen, LIA regarding loss prevention for real estate appraisers..

Appraisers will be able to take all seven hours or break it up and take them separately, the ACLB presentation (9-11am) , both presentations by Liability Insurance Administrators(12pm-5pm)

The seminars will be held at the Central Oregon Association of Realtors Office, 2112 NE 4th Street, Bend, OR.

Two hours have been applied for with the AI, OR and WA. for the ACLB presentation, and the LIA seminars have already been approved with the AI, OR and WA.

Registration available the first week of September if not sooner.

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Because of changes which have gradually come out of National regarding education offerings both in class and on-line, we find ourselves increasingly challenged to provide income to our chapter while offering convenient educational opportunities to our members. We have responded this year by placing more emphasis on creating "home grown" offerings and our membership has been a source of riches in this regard.

In January Timothy Holzhauer, MAI presented a seminar he created with his father, the late Harry Holzhauer, MAI titled "Qualitative Analysis".

John Donnerberg, MAI and Carl Stillman, MAI put on a very well-received all-day Vineyard and Winery seminar in May which included a panel of speakers and a narrated bus trip to some wineries for more education and wine tastings.

In July Roy Wright, SRA shared his knowledge of utilizing RMLS data and Excel spread sheets to create stronger support for adjustments in his 2-hour condensed version of his 7-hour ACLB approved seminar.

Mark Barry, MAI is hard at work putting together a 2-hour Apartment Seminar breakfast offering to be held on September 4th at the MAC. Watch your e-mail for upcoming announcements regarding this panel discussion.

And finally, the newly elected ACLB Chair, and our own SRA Candidate Jim Baumberger has offered to speak to our membership regarding activity at the ACLB at upcoming meetings. We have scheduled a seminar in Bend and hope to hold one in Portland this fall and winter and will keep you updated.

If you have a particular topic of expertise that you would like to share with membership in an educational offering we would love to hear from you.

Jonathon Banz, MAI is Chair of our Public Relations committee and is helping to make sure that these offerings are advertised to interested parties outside of our own Chapter Membership to maximize attendance, networking possibilities and income to the Chapter.

His committee is also working on getting out a new Chapter Directory. The last one we published was in 2010 and although a printed directory is an "old-school" tool, we hear from our members that they get a lot of use out of theirs and would like an updated version. The committee members helping Jonathon with these initiatives are Rebecca Liddell, MAI and Matt Dodd.

Obviously I owe a lot of gratitude to our members who pitch in their time and talent to ensure that your GOCAI membership affords you with the educational offerings, governmental oversight and networking opportunities that assist you in your careers.

I hope you are each finding good balance with summer relaxation and meaningful work, and I would love to hear from you with any observations, comments, or suggestions pertaining to what your Chapter can do for you.

Feature Article

Things to Consider Before You Take on a Conservation Easement Assignment

By Eric Paul Griffin, MAI

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The purpose of this article is to provide you with an overview of some of the types of conservation easements assignments and issues related to these assignments. It is not intended to replace the AI Conservation Easement Course or make you an expert on the appraisal of conservation easements. It is intended to introduce you to some of the concepts involved in conservation easements assignments and things to consider before you become involved with these types of assignments.

As the Cheshire cat said, "If you don't know where you are going it doesn't matter how you get there". With assignments involving conservation easements it is imperative that you know where you are going. While USPAP requires that you identify the intended user and the intended use of your opinions and conclusions, for most assignments this is a relatively simple task and it is not likely to affect how you do the appraisal, the assignment results or their credibility. On the other hand, a failure to correctly understand and identify the intended user(s) and the intended use of your appraisal involving a conservation easement may affect your assignment results and their credibility. This failure can have catastrophic effects on your career and your net worth.

Let's start by considering the most likely users and intended uses of conservation easement appraisals.

- The Internal Revenue Service and other taxing agencies. The client is typically the taxpayer or their tax preparer or legal representative. These assignments typically involve donations and bargain sales and the intended use is for tax reporting purposes. One of the intended users will be the taxing authority.
- Acquisitions of conservation easements by government entities. The client is typically the acquiring agency and the intended use is to establish the price the agency will pay for the easement. The intended user will typically be the client agency.
- Non-government originations (NGOs). The client is typically the NGO. These assignments will usually involve the same intended use as assignments for government agencies. The intended users may include the NGO, the owner of the property which will be encumbered by the conservation easement (CE), and they may also include government agencies that will provide funding.
- There are other potential clients, intended users and intended uses but the three referenced above probably constitute the bulk of appraisal assignments involving CEs.

A unique characteristic of assignments involving CEs is that each of these groups of clients, intended users and intended uses has its own set of rules. These rules may be starkly different and may result in different assignment results. Not understanding who the intended users are or the intended use is likely to result in an appraisal where the assignment results are not credible.

Appraisals prepared for "Noncash Charitable Contributions" constitute a significant percentage of CE assignments. These assignments may pose the greatest potential risk to the appraiser. The IRS has specific rules regarding nearly all aspect of the appraisal and you need to be familiar with and understand these rules.

IRS rules and court decisions support the premise that if there is a substantial record of sales of easements comparable to the donated easement, the fair market value of the donated easement is based on the sales prices of such comparable easements. If there is a lack of marketplace sales to use as a meaningful or valid comparison, as a general rule the fair market value (FMV) of a CE is equal to the difference between the FMV of the property to be encumbered before the granting of the CE and the FMV of the encumbered property after the granting of the CE.

If there are a sufficient number of sales of conservation easements comparable to the easement to be granted, and if the properties encumbered by these easements are similar to the subject property, then these easement sales are the best indication of value. The problem is the general lack of comparability of the easements and to a greater extent the comparability of the properties to be encumbered by the easement.

Where appraisers tend to get into trouble is the use of sales of easements which are similar in the limitations they place on the use of the property but where the highest and best use of the comparable property and the property to be encumbered by the easement are different. For example, the sales of an easement which will preclude development of a property to any non-agricultural uses where the property has near term development potential would not be a good comparable for the FMV of a similar easement to be placed on a property with no near-term development potential. The problem with appraisers relying on sales of CEs where the highest and best use of the property to be encumbered by the easement (the subject property) is different than the property which is encumbered by the comparable easement (the easement comparable) sheds light on what seems to be the Internal Revenue Service's preference for the use of the before and after methodology.

Assignments where the IRS will be the intended user present a second challenge. The appraiser needs to address the possible effect of the CE on other properties which are owned by a donor and the donor's family (the donor's family is defined in section 267(c)(4)). If the granting of a CE has the effect of increasing the value of any other property owned by the donor or a related person, the amount of the deduction for the CE is reduced by the amount of the increase in the value of the other property or properties, even if the property or properties are not contiguous. This creates a larger parcel issue which is not common to most assignments. It also creates an issue regarding determination of the larger parcel since the determination is based on the definition of the owner and the owner's family.

The regulations are such that properties under common ownership involve a test of control and not necessarily of ownership. How does the appraiser determine who the members of the family actually are? And does the owner of the property to be encumbered own or control other properties? Remember that properties held by a legal entity that the owner controls are considered to be part of the larger parcel. Family members may also have different last names. Do you know who my sister is?

My suggestion is to request in writing that the owner of the property or their representative provide the information regarding properties under common ownership by the owner of the subject property or their family members. The owner or their representative should attest to the accuracy of the information and sign the document, and it should be included in the appraisal report. The good news is that the determination of the properties the appraiser must consider (the larger parcel) is a matter of fact as opposed to the method for determining the larger parcels under the Uniform Standards for Federal Land Acquisition (USFLA) sometimes referred to as the Yellow Book. The larger parcel under USFLA considers legal, physical and economic issues and is a matter of judgment, an opinion.

