



Field Notes

The Greater Oregon Chapter of the Appraisal Institute Official Newsletter

President's Message

BY Kurt Mueller, MAI
2004 Chapter President

Most of you are familiar with the events that lead to the formation of our national organization - The Appraisal Institute, in 1991. Prior to this, our ranks were divided between two groups - The American Institute of Real Estate Appraisers (AIREA), and The Society of Real Estate Appraisers (SREA). Both granted very respected



designations, including residential designations such as the SRA and RM, and commercial designations highest achievement - the MAI, SRPA and SREA. Over the last 14 years, the thrust of AI has been to specifically promote the MAI and SRA designations. However, we continue to compliment the achievements of those holding the SRPA and SREA designations as well as their important contributions.

Recently, at the Fall Quarterly event in Bend, I ran into one of our members - Pete Arvidson, SRPA, SRA (1994 GOCAI President). In this regard, I was reminded that twice in the past year in messages to our membership (once in the Membership Directory; the other in the Q-1 Field Notes issue), I made reference to our members holding either the MAI or the SRA, and completely failed to make reference to the SRPA and SREA designations. Though small in number (GOCAI as 6 SRPA's and 1 SREA), these members have been important contributors to our organization. Therefore,

I sincerely make a heartfelt apology for my failing to mention these designations and inadvertently diminishing their value. I have the utmost respect for these members, having been trained by members who dually held the SRPA / MAI designations.

This fall GOCAI has already started out with a busy schedule. On September 14th, the 2004 Allen Strecker MAI Memorial Golf Tournament was held once again at OGA Golf Course in Woodburn.

Over 44 members attended. I want to recognize Scott Henningsen MAI - Programs Chair, for once again leading this successful event.

Another highlight was our Fall 2004 Quarterly held at The Riverhouse hotel in Bend between September 23-25. This marks

the second year our chapter has met its goal of holding one quarterly each year outside of Portland. The accommodations were

Over the last 14 years, the thrust of AI has been to specifically promote the MAI and SRA designations.

excellent, the seminar rooms amazing (as they overlooked the Deschutes River), and the staff at The Riverhouse was top notch.

Thanks to all of the members who participated in the Fall 2004 Quarterly event. I want to give special recognition to Matthew Larrabee, MAI - our Seminars Chair, for working so hard to secure Dr. Jack Boykin, MAI, SREA, for the two Land Valuation Seminars. Also a special thanks for Tom Boyle, MAI for teaching Course 400 - USPAP Update, and saving our chapter \$\$\$

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A River Runs Through It

GOCAI Hosts Fall Quartely Meeting in Bend

September 23- 25, the Chapter sponsored our Fall Quarterly meeting at the Riverhouse Hotel in Bend. This year 21 hours of continuing education was presented in addition to the chapter meeting held during Friday's lunch.

Tom Boyle, MAI, one the of our chapter's five national AQB-certified USPAP instructors (Boyle, Fisher, Herman, L a n d e e n , Larrabee), led off with Course 400, the 7-Hour USPAP update class.

On Friday and

Saturday, we were graced with the presence of James Boykin, PhD., MAI, SREA, CRE, who taught Land Valuation Procedures and

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Members enjoy the sunshine on the deck at the Riverhouse in Bend.

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President's Message

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by arranging to stay for free with friends in Bend. Finally, we all owe a big debt to Dana Bratton, MAI of Bend, who most graciously arranged to have Bob Grim, CEO of Compass Commercial Real Estate, as our dinner speaker at the Friday night membership dinner. These are just a few examples of members who have selflessly served our chapter. If you see them, make sure to let them know your appreciation.

Next year, the Fall 2005 Quarterly is scheduled to be held in Southern Oregon's Ashland. And if all goes well, it will be an event to remember. Many members still recall the last time GOCAI held this event in Ashland; especially the chapter dinner which had a medieval theme and members wore period costumes borrowed from the Shakespearian Festival. We plan on holding this same dinner again, so mark your calendars!

I cannot let this message pass without

Next year, the Fall 2005 Quarterly is scheduled to be held in Southern Oregon's Ashland. And if all goes well, it will be an event to remember.

saying goodbye two very good friends and well-respected MAI's. This past summer, Kirk Shaeffer, MAI relocated to his hometown of Roseville, California. Over the years, I have appreciated his generosity and insights as a colleague. In addition, 2003

GOCAI Chapter President Erick Landeen, MAI is in the process of relocating his family to Indianapolis, Indiana – his wife's hometown. The entire chapter owes a debt of gratitude for the many years of service Erick has given to us. Good luck to both of these gentlemen. The Greater Oregon Chapter will always consider you one of our

own.

