

Southern NJ Chapter of the Appraisal Institute

April 2019 Edition

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Dinner Meeting Joins SNJAI, AMANJ

The Southern New Jersey Chapter of the Appraisal Institute will hold its annual seminar/dinner event with the Association of Municipal Assessors of NJ on Thursday, April 18th, at the Adelpia Restaurant in Deptford, NJ. The topic of this year's event is "Trends Affecting Our Local Appraisal/Assessing Industry." Historically, this is the best attended event of the year, and this year's agenda promises to fill the room once again.

The seminar begins at 3pm, with 2 different topics. The first speaker is Carlo Batts, MAI, of Rittenhouse Appraisals. He will review local pending legislation which deals with the issues of tax abatement. He will also discuss land use issues and the way these developments are being processed. The focus of his discussion will be on current local issues and what's pending in other municipalities.

The next segment is presented by Richard J. Carabelli, Jr, MAI, CTA, Martin Appraisal Associates, Inc. & Mercer County Board of Taxation, President and Commissioner, and Cliff Moore, Monmouth County Board of Taxation, President and Commissioner. This presentation brings 2 experts of the NJ Tax Boards to present important information, includes the powers and duties of the tax board. They will also review a CTB appeal/value procedures, relaxing the rules, dismissal without prejudice, the importance of USPAP and non-licensed expert witnesses. They will answer such questions as: Who has standing? Can an assessor be forced to testify? What questions can a commissioner ask? The information presented will be VERY helpful to appraisers and assessors!

After dinner, Judge Joseph M. Andresini, P.J.T.C, will discuss tax court issues & recent cases from across the state. His insight and experience will be a great benefit to all. Joseph M. Andresini, P.J.T.C. took the oath of office as presiding judge on January 16, 2018. Judge Andresini began his time with the tax court in October 2009. Prior to that, he served as a Municipal Court Judge in the Borough of Haworth. He earned his Jurist Doctorate from Seton Hall School of Law in 1984.

At the dinner meeting, Sherrie Lisa Galderisi will be presented with her SRA designation certificate. For information on how to register, visit our newly updated website: www.ai-snj.org.

President's Message

Dear Chapter Members,

The AI has created the Appraisal Institute Chapter GR Community of Practice, which is an opportunity for us to keep up to date and comment on politics that affect our profession. At the national level, AI does its best, but we are all AI.

Our Chapter educational offerings are doing well. Please check out the educational opportunities on our Web site or check with Lisa, our esteemed chapter executive director. Remember, our chapter received national recognition from AI for our newsletter. Lisa deserves the credit for that.

Keep in mind this is a "crunch year" when we must catch up on our CE credits that we have been putting off. If you think 28 hours every two years is too much, CPAs must have 120 hours every three years.

Please accept my wishes for continued success as the year progresses.

Charles A. McCullough, MAI, AI-GRS, President

Seminars at the Shore

4 seminars, 2 days, 14 CE hours

Golden Nugget, Atlantic City

Information has been emailed; outlines posted on www.ai-snj.org REGISTRATION IS OPEN!

Day One: Monday, June 10

8:30 am – 12:30 pm (4 CE hrs)

Client Requested Evaluations

1:30 – 4:30 pm (3 CE hrs)

Challenges Within An Appraisal

Day Two: Tuesday, June 11

8:30 am – 11:30 am (3 CE hrs)

Foundations of Valuation: An Inferred Market Study

12:30 - 4:30 pm (4 CE hrs)

**Preparing a Fundamental Demand Analysis:
Complex Property Assignments**



2019 UPCOMING EVENTS

www.myappraisalinstitute.org/education/southernNewJersey

CONFIRMED 2019 DATES: Register now!

April 8 & 9: Residential & Commercial Valuation of Solar, SJ Tech Center

April 18: Appraiser & Assessor Dinner Meeting, Adelphia Restaurant

May 10: How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value (7hr seminar), SJ Tech Center

May 16: Using Spreadsheet Programs in Real Estate Appraisals (7hr seminar), SJ Tech Center

May 17: NJ Regs, Adelphia Restaurant

May 17: PA Regs, Adelphia Restaurant

June 4: USPAP 7-hr Update, Adelphia Restaurant

June 10 & 11: Seminars at the Shore with Vince Dowling, MAI, Golden Nugget

SNJAI Chapter Members: Don't forget the special pricing for USPAP and the solar class — read your emails or ask Lisa for the promo code!

SAVE THE DATE: September 19 — September Symposium!