Let's look at the downside of providing appraisals to be used in filing tax returns. There was a recent tax case involving a façade easement (I think we can say this is a sub-category of conservation easements). A property owner planned to donate a façade easement on a building in New York City. The easement was to be held by an NGO. The NGO recommended an appraiser to prepare the appraisal to be used by the building owner to file with the IRS to support the value of the donation. Reportedly the appraiser and the firm had extensive experience in these types of assignments. However, the opinion of value in the appraisal was disallowed. It is my understanding that the IRS is considering or has identified the appraiser and the firm as not being "qualified" and the taxpayer is considering or has brought an action against the appraiser. The appraiser may also be subject to civil penalties by the IRS, so there is a very real downside for the appraiser.

Let's discuss assignments where government agencies are the intended users and the intended use is to assist in establishing a price to be paid for the conservation easement. If the intended user is an agency of the federal government and the intended use involves an acquisition by the agency, or even if the agency is providing funding, the assignment will almost always fall within the requirements of the Uniform Standards for Federal Land Acquisition (USFLA). Even if the federal government is not involved in the assignment it is not unusual for other government agencies to require the appraisal meet the requirements of the USFLA. USFLA involves both development and reporting requirements. The USFLA book is available on line from the Department of Justice at no charge (the address is <http://www.justice.gov/enrd/land-ack>).

The Appraisal Institute offers a two-day course on the USFLA and sells the print version of USFLA. I would recommend that if you are considering doing appraisal work for the federal government that you attend the class and become very familiar with USFLA. USFLA does not replace USPAP but is a supplement to USPAP. USFLA contains many technical appraisal requirements as well as sections requiring a before and after analysis for almost all partial acquisitions, much more thorough and complicated requirements for determining the larger parcel, the use of comparable sales requiring extraordinary verification, as well as prohibitions regard a conclusion of a noneconomic highest and best for the subject property.

USFLA in most but not all cases requires a before and after analysis if there is a partial acquisition. There is enough misinformation regarding the USFLA that I do not want to perpetuate the myth that there are no circumstances in which an appraiser can value the part being acquired plus or minus damages and benefits. What I can say is that with a conservation easements you will have to do a before and after analysis. Failure to rely on a before and after analysis with a CE assignment is one of the fatal flaws.

Consider the implication of the requirement to rely on a before and after analysis! With a complete before and after analysis you are developing and reporting two separate appraisals. USFLA suggests that after the introduction to your report you need to develop a separate area and neighborhood description, property description, highest and best use analysis, valuation analysis and reconciliation. You will also need to summarize your two opinions of value, the before (unencumbered) and after (as if encumbered) values. Keep in mind when you are making a proposal that you will effectively be preparing two appraisals and for the most part two appraisal reports. My experience is that unless your client actually has experience preparing appraisals of conservation easements they do not fully appreciate that you are developing two appraisals and two reports even if they are contained in one report. Another factor to consider in your proposal is these are not easy assignments and data is likely scarce and very difficult to locate and confirm.

If you have a good reviewer and the highest and best use of the property is pretty much unchanged between the unencumbered and encumbered conditions you may be able to prepare a single area, neighborhood and property description, though you will need to discuss the provisions of the easement. The more experienced the reviewer is the more likely it is that they will be receptive to allowing you to use only one area, neighborhood and property description.

If you are preparing appraisals for a government agency it is a safe bet the appraisal will be reviewed. My advice is to get to know the review appraiser and talk to him or her before you deliver the report. Some reviewers are knowledgeable with an understanding of what it takes to actually develop and report a conservation easement appraisal. These are the reviewers who have actually done this kind of work. Then there are the other reviewers who will never understand why you don't have an abundance of data on sales of properties similar to the subject property that are encumbered by easements which limit the use of the property in the same way as the subject will be limited. Why couldn't you quantify all of the adjustments? They may also not have a good understanding of USFLA and not really understand what is likely to affect the credibility of the assignment results. If you get one of these reviewers your fee will probably be way too low!

This brings up another one of those issues with CE assignments. There is a high probability that you will receive a draft easement document. The terms of the final easement are negotiable and may affect your opinion of the value of the property as if encumbered. Remember that you will almost always need to use a hypothetical condition that the property is encumbered by the conservation easement. My advice is to include a hypothetical condition that the value of the property as if encumbered is based on the hypothetical condition that the property is encumbered by a conservation easement which is not materially different than the draft easement you have been provided. Get an email that your client has agreed to this hypothetical condition.

Another one of the problems with many conservation easement assignments is that appraisers conclude that the highest and best use of the subject as unencumbered is some more intensive form of development. If the opinion of the highest and best use is some use other than the present use of the property, the appraisers will need to make the cases that this use is physically possible, legally permissible, economically feasible and maximally productive. Where way too many appraisals fall short is that the appraiser offers no real support for the opinion that a more intensive use is likely or even possible. If the appraiser fails to support his or her opinion of the highest and best use of the property in its present condition, unencumbered by the conservation easement, all the market evidence of the value of the property supporting that premise is pretty much a waste of time.

The following is taken from an actual appraisal for a proposed conservation easement. The appraiser had opined that the highest and best use of the property was development of the property as an estate lot subdivision. The problem was that the appraiser provided no real support for their opinion. The appraiser concluded in the highest and best use analysis that:

..."though a residential development would not be considered to be economically feasible because of the development costs as illustrated are higher than what it is likely the lots can be sold for, we cannot overlook the possibility of the potential of a developer seeking to create an exclusive community of higher priced homes that would accommodate the land prices we've observed."

When the appraiser was challenged about his opinion of the highest and best use of the property he stated,

that "the cost to develop the property exceeds what we already know the lots can't be worth." The appraiser went on to state:

(However, in this case we've clearly determined that there is no market for the price level required and I see no reason to complicate the exercise by doing the unnecessary development analysis).

The entire valuation analysis was based on estate lot subdivision when it is apparent the appraiser does not believe such a project is economically feasible. Does anyone see a USPAP issue here?

When you conclude a use other than the present use you better consider if that use will require rezoning, extension of utilities, and/or other added risk and delays. Just assuming all of these pesky problems away is likely to result in the rejection of the appraisal. You need to provide solid support for the as is or unencumbered opinion of value. I can tell you that for most CE assignments this is the easy part of the assignment and if you can't get this part right you are probably in for a lot of trouble.

The next step is to develop an opinion of the property in the after or as if encumbered condition. You will need to locate sales of properties which have sold encumbered by easements which place limitations on the use of the comparables which are similar to the limitations which will be placed on the subject property. In addition to the limitations placed on the property by the easement you need to locate properties that are reasonably similar to the subject. When this data is lacking you really need to get very creative.

The problem in the real world is there are just not a lot of those kinds of sales and if they do exist they are difficult to locate. Just locating sales of properties encumbered by CEs is a difficult task. Your best source of these sales is to develop a network of appraisers who specialize in CE assignments, and be prepared to share data with them. Another source of this data can be NGOs that specialize in placing CEs on properties. They will probably know if properties encumbered by conservation easements where they hold the easements have sold.

Once you have located sales of properties that were subject to CEs it is essential that you carry out in-depth confirmation of the sales. You need to have a clear understanding of the terms of the easement and you need to determine the buyer and seller's understanding of the limitations placed on the property. That old informed buyer. I can tell you from firsthand knowledge that the buyers do not always understand how the CE may affect the use of the property or that the easements are in perpetuity, and that is a long time.

As an example, I had confirmed the relevant details of the sale of a property encumbered by a CE which precluded splitting the property and any non-agricultural development of the property. I determined that the easement and its terms were clearly disclosed with the result that a number of potential buyers had passed on the property. So far so good; we have a good comparable right? I was able to contact the buyer who also confirmed the factual date I had received. It was when I asked if he understood that the property could never be converted to non-agricultural uses and I got that long pause that I knew I had a problem. The seller was knowledgeable but the buyer could not be considered knowledgeable. This sale failed to meet one of the key components of a market transaction.