Finally, both personally and as chapter president, it is with great pleasure that I congratulate Aaron J. Brown, MAI on the recent achievement of his designation. I know that his Dad (Chapter Secretary James Brown MAI) is very proud of him, and that we are lucky as a chapter to add someone of Aaron's quality and professionalism to our ranks.

We have a very active chapter schedule

this fall, including our next Portland Subchapter meetings on October 28th and November 18th at The MAC Club. Keep an eye on our chapter website – www.oregonappraisers.org, for the topics and educational offerings at these meetings. On December 10th, the chapter will be sponsoring a homegrown seminar titled "Going Concern versus Business Values in Real Estate". The seminar will be held at Clackamas Training Center, Wilsonville Campus. The presenters will be our own Thomas Boyle, MAI, James Brown, MAI, Brian Glanville, MAI, Larry Ofner, MAI, David Pietka, MAI, plus Gregory Gilbert, CFA, FASA, CBA. All are extremely well regarded appraisers who have generously donated their time and energies to this event. The topic should prove to be a very interesting, controversial and ... possibly entertaining. I wouldn't miss it if I were you.

I hope to see you all this fall, and as always, if I can be of any help, please feel free to contact me directly (kurt@mcportland.com) or at 503.620.0881.

With warm regards,

*Kurt M. Mueller, MAI
2004 President, Greater Oregon Chapter
of the Appraisal Institute*

GOCAI Pays Tribute to Charles Robert "Bob" Sheffield and James MacKenzie

Charles Robert Sheffield was one of the few assessors in the Northwest to put in the time and effort to earn the MAI. Thirty years ago this month, Jim and Jerry Curtis founded what is today, IRR. Sheffield trained several AI members, including John Slocum, Don Palmer, Don Singer, Scott Langley and Brian Glanville.

December 17, 1925, Mr. Sheffield was born in Newport, Oregon the youngest of three sons. A typical childhood on the coast he was involved in all the outdoor activities,

"[We were] allowed to do anything we wanted to do as long as we got home for dinner."*

At the age of twelve, his parents, Frank and Emma, moved to Albany, with Bob, to drive the mail route to the coast. Bob attended Albany High School and graduated in 1944. He enlisted in the Army Air Corp and attained the rank of corporal while serving fifteen months.

After his discharge, Bob enrolled at Oregon State College, where he earned a degree in Business Administration. While attending college he met Dorene Wilson and they married in 1950. Their son Steve, was born in 1951, their daughter Sandy, in 1956.

In 1954 Bob went to work for Multnomah County as an appraiser. He worked through the ranks until 1985 when he became the Director of the Division of Assessment and Taxation. He maintained that post until his

retirement in 1988. Bob pursued his hobbies, mainly wood working, avidly. He became an artist building everything from children's toys to the building his shop was in. He was active in church activities including Habitat for Humanity. In 1986 he became Chapter President of the American Institute of Real Estate Appraisers. Bob was the loving grandfather of Michael, Kyle and Kelsey. Bob passed away on September 10, 2004. We will miss him.

**excerpt from personal memoirs.*

James F. MacKenzie, SRPA was President, of the Society of Real Estate Appraisers in 1976. Mr. MacKenzie was the founding partner of Integra Realty Resources in 1974.

In 1984 he retired and moved to Palm Springs and later opened his practice there until his death in September 2004.



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Public Relations Update

As chair of the GOCAI Public Relations Committee I hope to continue the excellent work by my predecessor, David Goggin, MAI, SRA.

The Public Relations Committee is responsible for promoting the chapter through selective advertising. The Board of Directors has directed that we focus our efforts in two areas – the Oregon Bar Association and Oregon Public Broadcasting.

Consequently, we have purchased a listing and an advertisement in the Oregon Bar Association Directory. The Bars' on-line directory in the coming year will also have a link to the GOCAI website along with a display of our advertisement.

We have also purchased a radio spot with OPB which airs periodically and has been heard by some members on Morning Edition. There are plans in process to recruit 40

people from among the membership to man the phones in OPB's Spring 2005 Television Pledge Drive. It will be critical for at least 40 of our AI members and associates to participate to generate maximum exposure as the only group in our time slot. Further details about the pledge drive will follow as the time nears.

These and other efforts should contribute to promoting ourselves as professionals to users of real estate appraisal and consulting services.

