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## Free Money

(or in other words: the chapter has scholarship money available; apply now!)

Twice each year, the Greater Oregon Chapter awards education scholarship money to chapter members. The scholarships consist of up to \$750 toward tuition for courses presented by GOCAI that meet designation requirements. Preference in awarding scholarships is given to members who have demonstrated progress toward meeting designation requirements and who have supported our chapter, but all chapter members are eligible to apply. The award money must be used within one year of award receipt.

The deadlines for application are June 30 and December 1 of each year. To access the application, please visit the GOCAI website ([www.oregonappraisers.org](http://www.oregonappraisers.org)) and click on the "Education Scholarships" link on the left side of the page.

# September 2015 Field Notes

## Message from the President:

**Brian H. Brooks, SRA**

[brian.h.brooks@gmail.com](mailto:brian.h.brooks@gmail.com)



Greetings Everyone-

I hope you had a good summer in the Great Northwest, one of the most beautiful areas of the country. It is good to make hay when the sun shines but if you are like me you like to work hard and to play hard. The chapter typically doesn't schedule education during the summer months, but we did offer several classes in September.

Here is the breakdown of our membership:

As of 09/28/2015 we have 388 members.

Designated MAI 144

SRPA 11

SRA 59

RM 5

AI-GRS 9

AI-RRS 2

Candidates

General 44

Residential 6

Practicing Affiliates 113

As a residential appraiser I can say I have never been busier. It is a common occurrence for 20 orders to come across my desk in a single day but at least half are not at customary and reasonable fees. Some appraisers are scheduling as far as 6 weeks out for inspections. This is due in part to there being 20% less appraisers compared to before the Great Recession and fewer new people entering the field.

The Chapter was closely involved with a proposed bill from earlier in the year that would have provided protection for those engaged in valuation services. We testified in Salem, wrote letters, strategized with our lobbyist and met with legislators. Owen Bartels, the Chapter's Governmental Affairs Chair, played a key role in all this. Ultimately, the bill was put aside because our advocates in Salem had what they thought were bigger battles to address. But as far as we are concerned, in the long view, the fight is not over.

There are up to two chapter scholarships awarded each year. The scholarship goes toward Appraisal Institute classes offered by the Greater Oregon Chapter. If you are interested I strongly urge you to apply.

Lastly, to end on a high note, for those of you who are not aware, the chapter is financially healthy.

**Brian H. Brooks, SRA**  
**GOCAI 2015 President**

## 2015 Strecker Memorial Golf Tournament

[Join Our Mailing List!](#)

Our chapter golf tournament was held September 10 at Rock Creek Country Club, Portland, OR. We had a small group, but everyone seemed to have a good time. First place team winners were, Dennis Fitzgerald, Scott Henningsen, MAI, David Hubbs and Craig Zell, MAI, SRA.

Thank you very much to our sponsors, Appraisal & Consulting Group, LLC, Collier's International and RMLS who helped make the tournament possible.

This will be the last year for our tournament. If you have any ideas of other social events please email Vicki in the chapter office:

[aioregon@oregonappraisers.org](mailto:aioregon@oregonappraisers.org)

### Feature Article

### Special Purpose Properties and the Appraisal Process

**Chris Robinson**

Christopher K. Robinson P.C.

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Taxing authorities seem to be making an effort to cast a wide net by characterizing a greater variety of properties as special purpose. What makes a property special purpose? By law it is defined as property specially designed, equipped, and used for a specific operation or use that is beneficial to only one particular user. The improvement's usefulness is designed without concern for marketability. Because a general market for the property does not exist, the property has no apparent immediate market value. If the property has no immediate market value, its real market value is the amount of money that would justly compensate the owner for loss of the property. Real market value must be determined by estimating just compensation for loss to the owner of the unit of property through either cost or income approaches, whichever is applicable, or a combination of both. OAR 150-308.205-(A)(3); ORS 308.205(2)(c).

One could make an argument that any build to suit property is special purpose because it was designed and constructed for the specific needs of the owner or tenant. Can size alone make the property special purpose? For example, a major corporation builds a one million square foot distribution facility in a location outside a major population center. There are no other similarly sized facilities in the area. Is this property special purpose?