A clear understanding of these difficulties is essential before you agree to provide a time frame and price for one of these assignments. I haven't even gotten into the determination of the larger parcel which could take up another article.

Before we finish let's look at some of the other problems with these kinds of assignments. If your client or intended user is an agency of the federal government your appraisal will have to comply with USFLA. USFLA states:

"The appraiser's estimate of highest and best use must be an economic use. A noneconomic highest and best use, such as conservation, natural lands, preservation, or any use that requires the property to be withheld from economic production in perpetuity, is not a valid use upon which to estimate market value. Therefore, any appraisal based on such a non-economic highest and best use will not be approved for federal land acquisition purposes."

If this is not something you can live with do not take on the assignment! This is actual language from an appraiser's response to a review appraiser regarding the use of six comparable sales where the buyers were NGOs or government agencies acquiring properties for parks or conservation.

"We have identified the sales that exist in the marketplace. Doesn't who purchased them indicate the makeup

of the market? How can we ignore that?"

If this wasn't bad enough the appraiser went on to say later in his response:

"We are a bit confused since there appear to be some 'artificial' restrictions on what can and what can't be highest and best use. It seems pretty clear to us that the highest present value is derived from conservation groups, based on the sales, which you seem to be suggesting are 'inadmissible'."

The appraiser was aware the report was going to be used by an agency of the federal government for the possible acquisition of a CE on the property. The contract specified the appraisal and the report had to meet USFLA standards and the contract included the language from the USFLA regarding the use of a noneconomic highest and best use. The as is value of the property was based on that noneconomic highest and best use. How useful is this appraisal and what do you think the chances are the appraiser will get any more work from that agency? Yes, review appraisers for government agencies do talk to one another even when they work for different agencies.

Do you think there may also be some USPAP issues here? Remember that pesky language about knowingly failing to comply with the standards? Do you think someone might make a case that the appraiser had knowingly failed to comply with the standards he had agreed to comply with, i.e., USFLA?

There is a very well documented review setting out all the issues with this appraisal, and there were many more. All of the emails are present as part of the official record. The office that prepared the review (a government agency but not the user) as well as the agency that is the intended user all have copies of the review and the report. In this case we have a very unhappy agency which has an appraisal they cannot use, a project that cannot move forward and a large bill, for all of the appraisal.

There is one more issue I would like to address. Appraisals of CEs are frequently scrutinized by a lot of parties other than the client and the intended users. They are probably subject to discovery through the Freedom of Information Act. Some of these parties may have motivations other than determining if the assignment results are credible. These parties may have other agendas, they may be biased, or they may just not be very competent to opine on the credibility of the appraiser's work. It seems like everyone thinks they have the right to comment on the appraiser's work product.

In this example the work was not a CE but the acquisition of a very complex and high value property by a government agency. While the assignment did not involve a CE it is pretty much a worst-case scenario of what can go wrong. The government agency was both the client and the intended user and the intended use was to aid in setting the price for the possible acquisition of the property. The appraisal relied on a several reports prepared by consultants hired by the agency. These reports addressed complex legal, environmental and technical issues. The reports were relied on by the appraisers with the appropriate care and disclosure. The reports were included in the appraisal report. The report was reviewed internally by the agency's appraisal review staff. Because of the complexity, high value and political sensitivity the agency contracted with an outside firm to develop a second independent review. The internal reviewer and the contract reviewer were well qualified in these types of assignments and in the USFLA. Ultimately the appraisal was accepted and approved for use by the agency and the property was acquired. As a note there was a second appraisal contracted for and paid for by the property owner. This appraiser was also licensed in the state where the property was located. This appraiser's opinion of value was significantly higher than the appraiser prepared for the agency. While the appraisal was provided to the agency, they did not rely on it.

An outside group contended that the primary appraisal (the one with the lower value conclusion) had serious flaws and the government had paid far too much for the property. The group complained to the agency, elected officials, the media and the state appraisal regulatory agency. The complaints drew a great deal of attention from the media and ultimately the state regulatory agency started an investigation. The media coverage was not sympathetic to the appraisers and suggested that at the least they were incompetent and at worst biased. The consensus of the media reports was that the agency had paid too much for the property based on a flawed appraisal. The appraisers and the firm were named in the media coverage.

Ultimately the regulatory agency concluded there were serious USPAP issues with the appraisal, and there was a published disciplinary action and a fine was levied against the appraisers.

Two interesting items are that a) it seems no one ever looked at the second, much higher appraisal, and b) the state regulatory agency's findings concluded that the consultants' reports were flawed, though the state did not hire any experts of their own and this conclusion seemed to be based on the opinion of an

undesigned appraiser with no experience with these types of assignments. The state also concluded that the appraisers were remiss in not explaining the federal regulatory requirements regarding development of properties with wetlands issues. The fact that the client and intended user was one of the agencies involved in permitting in wetlands areas seemed to have been totally lost on the state regulatory agency. These are just a few of the more egregious problems with the state's action against the appraisers.

The action by the state regulatory agency was widely published vindicating the media's criticism of the appraisers and the federal government's purchase price for the property. The appraisers sought judicial relief and an administrative law judge stated he found the testimony of one of the state's expert witnesses not credible. The fines for the state's cost for their expert was thrown out and many of the state's contentions regarding failure to comply with USPAP were also thrown out. The appraisers, however, were not fully vindicated. The appraisers then sought relief in superior court. The superior court largely sided with the appraisers, leaving only some minor issues which they did not opine on.

Ultimately the state dropped all the charges against the appraisers. This action by the superior court and the state agency received little or no media coverage. The legal fees according to one of the appraisers exceeded six figures.

While the purpose of this article is not to discourage you from accepting assignments involving conservation easements, you need to be aware of the level of effort and knowledge necessary to develop credible assignments results. You need to understand the added risk in taking on these assignments and the added work. You can't leave questions unanswered either in the report or in your work file. If you are going to take on these kinds of assignments don't underestimate the amount of time necessary to develop and report your opinions of value and the added work that may be involved in getting the work through the review process.

While I am an employee of the United States Department of the Interior, the views and opinions expressed in this article do not represent the official position of the Department of Interior but are the opinions of the author.

A big thanks to Eric Griffin for writing this article for our newsletter. Eric Griffin is a review appraiser for the Office of Valuation Services, United States Department of the Interior. The Office of Valuation Services provides all real estate valuation services to the Bureau of Land Management, Bureau of Reclamation, United States Fish and Wildlife Service and the National Park Service.

Eric began his appraisal career in 1998. Prior to joining of the Office of Valuation Services, Eric was the owner of E. Griffin & Associates, a partner in Griffin and Way Real Estate Appraisers, Vice President of Robert Ford & Assoc., Inc. and a supervising appraiser with the Stanislaus County Assessor's Office.

Eric holds the MAI designation from the Appraisal Institute. He served as President of the Northern California Chapter of the Appraisal Institute. He served as a member of the Board of Directors of the Appraisal Institute for four years. He has served as a member of the numerous Appraisal Institute committees including the Chapter Services Committee, the General Admissions Committee, the General Experience Subcommittee, the Seminars Sub-Committee, the Educational Programs and Publications Committee, the Qualifying Education Committee, and the Body of Knowledge Committee.

Eric is or has been and an instructor for the Valuation of Conservation Easements, Appraising the Appraisal: appraisal Review General, and Uniform Appraisal Standards for Federal Land Acquisitions Courses. He taught Real Estate Appraisal and Real Estate Economic for fifteen years at Modesto Community College.