I invite you to contact me with any ideas to promote the membership in a professional manner.

Steve Hotaling, MAI, Public Relations Chair, (503) 620-0881

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Chapter Awards Michael Bernatz GOCAI Scholarship

Michael Bernatz, Integra Realty Resources-Portland has been awarded one of the GOCAI Scholarships in the amount of \$500. Mike is actively pursuing his Oregon State Certified General Appraisal license and has completed many of the AI courses. He also served as the vice chair of the GOCAI Portland sub chapter in 2003, the director of the sub chapter in 2004 and a state board member for GOCAI.

Michael intends on pursuing one of the advanced courses which will be offered this Fall in pursuit of his designation. Congratulations are in order for a most deserving recipient.

Submitted by John H Brown, GOCAI Scholarship Committee Chair

AI's Vision & Mission Statements

The Appraisal Institute has adopted the following statements:

Vision Statement: To be the global authority providing real estate solutions.

Mission Statement: As America's largest real estate appraisal organization, the mission of the Appraisal Institute is to support and advance its members as the choice for real estate solutions and maintain professional credentials, standards of professional practice and ethics consistent with the public good.

CLASSIFIEDS

Commercial Appraiser WANTED

Eugene firm is accepting applications for a licensed commercial appraiser to work in the mid-Willamette Valley. Fee split, benefits and additional compensation package commensurate with experience. Please submit resumes to Duncan & Brown 1260 Charnelton Street, Eugene 97401, or electronically to Leah@duncanbrown.com
All applications will remain strictly confidential.

COASTAL Registered Appraisal Assistant available immediately. Over 1 year experience in Lincoln and adjoining Counties, over 25 years in the real estate industry, established with local lenders, references upon request. Brenda Hummel 541.563.8164, email Hummel@oregoncoast.com



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A River Runs Through It

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Land Valuation Assignments, two 7-hour classes on appraising land. Dr. Boykin has had a distinguished career as a professor at Virginia Commonwealth University, an appraiser and expert witness, an author, a consultant for numerous organizations and as a regional vice president of the Appraisal Institute. His teaching was laced with many humorous and informative anecdotes told in true southern style. Dr. Boykin's description of the ephemeral nature of beachfront property gave one pause to wonder about appraisal issues along our own Oregon Coast.

During our Friday lunch meeting, Tom Boyle presented the results of the task force on restructuring of Appraisal Institute governance. The proposed changes at the national level are meant to make the Institute more streamlined, effective and focused on its mission.

Our Friday evening dinner speaker was Robert Grim, CEO of Compass Commercial, the leading commercial real estate brokerage



Left to right: Dana Bratton, Nancy Bratton, Bob Grimm (dinner speaker), Sue Grimm.

in Deschutes County. Mr. Grim provided us with a valuable market overview of the current industrial, office and retail sectors of the Bend real estate market. In addition, he recounted the historical events that helped Bend to become the center of the hottest and fastest-growing real estate market in Oregon.

This three-day event was well attended and a success for our chapter. The

Riverhouse is a first-class facility situated along both banks of the Deschutes River. Weather was picture-perfect. The outdoor patio along the river provided a pleasant meeting point to enjoy beverages and conversations.

Next year's Fall Quarterly will be offered in lovely Ashland, Oregon. We hope to see you there!

Submitted by Matthew Larrabee, MAI



Members enjoy social hour before the Friday night dinner.



Left to right: Laura Fraser, Sara Fraser, and Dr. Jack Boykin, speaker.

Going Concerns versus Business Values of Real Estate Seminar

The Greater Oregon Chapter of the Appraisal Institute is presenting a 4-hour seminar on Friday, December 10, 2004, from 1 to 5 p.m. at Clackamas Community College Training Center in Wilsonville. The subject is "going-concern" (aka "business enterprise") in real estate valuation.

Seminar moderators are James Brown, MAI, introducing the subject; Larry Ofner, MAI, USPAP aspect; Brian Glanville, MAI,

the Appraisal Institute's developing (changing) position; Tom Boyle, MAI, bank financing aspect; Dave Pietka, MAI, different property types; and Greg Gilbert, FASA, a business valuation appraiser, providing his perspective on going-concern and the valuation of real estate.

This seminar addresses a timely valuation subject appraisers need to consider when valuing real property in use (except

statues). It is intended 4-hours of educational credit with the State of Oregon will be approved. Call Vicky Champ at (503) 316-1979 to reserve a seat, or mail your check now to Appraisal Institute, Greater Oregon Chapter, PO Box 573, Salem, Oregon 97308, as this seminar will sell out. Cost is \$100. All proceeds go to the local chapter, except for meeting room rental and refreshments served.