If you have classes/seminars/speaks suggestions, please contact Lisa — we want to offer what you need!

Are you on Facebook? We now have a chapter page: "like" us: Southern NJ Chapter - Appraisal Institute



A Note of Thanks

I would like to thank the nominating committee for selecting me as the 2018 recipient of the George Olasin Award. It is a true honor to be selected by my peers for this award. Since becoming a member of AI many years ago I have attended numerous national conferences all over the country as well as region meetings and other local chapter meetings. All of those hours and travels gave me the opportunity to learn from others. I benefited personally from that and our chapter benefited from that.

I learned what worked and what didn't work for chapters and most importantly I learned, by comparison, that our chapter is one of the most efficiently run and provides the most benefits for our members. Our chapter provides more education and networking opportunities at a lower cost than any other chapter that I know. There are two reasons for that: we have an outstanding executive director, and we have outstanding members who combined are willing to devote their time to plan these events which benefit all of our members as well as non-members and maintain the reputation of the most respected professional appraisal organization.

However, all organizations, including ours, must develop new active members to maintain our success. We face a continuous battle of attrition. The past recipients of the

George Olasin Award, as well as all of our members who are no longer with us, left with hopes that we would continue what they helped build. I ask those of you who are members, but do not contribute beyond your monetary dues, give serious thought as to why you are a member. Think about the many benefits that you receive as a member and how your career has benefited from membership. Paying your annual membership dues and attending dinner meetings to obtain your minimum CE credits is not what it means to be a true member. That does little to advance your career and little to advance the mission of our chapter or the Appraisal Institute. Ask one of our officers, directors or our executive director how you can become a contributing member and in turn how you can benefit even further.

Dedicate service to your chapter, exhibit a high standard of ethics and professionalism to your appraisal practice, and you too will be deserving of the George Olasin Award.

Edward T. Molinari, SRA, AI-RRS

Comprehensive Exam Prep

Gary DeWeese, MAI, and an instructor for the Appraisal Institute for more than 20 years, is offering his Comp Exam prep material for sale. The cost is \$300 for the Income, \$150 for the Sales, \$150 for the Cost/HBU and \$150 for the General module material. If you purchase the first 3 modules, the General module material is free. The material is based on multiple choice type problems with detailed solutions illustrated. The material is electronically delivered the same day as ordered. For more information about the material, to read student reviews, and learn how to order go to www.garydeweese.com or contact Gary directly at garydeweese@comcast.net or 925-216-8751. *The materials were developed by Gary DeWeese and are not sponsored or endorsed by the Appraisal Inst.*



Look for our ad on page 22 in the current Chronicle Magazine, published by the Southern NJ Development Council! (Chapter members: read current SNJDC updates every Friday in the Notes emailed to you!)

<http://snjdc.org/publications/the-chronicle/>

Appraisal Institute Premieres Leasehold Valuation Seminar

The Appraisal Institute premiered a NEW seven-hour classroom seminar on leasehold valuation issues. "How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value" goes beyond methodology to explore how to measure a property rights adjustment, the theory underlying the use of a leasehold yield rate (Y_{LH}) to value the leasehold, as well as the application of a property rights

adjustment in all three approaches to value. The seminar further addresses:

- How the terms of a tenant's lease impact value—either positively or negatively;
- Situations that require a valuation of a leasehold;
- Methodologies in valuing a leasehold, including examples and exercises;
- The impact of a leasehold in the valuation of property using all applicable approaches; and
- Challenges facing appraisers performing leasehold valuation assignments.

The new seminar will be offered April 12, in Auburn Hills, Michigan; April 12, in Asheville, NC; April 26, in Nashville, Tennessee; May 1, in Boston; May 2, in Corpus Christi, TX; **May 10, in Mullica Hill, NJ**; May 16, in Rockford, Illinois; July 8, in Las Vegas; and Sept. 13, in Sandy, Utah. **To register for our LOCAL offering, visit:** http://www.myappraisalinstitute.org/education/more_info.aspx?id=48194&view=B&state=J4&sort=D

Updated Website

The chapter website www.ai-snj.org has been completely overhauled and revamped with a new fresh look! Check it out and have others view it as well. If you have any suggestions on more improvements, please email lisamayweiss@hotmail.com.