Eric has developed and presented workshops for the Appraisal Institute and the International Right of Way Association on The Appraisal of Conservations Easements, The Valuations of Easements and Other Divided Partial Interests, and Common Errors and Misconceptions in Yellow Book Assignments. He has developed and presented workshops on the Appraisal of Complex & Special Purpose Properties, an Overview of Conservation Easements and Their Effect on Taxable Value in California and Rates and Capital Markets for the California State Board of Equalization.

Eric Griffin is a graduate of California State University Stanislaus with Bachelor's degree in Economics & Political Science.

Newly Designated Members

Since our last newsletter, six of our members have received their MAI designations. Congratulations to Charles Rex MAI, Desiree Flanary MAI, Phillip Hanshew MAI, Zoe Roman MAI, Jason Russell MAI and Karen Storm MAI. Most are spotlighted below.

Charles W. Rex IV, MAI

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Where did you grow up?

I grew up in Orlando, Florida, a 7th generation Floridian. I graduated from Lyman High School in Longwood, Florida. I attended the Virginia Military Institute, graduating in 1995 with a bachelor's degree in Biology with a minor in English. I was an Army ROTC scholarship cadet. Upon graduation, I was commissioned into the U.S. Army Medical Service Corps where I served in Texas, Hawaii, South Korea and various other locations in the Pacific Rim. I obtained a Master's degree in Business Administration from the University of Phoenix in 2000. I also earned two post-graduate certificates, Chief Information Officer and Information Assurance, from the Information Resources Management College at the National Defense University in Washington, D.C. in 2003. In 2010, I moved with my wife, a two-year old daughter and four-month old son, two Jack Russell's and a fish across the country from Warrenton, Virginia to Portland, Oregon where I took a job as an Appraiser with the Bonneville Power Administration until 2014. Currently, I am a Review Appraiser at the Land Buy-Back Program with the Office of the Special Trustee for American Indians, with the Department of the Interior.

What is your "appraiser story?"

I am the fourth of five MAIs in my family. My late great-grandfather, Charles Walton "CW" Rex, Sr., was MAI certificate number 42. Pop, as he was fondly remembered, specialized in Citrus and development valuations and holdings throughout the Southeast. My father, Charles Walton "Sandy" Rex III, MAI specializes in corridor valuation, conservation easements and other unique property valuations throughout the country. My uncle, Randall Rex, MAI is an appraiser in Orlando, Florida. Finally, my younger brother, Cameron Russell Rex, MAI, GISP works with Sandy in Wilmette, Illinois. Cameron is the fifth of five MAI's in the Rex family.

As is evident, real estate appraisal was a common topic of dinner table discussion. Consequently, the last profession I could have imagined myself practicing was appraisal! I instead took an alternative track in life, first working in the military, healthcare industry, academia and information technology. I enjoyed my work, but I didn't enjoy the idea of being tied to a desk, preferring instead the outdoors.

In 2005, I decided that I needed a career change. I wanted a job where my office was in the outdoors, rather than sitting behind a desk or in a conference room trying to stay awake during a meeting. My father, Sandy, offered me a position as an associate in his firm, RMI Midwest, in Illinois. I moved from Washington, DC to Chicago. To my astonishment, I actually loved working with my family and appraisal seemed to fit me just fine. At RMI Midwest, I traveled all over the country, learned about industries I never much thought about, and really began to gain interest and a love of the appraisal profession.

In late 2007, I moved from Illinois to Warrenton, Virginia. I started my own appraisal firm, RMI East, and continued my appraisal work primarily in corridor and conservation easement valuations. Unfortunately, timing was not in my corner. The collapse of the market and unprecedented governmental intervention virtually eliminated 100% of my existing workload within a three-day time frame. Fortunately, a friend of my uncle Randy, Zac Ryan, MAI out of Jacksonville, Florida was looking for an experienced appraiser willing to take on timber valuation assignments. I quickly jumped on board, traveling between Virginia and Florida on a fairly regular basis. Zac taught me a whole new niche, timber valuation, but the new-found income barely covered the expenses.

At about the same time, Steve Bottemiller, MAI at the Bonneville Power Administration (BPA) was looking for a few appraisers to join his staff. BPA had over 17,000 miles of power transmission line corridors in addition to significant valuation assignments in support of the Northwest's Fish and Wildlife programs. My skills were in perfect alignment with what Steve was looking for. Working at BPA was the best time of my entire life. I had to opportunity to travel and work in nearly every county in Washington, Oregon, Idaho, and western Montana, in addition to portions of Utah and Nevada. I truly had the best appraisal job one could possibly ask for. Unfortunately, I was hired as a "term" employee, and after nearly four years, my term was going to expire. As chance might have it, I was fortunate to secure a job in May with a brand new organization, the Land Buy-Back Program with the Office of the Special Trustee for American Indians. Although I am still new to the program, I am knee deep in work and have wonderful colleagues throughout the nation. My family and I will

be relocating to Sisters, Oregon in August since I can work out of a home office.

What kinds of non-appraisal things do you like to do?

As I mentioned earlier, I love the outdoors. At a very young age, I was bitten by a dry fly, and I haven't been right since. I am an expert fly fishermen, specializing in catching various silvicultural species including Ponderosa, Alder, Cottonwood and even the occasional Juniper. In the rare event of a miscast, I sometimes hook into Rainbows, Cutthroats, Brook, Chinook and Steelheads. Any day in the water is a good day and if you caught a fish every time, they would have called it "catching" instead of "fishing" - at least that is what I tell myself to feel better when I come home empty handed. Unfortunately, with two young children, I don't get out in the water nearly enough, but I am chomping at the bit, and my young-in's have their fishin' poles and are just as ready. The move to Sisters will bring many new opportunities to hook into some mighty fine wooded varieties.

Favorite things list:

- a. Favorite food: Sushi, most definitely. The weirder, the better, uni and quail egg is a favorite - but in my household, you have to eat quickly because my children have the same palette.
- b. Favorite kind of music: Just about anything, but am partial to something with a banjo in it.
- c. Favorite sports team: Roll Tide. Alabama football is a religion in my household. My stepfather played for Bear Bryant at Alabama, my uncle Randy attended, and my half-brother Nick is going to be a Sophomore.
- d. Favorite place to visit: Montana in the Fall and Sisters, Oregon the rest of the year. The best thing about being an Appraiser is that you can bring your job anywhere you want to live! So, we have finally been given a great opportunity with my current job, so - Sisters, here we come!
- e. Favorite movie or book: Standing in a River Waving a Stick, and Old Man and the Sea. As for a movie, A River Runs Through It.
- f. Favorite quote: "There's something about the outside of a horse that is good for the inside of a man" - Sir Winston Churchill

What would be your first choice for a second career?

Expeditioner. I love the outdoors, love fishing, hunting, camping, hiking and survival. If I couldn't be an appraiser, I would just cut out the delivery of reports and continue doing the same things I do right now. I can truly say that I am living my dream!

What advice would you give to someone who is currently working toward designation?

Make friends, be persistent, and ask for forgiveness. I can say that the only reason that I was able to get designated is because of the people around me. I have been given so many opportunities, so much guidance, help and assistance from other designated members I can't begin to recall how many people that I have to say thank you to. The path to designation has been difficult. It took years for my experience review, the demonstration report was a nightmare and I have pushed CTRL ALT DEL on all information stored in my head for the Comprehensive Exams. But looking back, was a relief. Just keep trying, and then try, try again. Finally, you have to ask for forgiveness. My wife now knows that it is an MAI even though I have been MIA since we have been married! Without her support and motivating criticism, it probably just wouldn't have happened!!

Desiree Flanary, MAI

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What is your "appraiser story?"