GOCAI Holds Annual Golf Tournament

The Chapters' annual Strecker Memorial Golf Tournament was on Tuesday, September 4th. The event was again held at the Tukwila OGA Golf Course in Woodburn, with over 44 golfers attending. The winning team in the Scramble format consisted of Ron Albano, Matt Meyer, Kent Hirata and Jeff Hirata. This group posted a whopping 13 under score of 59. The new rotating team trophy will be held in Ron's office until next years winner can take it away.

Individual winners for long drive were Jeff Hirata (men's) and Joan Ricci (women's). The closest-to-the-pin winners were Stephanie Kampschorr and Scott Henningsen. Each of these winners were given a \$50 gift certificate to the Tukwila pro shop.

We would like to thank the Realtors Multiple Listing Service (RMLS) for their generous donation toward this event. A special thanks also to Vicki Champ for her welcome assistance in putting together this years tournament. The RMLS donation together with participant entrance fees, GOCAI will make another generous donation to the scholarship fund that was set up for the Strecker children.

Please make plans to attend next years tournament. Early plans call for the event to be held again in the latter half of September, as this has been a good date for the last 4-5 years. Tournament director Scott Henningsen is always open to new ideas or feedback, so don't hesitate to give him a call.

Submitted by Scott Henningsen, MAI



Left to right: David Grall, Joan Ricci, Tony Morton, Bill Jones, Margo Hansen, Tony Luquin. Grall and Luquin are with Fuqua Homes, Bend, OR who sponsored a hole at the tournament.



The winning team in the scramble format consisted of (left to right) Kento Hirata, Ron Albano, Matt Meyer, and Jeff Hirata.

Technology, Time Management Seminar Scheduled

Mark your calendar for a new Technology and Time Management Seminar on Thursday October 28th. This new seminar will be held the same day as the up-coming Portland Subchapter Meeting. Karen Mann, SRA of the Bay Area will be teaching "Beat the Clock," a class designed to make our work efforts more effective through the use of technology and time management strategies.

This is a chance to get out ahead of the curve with new software recently introduced to assist and automate narrative report writing.

This class is of critical interest for all commercial real estate appraisers wishing to improve the bottom line, or simply go home

a little earlier while accomplishing the same tasks.

Karen will compare several leading packages that combine and enhance features of existing programs such as Microsoft Word, Excel, Access, and Internet Explorer. These software systems are designed for commercial appraisers who write traditional narrative reports. Specifically, she will demonstrate the products @Value, Report Concierge, Appraisers' Paradise, and ValueTech so that we can see the comparative advantages of each.

Our instructor will also discuss basic time management strategies that can be useful for those of us who do either residential or

commercial appraisal work. She will show us how to get the most out of our working day through the use of the PDA (i.e. Palm Pilot), electronic file storage, data management, AccuScan products, Disto measuring devices, redundant back-up systems, Microsoft Outlook, and even good old pen and paper.

Karen's class has been received with enthusiasm all around the country, and is recommended as a class that can provide us with useful tools and ways of thinking to improve our efficiency and enjoyment on the job. The class will meet from 3:00 to 6:00 PM at the Multnomah Athletic Club. 3 hours CE credit applied for. A social hour will follow.

Matthew Larrabee, MAI

Land Letter: Bush, Kerry Differ on Future of Public Land Management

The two presidential campaigns have at times traded shots over federal lands policies and both candidates have rolled out domestic agendas that provide a glimpse into how each would address public lands issues over the next four years. At the top of President George Bush's energy agenda is his ongoing effort to open the 1.5 million acre coastal plain of Alaska's Arctic National Wildlife Refuge to drilling—a plan that Sen. John Kerry, D-Mass., has vocally opposed throughout his Senate career. Both campaigns have referenced ANWR but have yet to engage in significant direct debate on the issue.

However, the two campaigns have sparred over another potential area for energy development—New Mexico's Otero Mesa, potentially one of the largest untapped reserves of natural gas in the West. A plan unveiled by the Bureau of Land Management in 2003 would allow 140 wells to be drilled over 20 years. Kerry opposes drilling in Otero Mesa, while the Bush administration continues to push ahead with leasing in the 1.2 million acre area.