Member Benefit: 2019 Self-Storage Almanac & 2019 Self-Storage Expense Guidebook

The *2019 Self-Storage Expense Guidebook* provides operating expense data for self-storage properties including ranges and averages by region in the major expense categories. It features all new format and data. It is a companion to the annual *Self-Storage Almanac* and a must-read for self-storage professionals! Utilizing newly defined regions, topics covered include:

- Taxes
- Insurance
- Repairs & Maintenance
- Administration
- On-Site & Off-Site Management
- Utilities
- Advertising

The *2019 Self-Storage Expense Guidebook*, a digital publication, is now available for purchase. Compiled by the editors of Mini-Storage Messenger magazine and the self-storage team at NGKF Capital markets, the 2019 edition of this highly regarded annual resource provides operating expense data for self-storage properties in the United States including ranges and averages by region in the major expense categories. This edition features an all new

format and data. Order the digital format for \$24.95. [Log in](#) to get the discount available to AI professionals only.

The *2019 Self-Storage Almanac* features data including industry profile, economics and demographics, technology, finance, occupancy, and rental rates, as well as other benchmarking statistics and data. Contents include demographic trends, customer base, rental rates, occupancy, and specific site information as well as an overview of self-storage valuation and market conditions. AI professionals save up to \$50 on the list price. [Log in](#) to get the discount available to AI professionals only.

Chapter Sending 2 to LDAC



The SNJAI is proud to announce that we are sending both Michael Descano, MAI, and Sherrie Lisa Galderisi, SRA, to LDAC in May. The Leadership Development & Advisory Council (LDAC) is a group of dedicated appraisers who come together once a year in Washington, D.C., to formulate solutions to problems and challenges faced by the appraisal profession. Through a series of roundtable discussions, LDAC provides a forum where ideas and opinions on targeted topics of concern to the appraisal profession are exchanged. Thank you to both Mike & Sherrie Lisa for your anticipated attendance on our behalf; we look forward to hearing about your experiences!

Scholarship Deadlines \$\$\$\$\$\$

Do you have designation education to take towards your MAI, SRA, AI-GRS or AI-RRS designation? You may be eligible for a scholarship that will cover the cost of a course:

- [AI Education Trust AI Course Scholarship](#)
- [AI Education Trust Minorities & Women AI Course Scholarship](#)

The AI Education and Relief Foundation awards scholarships quarterly to worthy candidates. For more information, [visit our website now](#). Have a question, email ai erf@appraisalinstitute.org or call 312-335-4133.

News From National ...

Online Education: Learn at your own pace anytime, anywhere. Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn

from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. Check out the current course listing now:

http://www.appraisalinstitute.org/education/online-education-view_programs.aspx



2019 AI Annual Conference

CLIMBING EVEN

HIGHER

July 22-24

**Hyatt Regency at
Colorado Convention
Center, Denver**



Uniform Standards of Professional Appraisal Practice

(USPAP) USPAP class participants need to purchase & bring to class their own copies of this book from the Appraisal Foundation. We will NOT provide the USPAP document as part of the course materials; we only supply the student manual published by the Appraisal Institute.

New Appraisal Institute Book Addresses Corridor Valuation

Appraising energy and transportation corridors presents special challenges for real property valuation professionals, according to a new book published by the Appraisal Institute, the Appraisal Institute of Canada and the International Right of Way Association. "Corridor Valuation: An Overview and New Alternatives," includes a broad range of experiences and opinions of numerous valuation professionals and addresses the appraisal of railroad corridors in the U.S. and Canada.

"In response to a pressing need among valuation professionals for guidance in appraising railroad corridors, the Appraisal Institute, the Appraisal Institute of Canada and the International Right of Way Association have joined together to develop this long-awaited text," 2018 Appraisal Institute President James L. Murrett, MAI, SRA; 2018 Appraisal Institute of Canada President Peter McLean, AACI, P. App; and 2018/2019 International Right of Way Association President Jeffrey L. Jones, SR/WA wrote in the book's foreword. "Practitioners with an interest in corridor valuation and experience in this challenging area of appraisal practice should find the topics explored and the insights provided in this text to be illuminating."

"Corridor Valuation: An Overview and New Alternatives," explores the controversial issues surrounding railroad corridors, with definitive information on the evolution of corridor valuation theory, related property rights and legal issues, and methodologies for valuing railroad, telecommunications, pipeline, power transmission and conservation corridors. It is a 240-page soft cover book, available for \$50 for the print or PDF version, or \$70 for both. Call 888-756-4624 or [order online](#).