My interest was more in hospitality, not appraisal. After working as a recruiter for a staffing company for a couple years after college and realizing it was not a good fit I started looking for a new career. I was only getting HR and other recruiter type interviews when I came across a CareerBuilder job posting. The requirements included desire to travel, a hospitality background, open to relocation, and the willingness to train and start at the bottom. The posting was for HVS in the consulting and valuation division. I interviewed with the company and was hired a few days later. I started my first round of Appraisal Institute classes within the first year and haven't looked back.

What kinds of non-appraisal things do you like to do?

All of the typical Northwest outdoor activities including biking, hiking, camping, running, rafting, and paddle boarding. I also have a love of reading and traveling.

Favorite things list:

- a. Favorite food: Seafood, specifically crab legs
- b. Favorite kind of music: Rock
- c. Favorite sports team: Denver Broncos!
- d. Favorite place to visit: The list is long, but will narrow to Ireland for this
- e. Favorite movie or book: Shantaram by Gregory David Roberts
- f. Favorite quote: "There are many things in life that will catch your eye, but only a few will catch your heart...pursue those."

What advice would you give to someone who is currently working toward designation?

Be patient with yourself. Also, turn in your log early so once your capstone project is approved you don't have to wait for the log approval.

Zoe E. Roman, MAI

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Where did you grow up?

I was born in Alabama but grew up in Eugene for most of my life. I went to North Eugene High School and University of Oregon.

What is your "appraiser story?"

I started interning for Duncan & Brown in high school and continued my internship throughout college. When I graduated from UO they were nice enough to give me a job even though it was right in the middle of the recession! I've known that I wanted to be an appraiser since I was 15. I love that the market is constantly changing and the property types that I appraise are always unique in some way, which makes work challenging and exciting.

What kinds of non-appraisal things do you like to do?

In my off-time I swim with a Masters team here locally (Aquaducks), bike, run, and do yoga. I love to do any group fitness activities; there is something about a group of people with a bunch of exercise endorphins getting together at ridiculous times in the morning that I just can't get enough of!

Favorite things list:

- b. Favorite kind of music: Country
- c. Favorite sports team: GO DUCKS!

What would be your first choice for a second career?

Yoga instructor.

What advice would you give to someone who is currently working toward designation?

Don't be overwhelmed by all of the requirements, just set reasonable goals and complete one thing at a time and eventually it will all be over and you will be so impressed with how much free time you have!



Jason K. Russell, MAI

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Where did you grow up?

I grew up in California and graduated from Clovis High School. Following high school, I made the move to Corvallis and graduated from Oregon State University. After falling in love with Oregon my first year, the transition up to Portland was easy.

What is your "appraiser story?"

After spending several years in the tech industry focusing on marketing program management and traveling around the world getting jet-lag multiple times a month, I knew a career change was needed. Seeing an ad in the newspaper of all places about a job in an assessor's office started the wheels turning about real estate appraisal. It took a while, but I eventually found a residential assistant position and then a short time later a commercial appraisal assistant position. Now I get the privilege of researching and writing appraisals on a variety of property types. The diversity of appraisal problems keeps this career interesting and exciting.

What kind of non-appraisal things do you do?

Spending time with my wife and two kids. The four- and six-year-old girls have been keeping us loving life and busy. Running all year long is also something I enjoy and helps me keep up with my kids. Most any outdoor activity is great. In September, my passion is bow hunting for Elk; don't get me started on that topic unless you have a couple of hours.

What would be your first choice for a second career?

Second career, no way! I love real estate appraisal.

What advice would you give to someone who is currently working toward designation?

Keep your head up and keep moving forward. The classes, testing and experience just take time. The demonstration report takes a commitment; the Capstone was the way to go for me. If anyone is on the designation path and needs help or advice, I would be happy to help.

Karen Storm, MAI

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Where did you grow up?

I grew up in La Crescenta, CA (near Glendale/Los Angeles). I graduated from San Diego State University and lived and worked in San Diego for 10+ years. The company I was working for in San Diego offered me a job transfer to Portland which I took in 1996.

What is your "appraiser story?"

My first job after graduation was as a bank examiner and my favorite part of the job was examining the appraisal files. Years later when I was looking to make a change to career with more flexibility, I looked into becoming an appraiser and was lucky enough to be hired on as a trainee at PGP Valuation in Portland.

What kinds of non-appraisal things do you like to do?

My hobbies include travel, reading, and gardening but lately I seem to spend most of my free time watching my kids in their various sporting events, and driving them around!

Favorite things list:

- a. Favorite food: This is hard - there are so many to choose from.... I love most kinds of food and love to try different things.
- b. Favorite kind of music: Again, I like many kinds of music but I do enjoy listening to the blues.
- c. Favorite sports team: Dodgers!
- d. Favorite place to visit: Anyplace warm and sunny, preferably with a beautiful sand beach....Hawaii ranks right up there at the top of my list.
- e. Favorite movie or book: Favorite movies: It's a Wonderful Life and When Harry Met Sally. Way too many books to consider any as my favorite, but some that come to mind that I've read recently are: Unbroken by Laura Hillenbrand and Cutting for Stone by Abraham Verghese

What would be your first choice for a second career?

Something where I could travel to warm and sunny places...

What advice would you give to someone who is currently working toward designation?

Do not give up, persevere and you will accomplish your goal. Break each requirement into smaller steps if necessary to help you to achieve success. It is well worth all of the effort and your designation is something you will have for the rest of your life.

Member Spotlight: Jill Merwin, SRA

By Theresa Blake

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June 2, 2010 was the day I met Jill and the beginning of a journey that would bring us together as colleagues and friends. Why would I remember the exact date, you ask? It was the beginning of the 45-hour "demonstration report writing" class that, upon completion with a passing grade, would satisfy one of the largest requirements of the Appraisal Institute's SRA designation. It was something like "boot camp" for soon-to-be SRA designees. Needless to say, when you are down in the trenches with someone for 5 days (actually 7 days including the weekend) you learn a lot about a person and never forget the experience. Jill and I spent several days and nights during this time researching and writing our demo report. Early on, I was impressed by her knowledge and we would talk shop over lunch and breaks. We both owned our own appraisal business and foolishly, I thought I could take care of some business at night and over the weekend, but she knew better. Just a piece of advice, this is a very intensive course and you will need to devote your nights and weekend to writing the report! We soon discovered that we could talk for hours as we had a lot in common and decided it was best if we continued to sit apart during the entire class. We helped and supported one another through "boot camp" and not only did we both obtain our SRA designations but we gained a lifelong friend!

When asked to write this article about another member, it wasn't hard for me to decide who that would be. Jill is the perfect role model for our organization. When you first meet Jill, you will be struck by her kindness, warm-nature, her unassuming confidence in her abilities and her dedication to the appraisal profession. If you ever have the pleasure of meeting her during a class or meeting where you know no one, don't worry she will invite you to have lunch or sit with her at a table! Jill will never try to impress you with her experience, knowledge and background which, by the way, is quite impressive. She has 34 years of appraisal experience, including managing her own appraisal business since 1988, obtaining her certification in 1990, serving on the ACLB for 8 years (2 years as board chair) and most recently taking a position as a Senior Residential Appraisal Reviewer (Risk Management) with HomeStreet Bank. She loves horseback riding, golf, travel and spending time with her two grandchildren (ages 3 and 1). She always has to plan her days around feeding and caring for her horses showing just another level of her dedication.

Dedication by our members is what will continue to drive our profession into the future. One thing that stands out about her dedication is her refusal to compromise on quality regardless of the client, compensation, etc... In fact, when asked "What is the greatest challenge of our profession today?" she replied "Two things: First, bringing new people into the profession. It's difficult to justify the cost and time spent getting into appraising today. Second, we need consistent, adequate training to produce really good, effective and knowledgeable appraisers that really understand how to employ good methodology and how to analyze data. I believe that at some point, the issue of new appraisers joining the industry will be resolved through different educational and experience processes than the way it works today, which is desperately needed to make it worthwhile. And hopefully as a result of a new educational process, there will eventually be more consistency and higher levels of knowledge throughout the profession."