Another public lands issue that has crept up in the campaign is the ongoing debate over Bush's Healthy Forests Restoration Act. In campaign stops in Oregon and other parts of the West, Bush has touted the plan as one that will spare residents from catastrophic forest fires and aid local

economies. Kerry agrees with some of the law's provisions but has also released his own proposal to modify the act. Kerry's plan calls for, among other things, increasing the percentage of funding that goes to at-risk communities and banning logging in areas of national forests that contain old growth.

Kerry says he plans to continue to allow private logging and energy companies access to public lands but will put in place procedures that ensure that their activities occur in a more environmentally conscious way. In his "Conservation Covenant" released earlier this year, Kerry says that he will require the federal government to consider long-term environmental and economic costs associated with proposals to open public lands to economic development. The covenant also states that private interests that use public land for activities such as drilling, mining and logging will be required to restore the lands to their pre-disturbed state after the projects are completed.

In those instances when Bush has discussed environmental issues during the campaign, he has focused much of his talk on national parks and wetlands. Bush has repeatedly promised to wipe out the current maintenance backlog of about \$5 billion in the national parks. Bush has also vowed "to create, improve and protect" at least three million acres of wetlands over the next five

years and to continue to support the \$8 billion Florida Everglades restoration project.

Regardless of the outcome in November, the next president is almost certain to contend with a multibillion dollar proposal to restore Louisiana's wetlands—an effort that could become the most expensive federally funded public works project in U.S. history. Both candidates support Louisiana coastal restoration, but Kerry has offered few specifics on how he would deal with the issue and some Louisiana officials and environmentalists have complained that both the White House and Congress appear unwilling to put sufficient funds behind the project. Earlier this year, the Bush administration scaled down a 30-year, \$14 billion restoration plan to a 10-year, \$1.9 billion proposal that has thus far received little attention on Capitol Hill.

The most recent environmental issue to pop up on the campaign trail is another restoration effort—the Great Lakes. In an August speech in Michigan, Bush said he would dedicate federal resources toward cleaning up contaminated sediment in the Great Lakes. The Kerry campaign released a five-page plan in mid-September that calls for policies to cut emissions from power plants, clean up toxic waste sites, boost funding for water infrastructure, curb invasive species and block major water diversions.

ADOPTION OF THE SIXTH EXPOSURE DRAFT REAL PROPERTY APPRAISER QUALIFICATION CRITERIA

On February 20, 2004 the Appraiser Qualification Board formally adopted the Sixth Exposure Draft with changes to the Real Property Appraiser Qualification Criteria becoming effective January 1, 2008.

Significant Changes— State Licensed RE Appraiser

Qualifying Education - 150 class hours
Experience - 1 year minimum
Certified Residential RE Appraiser
Qualifying Education - 200 class hours An associate degree or higher, or pass specific collegiate subject matter courses

Certified General RE Appraiser
Qualifying education - 300 class

hours A bachelor's degree or higher, or pass specific collegiate subject matter courses

Required core curricula for each level.
Prohibits a supervising appraiser from supervising more than three trainees at one time

Individuals already licensed or certified will not be required to retroactively meet the new requirements to maintain their licenses. All interested parties are encouraged to review the new criteria and

SW Washington News

Washington State Department of Licensing

plan accordingly. Please find a link to this document at internet address: www.appraisalfoundation.org under Headlines.

REAL ESTATE

APPRAISER COMMISSION MEETING

The next Real Estate Appraiser Commission Meeting is scheduled for November 19, 2004, from 9:00 AM until 12:00 Noon at the Jacob Smith House, 4500 Intelco Loop SE, Lacey, Washington. Agenda to be announced.

Note: All attendees will receive a certificate of attendance granting 2 hours of continuing education credit.

Homes for Sale in Golf Communities

Homes in golf communities can appeal to avid duffers, but depending on where you live, the same price can get you a mansion right on the course, or a townhouse “within walking distance.” A look at three around \$1.2 million.

LOCATION/PRICE: Bend, Ore. /\$1,150,000

PROPERTY TAXES: \$12,275/year

THE PROPERTY: 4,977-SF home with 3 bedrooms, 3½-baths

DESCRIPTION: Located on a cul-de-sac, this home overlooks the 11th fairway of the Broken Top Club. Don’t feel like walking out to the course to practice with the rabble? There’s a mini putting green in the backyard.

NOTABLE: A \$35,000 fee and \$450 monthly dues buys access to this course designed by Tom Weiskopf and Jay Morrish. Join as a “social member” for less and stick to the tennis courts, pools and dining room.