Appraisal Institute Education and Relief Fund

The AI Education and Relief Foundation (AIERF) is here to help, but we need your assistance. Consider making a donation to AIERF which will assist your colleagues in need of emergency assistance as well as support those seeking assistance in completing their education to become a Designated member through our scholarship program. We

sincerely thank the many of you who have already donated through the [AIERF website](#) or by making a voluntary donation on your 2019 AI Invoice! **If you or someone you know has been affected by natural disaster, medical emergency or other emergency that has occurred, apply today for financial assistance by clicking [here](#). For more information on AIERF Scholarships, [click here](#). To make a donation please click the button below.**

Donate Today

AI Among Groups Opposing Federal Banking Agencies'

Action The Appraisal Institute on Feb. 4 was one of six organizations signing a comment letter that "strongly opposed" a proposal from the Federal Reserve, the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency to raise the residential appraisal threshold from \$250,000 to \$400,000.

If the proposal is approved, nearly three quarters of residential real estate loans held in portfolio by depository institutions would be exempt from appraisal requirements. A high percentage of those loans are from rural areas.

The same proposal was evaluated and answered in 2017 as part of the process of the federally mandated Economic Growth and Regulatory Paperwork Reduction Act — a regulatory relief effort that encompassed four different notice and comment periods and six public hearings. At that time, the same agencies that are now proposing the increase said it "would not be appropriate" to increase the residential threshold considering safety and soundness and consumer protection concerns.

The "about face" is an apparent attempt by the agencies to pacify rural community banks that received discrete relief from Congress through EGRPRA. The valuation organizations that signed the comment letter have also requested a hearing on the proposal, but the agencies continue to deliberate on the issue.

In addition to the Appraisal Institute, the comment letter was signed by:

- American Guild of Appraisers, OPEIU, AFL-CIO;
- American Society of Appraisers;
- American Society of Farm Managers and Rural Appraisers;
- MBREA | The Association for Valuation Professionals; and
- RICS.

Admissions News: 45-hour Residential Demonstration Appraisal Report Option Course Package

Residential Candidates can meet the residential Demonstration of Knowledge requirement by consecutively taking and passing [Advanced Residential Applications and Case Studies/Part 1](#) (which is a required course on the SRA path) and [Advanced Residential Report Writing/Part 2](#) at the same location. Candidates who choose a different Demonstration of Knowledge option need only take Part 1. Remaining 2019 synchronous

offerings of the 45-hour Residential Demonstration Appraisal Report Option Course Package are in April/May and October/November; classroom offerings are in July (Pittsburgh), September (Oregon) and October (Denver).

Admissions News: Capstone program (General Demonstration of Knowledge option)

The Philadelphia offering remains open for registration. Capstone prerequisites are:

1. The [General Demonstration Appraisal Report Writing](#) seminar (must have been completed within five years prior to Capstone registration); and
2. *Advanced Market Analysis and H&B Use*.

Candidates who have previously taken a Capstone program and need to retake it must select an offering with a *different* case study. Candidates can inquire with the National Programs area (312) 335-4207 or nationalprograms@appraisalinstitute.org. The Capstone program is one of 7 general Demonstration of Knowledge requirement options. The education department expects to announce the 2020 Capstone schedule in the 3rd quarter. Candidates who wish to enroll in a 2020 Capstone offering must be eligible before they can register. (Note: 1st quarter & synchronous offerings generally reach capacity quickly.)

AI Bd of Directors OKs Distribution of Guide Note Exposure Draft

The Appraisal Institute Board of Directors approved at its Feb. 21-22 meeting in Chicago the distribution of an exposure draft to AI professionals and other appropriate parties of a proposed Guide Note concerning the fee simple valuation of properties that typically transact with leases in place. The Board of Directors also directed to 45-Day Notice proposed amendments to the AI Bylaws that would:

- Remove Past President Designated Member as a status while maintaining Past President as a title and as individuals who do not pay membership dues; and
- Eliminate the Temporarily Non-Practicing Designated Member status and the Temporarily Non-Practicing Candidate status.

In other action, the Board of Directors:

- Approved changing the Find an Appraiser directory to exclude Designated Members who are in “non-practicing” status.
- Approved additional funding for implementation of the Appraisal Institute’s new association management system, expected to launch this fall.
- Authorized the negotiation and execution of a contract with a hotel in Orlando for the 2020 Annual Conference & Board of Directors meeting.
- Approved appointments to fill vacancies through Dec. 31, 2020:

*David C. Lennhoff, MAI, SRA, AI-GRS, to The Appraisal Journal Editorial Board and

*Danny K. Wiley, SRA, and Craig M. Harrington, SRA, AI-RRS, to the Professional Standards and Guidance Committee.