Jill and I had both come to that place in June 2010 to fulfill a long-standing career goal. She had planned for decades to get her SRA designation and even started the process several times. Work and personal life always got in her way. However, in 2010, with most of the steps already completed, she decided to go for it when the week-long (45-hour) intensive class became available in Portland. About why she decided to get her SRA designation and the benefits, she replied "I went through the process so that I could enhance my knowledge of appraisal, and also for a personal accomplishment and satisfaction after being in the profession for so many years. Earning the designation has brought a different level of respect from my peers. It has helped to some degree with employment. But most of all, the knowledge I gained from going through the process is invaluable. Writing my demo report seemed to put everything in the appraisal process and all the

pieces of the puzzle together in a way that I never noticed in all the years of appraising. Consistency and correlation make so much more sense now. I gained a much broader knowledge base. Even if appraisers don't earn a designation, I think the intensive course should be mandatory. It's a real eye-opener!" Our organization is fortunate to have her as a member and our profession is well-served by her professionalism and dedication.

Upcoming Seminar: Portland Apartment Market-A Mid-year Update



To be held the morning of September 4th

By Mark Barry, MAI

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What's happening with the Portland Metro area apartment market? With apartments being the darling of the investment community, but with the Portland area in the midst of a major apartment construction boom, this is the question everyone seems to be asking.

The GOCAI has put together an outstanding program entitled "The Portland Apartment Market - A Mid-Year Update." This event will be held on Thursday September 4th from 7:30 am to 9:30 am at the Multnomah Athletic Club at 1849 SW Salmon Street in Portland. Registration and networking begins at 7:00 am. The cost is \$40 per person, and \$300 for a table of ten, with two hours of CE credit.

The GOCAI has put together a group of speakers who are experts in their field. These include:

Robert Black, *Real estate broker & Senior Vice President of NAI Norris, Beggs & Simpson*. Since 2010, Robert has been the broker of 15 apartment land sales in the close-in and downtown area, and will be speaking on Current Trends with Apartment Land Values in the Portland Metro Area.

Dwight Unti, *President and Owner of Tokola Properties*, who have developed 20 apartment communities with a total of over 1,900 multifamily housing units, will be discussing their latest development, with a Case Study on the 71 Unit 4th Main Apartments in Hillsboro.

Cathy Reines, *President & CEO at koz Development*, and former President and CEO of Footprint Investments Cathy has been an active developer of micro-suite housing in the Seattle area, and also active in Portland, and will be discussing Micro Apartments in the Portland Area and the Pacific Northwest.

Spencer Noecker, *Managing Member, NFN Investments*, which owns, manages and operates more than 1,500 apartment units across 28 properties, and has been one of the most active apartment buyers in the Portland/Vancouver submarket, will be discussing Current Trends in the Portland Metro Area Apartment Market - Thoughts from a Major Investor.

Jason Waxberg, *founding member and principle broker in Equity Pacific Real Estate* will be discussing Values, Trends, and the Outlook for Older Vintage Apartments in the Portland Urban Area - A Broker's Perspective.

Jerry Johnson, *Principal with Johnson Economics*, and who is involved in research design, economic and financial modeling, and market analysis, and who serves on the Governor's Council of Economic Advisors in the State of Oregon, will be discussing Supply and Demand for Apartments in the Portland Metro Area - Will We Get Overbuilt in 2015 and 2016?

Mark Barry, *apartment appraiser with Barry & Associates*, will serve as the Emcee.

Winery and Vineyard Appraisal Seminar

By John Donnerberg, MAI
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On May 30th, the Greater Oregon Chapter of the Appraisal Institute (GOCAI) hosted an all-day winery and vineyard appraisal seminar. Carl Stillman, MAI coordinated and presented the seminar to 38 students. The morning session at Hayden's Grill in Tualatin was very informative and included presentations from Carl as well as a variety of professionals involved in the wine and beverage industry.

The afternoon session was blessed with beautiful weather for a tour of two Yamhill County vineyard and winery properties. The first stop was at Shea Vineyard, an exclusive vineyard and boutique winery owned by Dick and Deirdre Shea. Dick graciously opened his estate and winery, which is normally closed to the public, to members of our group. He has been growing fine Pinot noir with his wife Deirdre on this property since the late 1980s. Most of his fruit is sold to a very short list of highly-respected wine makers on a contract basis. Dick led a thoughtful discussion and Q & A session about the wine business and his new winery facility. Several students took advantage of the opportunity to buy some of his wine, which is not normally available to the public outside of a restaurant.

We finished up the day with a tour and discussion of grape-growing techniques at Willakenzie Estate. Carl led a tour of the unique gravity flow winery while we sipped three different wines at the beautiful estate.

The Chapter would like to extend a big thank you to Carl and all of the presenters that made this event a real success.

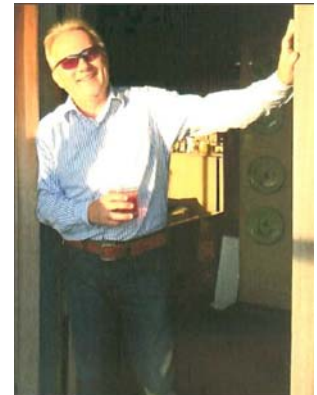


In Memoriam: Gregory M. Lowes

By Bill Jones, MAI
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The Oregon Chapter recently lost one of its cherished members. Greg Lowes passed away in early May after a courageous but brief battle with cancer. Greg was an outgoing and gregarious professional who made friends wherever he went. A huge Jimmy Buffet fan, he reveled in any opportunity to meet new people and catch up with old friends. He adored and cherished family including his son, Michael; daughter, Kate; and his wife, Amy. Their whirlwind travels included African safaris, Morocco, the South Pacific and other global adventures. He particularly loved family time in Paris and at their beach home on the Oregon coast. Greg began his appraisal career in 1988 at the Appraisal Group, Inc. in Portland, and rapidly became recognized as a knowledgeable and respected senior review appraiser at U.S. Bancorp and Umpqua Bank. Greg is deeply missed by his coworkers and all who had the pleasure to know him.





Left to Right: Daniel Zook, Pat Manning, Greg Lowes and Matt Dodd.

LDAC Summary

By Kurt Plaster, MAI
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From May 19-21, Owen Bartels, MAI and I represented our chapter at the Appraisal Institute's Leadership Development & Advisory Council (LDAC) held in Washington, D.C. It was my first time attending the conference and overall it was a great experience. There were 105 participants from all over the country. I learned a great deal about the workings of the Appraisal Institute on a national level and had a fun time networking with fellow appraisers from all over the place.

One of the most important things we did was lobby our local senators and representatives on issues impacting our profession. The two issues that we lobbied on were regarding SBA loans for special purpose properties and protecting the integrity of the appraisal.

Regarding the SBA loan issue, we specifically asked members of the House and Senate to support legislation that is under development from Rep. Kurt Schrader (D-OR) that would reaffirm the acceptance of competent real estate appraisers to prepare going concern appraisals of special purpose properties for SBA 7(a) loans.

Regarding protecting the integrity of the appraisal, we specifically asked House Members and Senators to not allow appraisal information in the "National Mortgage Data Repository" to be made publicly available.

Overall, this was a great opportunity to interface with our local representatives and senators in Washington, D.C. We met with staffers from nearly all of our five representatives from Oregon and both Senators.

Other highlights of LDAC included discussion and brainstorming groups that talked about issues impacting the appraisal institute and our profession. My favorite topics were "How to Embrace Technology" and "How to Solve the Appraiser - Trainee Dilemma."