* * *

LOCATION/PRICE: Hastings-on-Hudson, N.Y. /\$1,175,000

PROPERTY TAXES: Approx. \$12,000/year

THE PROPERTY: 3,600-SF townhouse with 2 bedrooms, 3½-baths

DESCRIPTION: This three-level townhouse in the local St. Andrew’s club community has a back deck overlooking the surrounding woods. The course, pool, tennis courts and clubhouse are within walking distance.

NOTABLE: Residents who wish to join the club can skip the waiting list for outsiders. There’s a \$75,000 initial fee and about \$7,200 in annual dues. A membership with dining privileges only is \$2,000 a year.

* * *

LOCATION/PRICE: Travelers Rest, S.C. /\$1,295,000

PROPERTY TAXES: Apx. \$5,000-\$8,000/yr.

THE PROPERTY: 4,175-SF, 3-bedroom, 3½-bath home

DESCRIPTION: This “old world European” style home is in walking distance of the clubhouse, located in one of five private communities at The Cliffs, which are built between Asheville, N.C., and Greenville, S.C.

NOTABLE: Membership gives you access to all five clubs, including golf courses and wellness centers and a private marina and equestrian center. A full membership is \$75,000 in initial fees, plus \$400 monthly dues.

Sources: Cushman & Co. Preferred Properties, Coldwell Banker Ye Village, The Cliffs Communities



ASB Clarifies Workfile Retention, Clients vs Intended Users, ‘As Is’ Value

In its September Q&A, the Appraisal Standards Board of The Appraisal Foundation clarified issues ranging from determining responsibility of work file retention, differing between clients and intended users, and stating when “as is” value is appropriate.

In response to who is responsible for the workfile retention, the ASB noted that ultimately the appraiser, not the appraiser’s employer, is responsible, per the Record Keeping section of the Ethics Rule. An appraiser who is employed by, or works in conjunction with, another party must make arrangements with that party to protect and preserve the workfile, and to allow the appraiser to make the workfile available to other parties (e.g., state appraiser regulatory agencies) when required by due process of law. There are a number of ways an appraiser who works for or with another party can ensure that files are retained so that the appraiser can have access to the files to meet the requirements of the Ethics Rule. Furthermore, the ASB notes that USPAP does not dictate the form or format of workfile documentation and therefore photocopies and electronic files are acceptable as “true copies.” Thus, to be safe, an appraiser may wish to make and retain copies of workfiles. This is also important if the workfile is relinquished to a duly authorized party, such as a client’s attorney, which is permitted by USPAP. However, this does not relieve the appraiser of the responsibility for that workfile. At no time may an appraiser abdicate his or her responsibility for a workfile. Therefore, when an appraiser relinquishes possession of a file to a client or the client’s representative, the appraiser should retain either a copy of the workfile or written reference to an agreement with the client that the appraiser will have access to the workfile if the need arises.

The AQB was also asked the difference between a client and an intended user, and replied that a “client” is the party or parties who engage an appraiser (by employment

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Oregon Board Finalizes Rule on Appraiser Assistant Registration

On July 1, the Oregon Appraiser Certification and Licensure Board amended its appraiser assistant registration requirements and its scope of practice for licensed and certified appraisers and appraiser assistants.

Among the highlights of the changes to the appraiser assistant registration requirements are the fact that in order to gain experience credit, an appraiser assistant must register with the Board. Experience gained prior to registration will not be accepted. Also, as a prerequisite to registering as an appraiser assistant with the board, an applicant must complete the mandatory 15-hour Appraisal Foundation National USPAP Course, or its equivalent, including successful passage of the final examination, within two years preceding the date of application; complete no less than 60 hours of other qualifying education, including successful passage of the final examination within five years preceding the date of application; obtain one or more supervising appraisers who will directly supervise their appraisal activities; and submit a complete Appraiser Assistant Registration signed by all supervising appraisers.

In addition, a registered appraiser assistant must renew annually and those who remain in this classification in excess of two years shall be required, in the third and successive years, to obtain the equivalent of 14 classroom hours of instruction for

continuing education in courses or seminars for each year preceding the renewal.

The Board clarified that state certified residential appraisers can appraise all types of one- to four-family residential real property without regard to complexity or transaction value, which includes the appraisal of vacant or unimproved land that is used for one to four-family residential purposes, and where the highest and best use is for one to four-family residential purposes; and all other types of real property having a transaction value of less than \$250,000. However, the certified residential classification does not include the appraisal of subdivisions wherein a development analysis and/or appraisal is necessary and utilized.