In order to counter the designation of the property by taxing authorities, the taxpayer's appraiser must do the necessary market research to determine if there is an active market for sale or lease of comparable properties. Central to the valuation assignment is the determination of highest and best use. The comparables, if they exist, should have the same or similar highest and best use.

The common refrain is the property was built without regard to marketability and therefore the cost approach should be given most weight. Not always, but usually, the cost approach will yield the highest value supporting a high tax burden. There is no question that some facilities are very expensive to build but the real question is what would market participants pay in either a purchase price or rental amount.

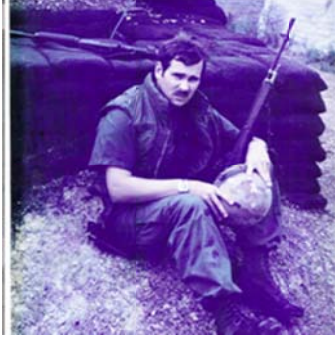
If there is an active market for sale or lease this will make it difficult for the taxing authority to make a compelling case for characterizing the property as special purpose and using the cost approach as the most reliable indicator of value. In some cases, such as with the large facility referenced

above, appraisers will need to go to a regional or national market to find comparables.

## Newly Designated Members

**Terry O. Bernhardt, JD, SRA, AI-RRS**

[tbernhardt@gavaluation.com](mailto:tbernhardt@gavaluation.com)



Born and raised in Tillamook, OR; graduated from UO and Lewis & Clark Law. Started with Benjamin Franklin S&L as an appraiser in 1968. Took two years off for military service, then back to the same company for appraisal work. Favorite non-appraiser things are family (1 wife, 2 sons, 3 grandchildren), travel (European river cruises), and long-range rifle competition (Very therapeutic!).

**Favorites:** Salmon, violin, Ducks football, Italy, Saving Private Ryan, and "Just Do It"....

**Designation advice:** Credentials matter! "Just Do It!"

## Kevin Nguyen, MAI

[kevin.nguyen@colliers.com](mailto:kevin.nguyen@colliers.com)

### Where did you grow up? go to school? How did you end up in Portland?

I grew up in NE Portland, but when I turned 12, my family moved to the Gresham area. I went to Centennial High School and Portland State University.

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

When I'm not appraising, I enjoy spending quality time with my wife and two kids, outdoor activities, and reading.

**Favorite food:** Vietnamese

**Favorite kind of music:** All kinds

**Favorite sports team:** Portland Trailblazers

**Favorite place to visit:** The Caribbean islands

**Favorite movie or book:** Good Will Hunting

**Favorite quote:** Too many favorites to list just one



## Kasia Russell, MAI

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### Where did you grow up? go to school? How did you end up where you are now?

I was born in South Bend, Indiana to immigrant parents from Poland. They moved to Seattle when I was 5 years old and mostly grew up in the Pacific Northwest.

### What is your "appraiser story?" (How did you end up becoming an appraiser?) and what do you enjoy most about your job?

My journey to the appraisal industry actually came from a deep love of hotels. Throughout high school and college I worked in every front-line department of a

hotel. I later transitioned to working for a hospitality consulting and valuation firm. That company supported my career path through state licensure and designation. I love learning about the different markets I work in, seeing what makes them tick. I love seeing new hotels and staying on top of latest industry trends

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

I love to spend time with my family first and foremost! Outside of work and family I enjoy hiking, wine tasting, cooking, and of course seeing hotels all over the world!

**Favorite food:** I LOVE FOOD! Overall, I would say I love Thai and Indian cuisine the most.

**Favorite kind of music:** Probably Indie Rock, bands like Arcade Fire, Portugal. The Man, Decembrists, Lorde, etc

**Favorite sports team:** Seahawks (I never thought I would admit to liking a professional sports team!)

**Favorite place to visit:** I love traveling and will go almost anywhere. I love a quiet trip down the Columbia river gorge or a sensory overload experience in a city like Delhi, India and everything in between.