Overall, I met a lot of really smart appraisers from throughout the country and felt that here in Oregon we are not unlike many other parts of the country when it comes to appraisal challenges and opportunities. I appreciated the opportunity to attend and learned a lot from the experience.



ACLB Board Chair:

James "Jim" Baumberger, New Oregon ACLB Chair

jim@synergyappraisal.com

By Hillary Peterson, MAI, AI-GRS



This summer Beaverton appraiser Jim Baumberger accepted the position of ACLB Chair. I spoke with Jim shortly thereafter, expressing our chapter's interest in a) getting to know him, and b) hearing his perspective about the role of the ACLB and its relationship to Oregon's appraisers. As it turned out, Jim feels strongly about the importance of ongoing communication between appraisers and the ACLB and, as a result, he was happy to have this chance to introduce himself.

Background

Jim grew up in mid-central Ohio, where his father was an SRA and an active member of the Appraisal Institute. In fact, Jim's father started the first mid-Ohio chapter of the Appraisal Institute. Jim's dad was also a busy real estate broker, and he was active in politics. Growing up in this environment, Jim spent many hours "taping houses," attending open houses, conducting property inspections, and inspecting comparable sales with his dad, and he says that "since my father and older brother were appraisers, I became an appraiser organically."

Jim attended Ohio State University, PCC, and Concordia University, ultimately majoring in business and communications. The move from Ohio to Oregon happened quickly; he says that "my first trip to Oregon was actually on spring break, and I absolutely fell in love with the Pacific Northwest. Returning to Ohio, I sold my home and moved to Oregon with the next few months."

Jim has worked as Regional Chief Appraiser for Bank of America, Division Appraisal Manager for World Savings, and Mortgage Group Leader for Wachovia. Today Jim is President of Synergy Appraisal Services, which has multiple offices across the country. Jim also teaches courses and training seminars on such topics as appraisal, compliance, market conditions, review practice, and secondary market guidelines.

Jim describes himself as "an appraiser geek, for sure!" He says "the appraisal process is fascinating, researching is an art form I really enjoy, and completing a really 'thorny' analysis is something I find very gratifying. As a residential practitioner, I think the combination of judgment and methodology required to produce credible results allows me to use many of my skills. Talking about appraisal problems, compliance, or real estate markets is a good time for me!"

Serving as Chair of the ACLB

During my interview with Jim I asked several questions about his role as ACLB Chair. Jim's answers in his own words are best, so read on...

Question 1: Why did you decide to become involved with the ACLB?

Jim's response: "I have a very lengthy history of performing volunteer work for many worthwhile organizations. None has been more vitally important than volunteering for the ACLB! I love being able to contribute something to the profession so many of us love so much. One note I must make is that I, and no one individual member, is authorized to speak for the ACLB. The ACLB is comprised of many extraordinarily dedicated, knowledgeable and experienced members, who contribute a diversity of opinions on the important issues of today."

Question 2: What are your goals as they relate to this position?

Jim's response: "My primary goals are to uphold the standards of the ACLB, facilitate an engaged board of members dedicated to ensuring that all citizens of Oregon receive credible valuations, provide a knowledge base through newsletters and public speaking to help Appraisers with professional development opportunities, help perform the mission of operating a compliant regulatory program that the ASC (Appraisal Subcommittee) rates highly, and over-communicate to all industry stakeholders what the ACLB is doing and why."

Question 3: What would you like GOCAI members to know?

Jim's response: "Many in our profession have some confusion regarding the ACLB's purpose. While I love the appraisal profession dearly, the ACLB is not an advocacy group for appraisers. The ACLB's mission is to protect the public trust for the citizens of Oregon. However, when the public trusts appraisers, places high regard in our professional opinions and relies upon us for major financial decisions, then appraisers are elevated and our profession thrives."

Question 4: Any final comments?

Jim's response: "I have been a proud member of the AI for over two decades. The AI's dedication to education, ethical practices, and lobbying makes it an incredibly valuable professional society for all appraisers - even non-members benefit from the AI's successes! When you see me speak to your organization, and I hope to have the honor of doing so regularly, please feel free to engage me in conversation. If there is something on your mind, I would like to hear what you have to say. In addition, whenever GOCAI Members attend ACLB meetings to offer public comments, the board is well served by learning from your point of view. Whether you send an email, letter or speak in person, the ACLB needs to hear from each of YOU, please!"

Some Fun Facts about Jim

I'll close with some fun facts I learned about Jim during our interview:

Once an active runner and hiker (having climbed Mt. Hood for an American Lung Association fundraiser), Jim's main hobby is now golf. "I play bad golf as well as anyone," he says.

Jim is an adventurous eater; his favorite ethnic cuisines include Italian, Mexican, Thai, and Vietnamese offerings.

When I asked Jim about a favorite book or movie, he said "It's embarrassing, but I really enjoy the Stephanie Plum novels by Janet Evanovich. They were my sister's favorite fun reads. After she passed from cancer, I began reading them and took some comfort in laughing at the same corny jokes and crazy characters that made her howl with laughter. I travel often for business, so whenever I see a new one in the airport bookstores, I snatch it up and enjoy reading it on the flight."

Congratulations on your new position, Jim. We wish you the best and we look forward to a productive working relationship.

Gae Lynne Cooper, New Oregon ACLB Administrator

gaelynne@oregonaclb.org

By Hillary Peterson, MAI, AI-GRS

In June of this year the Oregon Appraiser Certification and Licensure Board (ACLB) hired Ms. Gae Lynne Cooper as the new ACLB Administrator. Shortly thereafter I spoke with Gae Lynne, who was pleased to have the chance to introduce herself to the members of the Greater Oregon Chapter of the Appraisal Institute. I spoke with Gae Lynne about her background, and she told me of the things she wants to achieve during her time as Administrator. She also shared with me a few of her personal interests. It was a fun and interesting conversation, and I am pleased to share the highlights of our conversation here.

Background

Gae Lynne grew up in Rupert, Idaho and came to Oregon after high school. Gae Lynne attended Chemeketa Community College, studying administration, management, and accounting. Most of her college courses were taken at night; during the day she worked in the Department of Motor Vehicle's dealer investigation unit. After taking a break to raise her family, Gae Lynne went back to school to earn her real estate broker license and then accepted a position with the State of Oregon Real Estate Agency. For 16 years Gae Lynne worked for the State's Real Estate Agency as a financial investigator, specializing in cases of real estate fraud and property management embezzlement. During those years she earned a variety of certifications, including "certified real estate investigator," she had extensive training in USPAP, she became a senior financial investigator/trainer, and she served on a multi-disciplinary government task force comprised of various state agencies and the FBI whose mission was to tackle issues related to mortgage and real estate fraud in Oregon.

Goals

Gae Lynne is not an appraiser, and as a state regulator she cannot be an advocate for Oregon's appraisers. Instead, Gae Lynne stated that "my job is to make sure we have well-qualified appraisers in Oregon, we keep the industry clean, and we protect the public." To those ends, Gae Lynne's guiding principles include fairness, respect, and teamwork, noting that two members of her staff are appraisers, as are six members of the board.

Gae Lynne spoke about a number of specific goals she hopes to achieve as ACLB Administrator. Each is discussed briefly below.

Gae Lynne is currently working with various contractors to make the ACLB website more secure and more user-friendly so that appraisers can renew their licenses online.