The Oregon appraiser board clarified that a state certified residential appraiser may appraise rural properties with one or more of the following: one- to four-unit single family residential properties; and other rural properties primarily used for recreation or other non-income producing purposes.

The board clarified that a state licensed appraiser is licensed to appraise non-complex, one- to four-family residential units having a transaction value of less than \$1,000,000; complex one- to four-family residential units having a transaction value of less than \$250,000; and all other types of real property having a transaction value of less than \$250,000.

Among the clarifications of supervisory

appraisers are the stipulation that those who have been actively certified for at least 24 months may directly supervise appraiser assistants, provided that the ratio of supervising appraisers to appraiser assistants does not exceed one supervising appraiser to three appraiser assistants, and that the certified appraiser approves and signs the report as being independently and impartially prepared and in compliance with USPAP. A state certified appraiser supervising more than three appraiser assistants as of June 1, 2004, may continue to supervise the same assistants until June 1, 2006, but may not supervise any additional or alternative assistants unless and until the ratio of all assistants to be supervised by the state certified appraiser will not exceed one supervising appraiser to three appraiser assistants. A state certified appraiser who, as of June 1, 2004, has not been actively licensed or certified for at least 24 months and who is supervising any appraiser assistants may continue to supervise the same assistants but may not supervise any additional or alternative assistants until the state certified appraiser has been actively licensed or certified for at least 24 months.

The board also amended its Oregon Administrative Rules definitions. For more information, contact Rules Coordinator Karen Turnbow at 503-485-2555.

ASB

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or contract) in a specific assignment while an "intended user" is the client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report, by the appraiser on the basis of communication with the client at the time of the assignment. The ASB further clarified that "eventual receipt of a copy of an appraisal, appraisal review, or appraisal consulting report does not make the recipient an intended user. To be an intended user the recipient must have been identified as such by the appraiser." This would include borrowers, per the ASB, which noted that this identification is made at the time of the

engagement process so the appraiser can make a prudent judgment about the scope of work to apply in the assignment and the level of detail to include in the report. "It is also worth noting that the concepts of 'intended use' and 'intended users' are related to the purpose of the assignment. Appraisal reports for loan transactions are typically used to substantiate real property value as underlying collateral for a particular loan. The fact that the lending institution is required by law or regulation to make certain disclosures to the borrower about the loan and the basis for the loan decision does not alter the purpose, the intended use, or the intended users of the appraisal assignment," the ASB said.

The ASB also clarified that

"recertification of value" and "appraisal update," which are often used interchangeably, do not have the same meaning. An "update" is a new appraisal assignment involving a property that was previously appraised and is subject to the same USPAP requirements as any other appraisal assignment. A "recertification of value" is performed to confirm whether or not the conditions of a prior assignment have been met. One such example is a "final inspection," which requires an appraiser to confirm that conditions established in an assignment have, or have not, been met. Final inspections are commonly used in the case of proposed construction where an appraisal is completed subject to completion per plans

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GOCAI Installation Banquet Scheduled

Mark Your Calendars—the 2005 GOCAI Installation Dinner has been scheduled for January 22, 2005 (Saturday) at the RiverPlace Hotel on the Willamette River in downtown Portland. A cocktail and networking hour will begin at 6:30pm followed by dinner and program at 7:30pm.

The program theme will be “Oregon’s Economic Forecast 2005” – a post election

A special presentation will be made by Kate Johnson, 2004 Silver Olympic Medalist, Rowing

analysis of rates, large construction projects on the horizon, and a presentation on the effects of OHSU’s (Oregon’s largest employer) role in the South Waterfront’s development; the tram, etc.

A special presentation will be made by Athens Olympic medalist Kate Johnson, a Jesuit High graduate and member of the USA Women’s 8 crew team:

“Hard Work + Commitment x Team Building = Success!” a blueprint for small business success.”

Contact Vicki Champ 503-316-1979 to confirm your attendance.

Courses 101-102 to Roll Out in Oregon

The formal roll-out of the new 30-hour Appraisal Institute introductory courses in Oregon.

Course 101 Appraisal Principles, and Course 102 Appraisal Procedures will be presented February 23-26 and March 2-5, 2005 at the University of Phoenix, Tigard, OR, campus. These courses replace the old 110/120 courses, and will align new material with the AQB 2008 requirements in a shorter (30 hours vs. 39 hours) format.

Two wholly new supplemental courses, Residential Highest & Best Use and Residential Market Analysis will be ready shortly.

This is an excellent opportunity for both residential and general appraisers to upgrade their professional education and resumes.