*Elected Jared L. Schweitzer, MAI, to the AI Holdings Board of Directors through Dec. 31, 2021.

- Amended Regulation No. 9 so that regional committees’ elections for most regional positions shall be held before Oct. 1 (rather than in the first half of the year).
 - Approved updating the AI Group Program policy.
- The AI Board of Directors is next scheduled to meet May 9-10 in Chicago.

Qualified Appraisers Key to Property Tax Appeals, Appraisal Institute Says

Working with an Appraisal Institute Designated Member can benefit homeowners who choose to appeal their property tax assessments, the nation’s largest professional association of real estate appraisers said in a February 14th press release.

“Homeowners should keep in mind that assessors are usually adept at spotting faulty valuations with values that appear to be unreasonably low,” said Appraisal Institute President Stephen S. Wagner, MAI, SRA, AI-GRS. “That is why it’s important to choose an appraiser who conforms to a strict code of ethics such as one governing the actions of Appraisal Institute Designated Members.”

Sometimes the assessor’s value is higher than market value, while in other cases the assessor’s value is lower than the market value, Wagner said.

He added that assessments can be based on incorrect information that can affect a homeowner’s property tax. However, tax assessors – who typically are elected officials – seek to be fair to local residents during the assessment process, he noted.

However, Wagner advised, homeowners can consider a property tax appeal and should be prepared with all the necessary information. Many appraisers collaborate with property tax consultants and attorneys who specialize in tax appeal matters, which could provide the best opportunity for a property owner to increase the chances of a successful tax appeal. Qualified appraisers can help homeowners who choose to appeal their property tax assessments, he said.

Different municipalities can have different stages of tax appeals. Homeowners should check with their assessor’s office or a local appraiser who can provide expertise.

“Homeowners should consider having an independent appraisal prepared and then present the appraisal report to the assessor because appraisers – such as Designated Members of the Appraisal Institute – are independent, third party experts who provide credible, reliable opinions of value,” Wagner said.

SAVE THE DATE!!!!

The **September Symposium** has returned!
Thursday, September 19, 2019

Adelphia Restaurant, Deptford

Featuring Ted Whitmer, MAI, AI-GRS

The rest of the program (Topic: State of the Industry) is filling in nicely; we're sure you'll find it's going to be an EXCELLENT seminar you won't want to miss!



Appraisal Foundation News

The Appraiser Qualifications Board, an independent board of The Appraisal Foundation, issued a Discussion Draft about the Practical Applications of Real Estate Appraisal (PAREA) concept. Unlike an exposure draft that provides detailed prescriptions, a discussion draft requests comments to key questions the AQB is considering.

PAREA offers practical experience in a simulated environment using various technologies for trainees seeking to earn the minimum criteria for appraiser qualifications and training.

“The point of a discussion draft is to solicit feedback regarding key questions that the AQB is considering,” said 2019 AQB Chair Mark A. Lewis. “Stakeholder feedback at this time is critical for the AQB deliberations in advance of any future exposure draft regarding this concept.”

Questions the AQB is seeking answers to include:

- What is the maximum amount of experience a trainee should be able to obtain by completing PAREA training?
- What “prerequisites” should be required prior to enrolling in PAREA training?
- What level of “supervision” is appropriate for PAREA trainees?
- What should the minimum qualifications be for those “supervising” PAREA trainees?
- Should PAREA trainees have to complete USPAP-compliant appraisal reports?
- How will this type of experience be verified?

To access the Discussion Draft, click [here](#). All comments should be sent to AQBcomments@appraisalfoundation.org.

Thank you!

On Feb. 28., my doorbell rang, interrupting my education flyer editing...I assumed it would be yet another person trying to sell me solar panels. But no! It was a beautiful flower arrangement! Charlie McCullough (the 16th president I have served) sent it to me on behalf of the chapter, recognizing 15 completed years as SNJAI Executive Director. I am touched, and it truly brought a smile to my face! It's an awesome job!



2019 OFFICERS AND DIRECTORS

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The Appraisal Institute is a global membership association of professional real estate appraisers, with nearly 20,000 members in almost 60 countries throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide. Organized in 1932, the Appraisal Institute advocates equal opportunity and nondiscrimination in the appraisal profession and conducts its activities in accordance with applicable federal, state and local laws. Members of the Appraisal Institute benefit from an array of professional education and advocacy programs, and may hold the prestigious MAI, SRPA, SRA, AI-GRS and AI-RRS designations.

**2018 Appraisal Institute
Chapter Newsletter Award recipient
(medium-sized chapter)**