1. Gae Lynne and her team intend to work quickly through the existing backlog of allegation reports/complaints so that those files can be closed.
2. Gae Lynne wants "the Board to be proactive in terms of educating licensees." Historically the ACLB has only spoken with appraisers when there has been a problem. Going forward, Gae Lynne hopes to start a program of voluntary compliance audits so that appraisers can-without fear of penalties-have ACLB representatives review their files and reports for compliance. Gae Lynne noted that when an allegation is made, her team has to act in an investigative/enforcement role. By contrast, the voluntary compliance audits would be conducted in a spirit of education rather than enforcement, and issues of non-compliance would not have to be formally reported. It is Gae Lynne's hope that this sort of proactive educational effort would prevent a large number of minor infractions, thereby freeing up the ACLB board and staff to spend their time dealing with the more serious issues (fraud, criminal activity, etc.).
3. Related to goal #3 above, Gae Lynne hopes to develop a program that would either require or allow appraiser assistants to provide a sample of their work early in the 24-month training period in addition to providing samples at the end of the 24-month training period. Currently, appraiser assistants turn in their experience logs at the end of the training period, and samples of the individual's work are randomly selected by the ACLB for compliance review. If compliance issues are discovered, the appraiser assistant's application for a license has to be turned down and the appraiser is instructed to renew the appraiser assistant license, make the necessary changes to become compliant, and then reapply for a license after six months. If the appraiser assistant were to provide work samples earlier in the process, compliance issues could be corrected quickly so that the appraiser assistant's subsequent body of work developed during the 24-month period would be acceptable and the chances would be increased of the appraiser assistant's application for licensure being approved.
4. Although the kinks are still being worked out, Gae Lynne is enthusiastic that the newly-formed Enforcement Oversight Committee (EOC) will have a positive impact on Oregon's appraiser and on the relationship between appraisers and the ACLB. In the past, any potential appraiser mis-deeds reported to the ACLB were immediately identified as "complaints," which were automatically attached to an appraiser's record. With the EOC process in place, reported mis-deeds are first identified as "allegations." The allegations are investigated and only after the committee determines that there is a possible violation is the allegation elevated to the status of a "complaint."
5. Lastly, Gae Lynne hopes to publish a monthly e-newsletter, the purpose of which is to educate appraisers about general state regulations, specific requirements of certain agencies, and common non-compliance issues seen.

Getting to know Gae Lynne on a personal level

Before we concluded our interview, Gae Lynne spoke briefly about some of her favorite things.

Favorite Food: "Can't pick a favorite. I just like to eat."

Favorite Place to Travel: "I LOVE to travel!" Gae Lynne recently visited Washington, D.C. and took a guided midnight tour of the monuments. Under a full moon, in quiet near-solitude, "the monuments took on a whole new meaning. It was just beautiful."

Favorite Hobby: Professional baseball. Gae Lynne is a San Francisco Giants fan, and she does all she can to support the Salem-Keizer Minor League Volcanoes team.

Congratulations on your new position, Gae Lynne, and greetings from GOCAI. We look forward to working with you in the months and years ahead.

Happenings This Summer

**Analyzing Local MLS Data using Excel
Spreadsheets class
July 17**

**Congratulations First Place Team
Strecker Memorial Golf Tournament-August 4**



L to R: Dale Stuewe, Beth Aquilizan, SRA, Roy Wright, SRA



L to R: Scott Henningsen, MAI, Dennis Fitzgerald, Craig Zell, MAI, SRA and Gale Webb

Thank you to our Sponsors, without them the tournament may not have been possible!!! Colliers International, RMLS Beth Aquilizan, SRA, Integra Realty Resources and Dean Cameron...

Job Postings

Powell Banz Valuation

Powell Banz Valuation, LLC is looking to hire a licensed commercial real estate appraiser and appraiser assistant. We are a family owned and operated real estate valuation firm located in Salem, Oregon. PBV provides real estate consultation and valuation services statewide. We offer our clients with a wide variety of real estate related products including consultation, appraisals, feasibility studies, rent studies, and litigation support. Our team includes three designated MAIs and several certified appraisers and research analysts. We promote a strong team environment and value a positive attitude and excellence in our products.

Requirements include a college degree and at least one year of real estate experience. The successful candidate will need to submit a writing sample and be proficient in current computer programs including Microsoft Word, Excel and Outlook, in addition to extensive internet research. The candidate will need to possess the ability to think laterally, multitask, meet deadlines, keep a calm and positive attitude under pressure, and communicate effectively in person, on the phone, and via written correspondence. As our office is located in Salem, successful candidates will need to reside within the Willamette Valley.

PBV offers a competitive compensation package including generous fee splits for commissioned appraisers, health insurance, a retirement plan, buy-in to our dental insurance plan, and vacation for salaried and commissioned employees. Our appraisers have access to the best data resources available including CoStar, Loopnet, and the various Multiple Listing Services. Please send inquiries to Katie Banz at kbanz@powellbanz.com.

Valbridge

Is a relocation in your future? Commercial Real Estate Appraisal firm seeks experienced commercial real estate appraiser(s) to join our team members in a leveraged environment in our Kennewick, Washington, office. State Certified and/or advanced candidates are encouraged to apply. If you feel you can add value and want to be part of our dynamic, high-energy culture, email your resume and cover letter to kcopley@valbridge.com.

CBRE

CBRE is currently seeking experienced, licensed commercial Real Estate Appraisers with experience for the Portland, Oregon and Seattle, Washington markets.

Candidates will have experience in estimating property value by providing appraisals and consultations; researching and analyzing property information; reconciling various indicators; and preparing appraisal

reports. Appraisal work will involve both "one-off" assignments in addition to local and national portfolio assignment work. Join our growing Pacific Northwest practice that is supported by a national appraisal platform (largest commercial appraisal company in the United States), successful local and national brokerage program, active asset services group and an expertly managed local/national market research platform. Attractive compensation/benefits package. For further inquiries, contact Whitney Haucke, MAI (206.292.6006) or by e-mail at whitney.haucke@cbre.com.

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBG), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm (in terms of 2013 revenue). The Company has approximately 44,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through approximately 350 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. Please visit our website at www.cbre.com.

Warning: You May be Missing Comps!

By Beth Aquilizan, SRA
bethomson@earthlink.net

Warning: If you are still using TB Map Coordinates in your RMLS searches, you are missing comparables!

With the demise of Thomas Brothers maps, fewer listing agents are including a Thomas Brothers Map coordinate when filling out their listing sheets. For this reason, if you are still using TB map coordinates in your searches, you are almost certainly missing some relevant comparables because they are not included in the parameters of your search description.

In the Advanced Search option on the RMLS system, you can choose "Map Range" rather than "MLS Area" to set your location search. With this option you specify your search location by enclosing the search area manually on a map.

The resultant search map can be more exact than a search by TB grid, and additionally can be saved to a "Map Range List" for future use.

Classes for New Review Designations to be offered

Classes necessary to obtain the AI's new review designations will be held here in October (General) and November (Residential).

Please look at our education schedule posted in this newsletter or at our Chapter website for further information. <http://www.oregonappraisers.org/>

Upcoming Events

<u>DATE</u>	<u>DESCRIPTION</u>
September 4	Portland Vancouver Apartment Market-Mid Year Update & Overview of Current Trends
September 8-11	General Appraiser Income Approach, Part 1
September 12	Extreme Appraising: Valuing Unstable Properties
September 16-19	General Appraiser Income Approach, Part. 2
September 22	ACLB Update and Liability Insurance Administrators Seminar(Bend, OR)
September 26	7-Hour National USPAP Update Course
October 6-10	Review Theory-General
October 20-21	Real Estate Finance Statistics and Valuation Modeling
November 4	Income Approach for Residential Appraisers

November 5-7 Review Theory-Residential

November 13-14 Residential & Commercial Valuation of Solar

For a complete list of upcoming classes and events, and to register for any of these classes, please visit the GOCAI website, www.oregonappraisers.org

Sincerely,

Hillary Peterson, MAI, AI-GRS
Newsletter Editor, Greater OR. Chapter of the Appraisal Institute