Submitted by Terry Bernhardt, SRA

Residential Appraiser’s Forum Set for November

Numerous topics of interest to residential appraisers – including the new SRA requirements, AQB-mandated education policy changes, ACLB issues, trainee-supervisor issues, and managing and marketing an appraisal firm in a professional and profitable manner. We will discuss establishing a “deadbeat client” list and a software/hardware subcommittee, among other issues. GOCAI has applied for 4 hours CE credit. Refreshments will be served.

Questions? Contact Vicki Champ, 503-316-1979 to reserve.

**Nov. 18, 2004 (Thursday)
2:00pm-6:00pm.
Hayden’s Lakefront Grill
8187 SW Tualatin-
Sherwood Road,
Tualatin, OR
Cost: \$50 per attendee.**

ASB

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and specifications. See AO-3 for further advice on updates of a prior assignment.

The ASB’s Interagency Work Group was asked to specify when an “as is” value is required. They responded that the requirement for an “as is” value is an implied element in the minimum appraisal standards listed in the agencies’ appraisal regulations. Under these standards, an institution must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units. The agencies’ appraisal regulations require an appraisal report to include an “as is” current market value when an institution finances:

The proposed construction or renovation of an existing property.

A property that has not met its leasing goals (non-stabilized).

A property with non-market lease terms (concessions that impact cash flow).

A subdivision or tract development with unsold units.

“If a transaction does not include any of these types of financing situations, then an ‘as is’ value is not required. For example, in financing the purchase of an existing home, there typically would be no need to apply deductions or discounts to arrive at the market value of the property since the institution’s financing of the purchase does not depend on events such as further development of the property or the sale of units in a tract development,” the workgroup said.

The ASB states that the monthly Q&A does not establish new standards or interpret existing standards, but is merely intended to inform appraisers, regulators and users of appraisal services of the ASB responses to questions raised by regulators and individuals; to illustrate the applicability of USPAP in specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

These and over 100 more Q&As appear in the 2004 *Frequently Asked Questions* publication, available from The Appraisal Foundation for \$20. For more information regarding *USPAP Q&A*, please contact: John S. Brennan, Director of Research & Technical Issues; The Appraisal Foundation; 1029 Vermont Avenue N.W., Suite 900; Washington, DC 20005; phone: 202-624-3044; fax: 202-347-7727.

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**Meeting and Class Schedule
2004-2005**

October 28	Portland Subchapter Meeting, Beat the Clock Seminar- MAC Club, Portland, OR (3 hrs.)
November 1-6	Course 310, Marylhurst University, Lake Oswego, OR (40 hrs)
November 18	Residential Appraisal Forum, Hayden's Lakefront Grill, Tualatin, OR (4 hrs.)
Feb. 4	Small Hotel/Motel Valuation University of Phoenix, Tigard, OR (7 hours)
Feb. 23-26	Course 101, Appraisal Principles University of Phoenix, Tigard, OR (30 hrs)
March 2-5	Course 102, Appraisal Procedures, University of Phoenix, Tigard, OR (30 hrs)
April 8	Analyzing Distressed Real Estate, University of Phoenix, Tigard, OR (7 hours)
April 28	Course 400, National USPAP Update, University of Phoenix, Tigard, OR (7 hours)
April 29-30	Course 600, University of Phoenix, Tigard, OR (15 hours)
May 18	Special Purpose Properties: Road Less Traveled, U. of Phoenix, Tigard, OR (7 hours)
May 19-20	Course 410, University of Phoenix, Tigard, OR (15 hours)
June 11	Subdivision Analysis, University of Phoenix, Tigard, OR (7 hours)
June 22	Course 420, Business Practices & Ethics, University of Phoenix, Tigard, OR (7 hours)
Sept. 19-24	Course 510, Advanced Income Capitalization, University of Phoenix, Tigard, OR (40 hrs)
Sept. 29	Course 400, National USPAP Update, Ashland, OR (7 hours)
Sept. 30-Oct. 1	Course 610, Alt. Uses & Cost Valuation of Small, Mixed Use Properties, Ashland, OR (15) hours
Oct. 28	Appraisal Review, University of Phoenix, Tigard, OR (7 hours)
Nov. 7	Course 400, National USPAP Update, University of Phoenix, Tigard, OR (7 hours)
Nov. 9-14	Course 520, Highest & Best Use & Market Analysis, U. of Phoenix, Tigard, OR (40 hrs)



Field Notes
Sept. - October, 2004

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Return Service Requested