**Favorite movie or book:** Tolstoy - Anna Karenina

**Favorite quote:** "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel" -Maya Angelou

**What would be your first choice for a second career?** a professional ballroom dancer or a dermatologist

**What advice would you give to someone who is currently working toward designation?** Take a long vacation once you are done, you will need it!

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**Member Spotlight:**

**Michael J. Caba, MAI**

**Bratton Appraisal Group**

By Zoe R. York, MAI

[mike@brattonappraisal.com](mailto:mike@brattonappraisal.com)



Mike is a native Oregonian, born and raised in Portland, Oregon he attended Mt. Hood Community College receiving his Associate of Science Degree in Civil Engineering Technology, and Multnomah College School of the Bible getting his Bachelor of Science Degree in Biblical Education. At 24, Mike and his wife moved to Bend where he began both his career and family life. Mike started out working for a civil engineering company doing laboratory work, but soon shifted his career to appraising at Bratton Appraisal where he has worked for over 27 years. As an appraiser Mike has had the opportunity to appraise a broad range of commercial properties and is a designated member of the Appraisal Institute. Lately, more of his time is spent doing review work, which he enjoys.

After establishing roots in the appraisal industry, Mike was able to dedicate time to one of his real passions - philosophy, religion, and art. In 2006, Mike earned a Master of Arts Degree in Philosophy & Religion and in 2010 earned a Master of Arts Degree in Humanities. He is currently working towards his Doctorate in Philosophy and Religion and hopes to be done in a year or two. Along with his continued education, he has traveled to Italy to look at Renaissance art, teaches at a couple of colleges and writes for various publications. His interest has always been in teaching, which is ultimately what he says he hopes to do when he grows up. Blending religion, philosophy and the technical world of appraisal is a unique mix of interests not often found in the industry - but one that makes for a well-rounded wealth of knowledge and a well-decorated office. Mike indicated that while the two worlds don't tend to have much in common, his continual education satisfies his interest in learning, which inherently benefits him in his professional life.

In his personal life, Mike has two kids and four grandkids with his wife, who is also in real estate. He says his wife has too much sense to accompany him on his exploratory trips, but their favorite vacation spot is Seaside, Oregon. Mike also runs track with a Masters team, the 50 and 100 meter races. He says he isn't fast, but his plan is to outlive everyone so that one day he can win.

**2015 Oregon Legislative Session  
Bill Index for Appraisers**

[Click here for Successful bills that passed](#)

By Owen E. Bartels, MAI  
[obartels@irr.com](mailto:obartels@irr.com)

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**Noteworthy:**

AI posted a new video to its YouTube channel which features Terry Bernhardt, SRA, AI-RRS; Rob Elliott, MAI, SRA; John Meyer, SRA; and Sladjana Popovic, Candidate for Designation discussing [why they attend the Appraisal Institute Annual Meeting](#).  
<https://www.youtube.com/watch?v=g-rCUWnkl0A>

**Office Space Available in Beaverton, OR.**

One room office in building with other appraisers.  
Beaverton near Highway 217.  
No lease required.  
All expenses included, with high speed internet.  
\$395 per month.  
11.25 feet by 15.5 feet.  
Call Steve Pio, 503-469-8854

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**Upcoming Events 2015-2016**

<u>DATE</u>	<u>DESCRIPTION</u>	<u>LOCATION</u>
October 19-23	Valuation of Conservation Easements	Doubletree by Hilton Tigard, OR.
November 5	Business and Equipment Values in a Real Estate Appraisal 3-5pm, Social 5pm	Ernesto's Restaurant Portland, OR.
December 4	7-Hour National USPAP Update Course <b>NEW 2016-2017 USPAP</b>	Doubletree by Hilton Tigard, OR
December 11	FHA Appraising for Valuation Professionals: FHA Single Family Housing Appraisal Requirements	George Fox University Portland, OR
January 14	Installation of Officers and Awards Banquet	Hotel Monaco, Portland, OR.
February 22-26	Review Theory-General	Doubletree by Hilton Tigard, OR

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](http://www.oregonappraisers.org)

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Sincerely,



Zoe R. York, MAI Newsletter Editor, Greater Oregon Chapter of the Appraisal Institute

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