

Southern NJ Chapter of the Appraisal Institute

October 2019 Edition

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September Symposium

Dozens of interested appraisers attended the 23rd Annual September Symposium, held on September 19th at the Adelphia Restaurant and Conference Center in Deptford. Attendees certainly found the day to be well worth it!

The topic of the morning session was **Raise Your Appraiser IQ**, presented by Ted Whitmer, MAI, AI-GRS. This seminar was designed for residential & commercial real estate appraisers to provide better tools of analysis & communication of their findings to comply with USPAP, client and industry standards. This included discussions on logic, careful thinking, how to distinguish facts, opinions, conclusions & analysis. Attendees also discussed the difference between “proof” & “support” as well as the difference between “correlation” & “causation.” The seminar highlighted “pairing sales” and regression analysis along with alternative support methods. At the conclusion, attendees were proficient at not only including the required facts and data needed in a report, but also the evidence of analysis & conclusions with support needed to satisfy regulatory & client requirements.



The afternoon session was a **State of the Industry Report**. This gave a practical look at forces driving real estate performance. The seminar included how you can identify & analyze market forces, use creativity, insight, & market-supported information to determine the impact on



property values. Our panel of women in the industry focused on the Office, Retail, Industrial and Residential Markets. Panelists included Michele Guest, RE LINC Real Estate Group; Anne Klein, Newmark Knight Frank (pictured); Monica

Walsh, Vantage Real Estate Services; and Cindy Weiner, The Flynn Company. To round out the seminar, Gerard Velazquez from the Cumberland Co. Improvement Authority spoke on real estate development in Cumberland County. This was a good snapshot for redevelopment

throughout the state. He also discussed development of an arts district, central business district, food technology hub, and redeveloping areas of agriculture & other opportunity zones.

Information for the 24th Annual September Symposium in 2020 should be available after the beginning of the year. Anyone interested in helping to plan the event should contact Lisa Weiss.



President's Message

Dear Chapter Members,

I am grateful to all of the attendees who enrolled in our September Symposium. The Symposium is our Appraisal Institute local chapter's opportunity to focus on general appraisal issues and specific real estate trends that affect the South Jersey real estate markets: industrial, office, commercial, and residential. Thank you to everyone who participated to make this event successful: the members of our local chapter and the local Realtors who made the time to share their on-the-ground insights with us.

We have some good educational opportunities ahead of us, so please make plans to participate whether or not you need the required hours. Our executive director Lisa does a great job making these opportunities available and easy to enroll. Please show her your appreciation by taking advantage of her service to our local chapter.

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

In Memory: Joseph E. Tighue, MAI, SRA

Following is the obituary posted by Saul Funeral Homes

Joseph E. Tighue, 87, of Hamilton, passed away on Saturday, August 24, 2019, at Capital Health Medical Center - Hopewell in Hopewell, NJ.

Joe was born in 1932 in Scranton, PA. He worked part-time selling shoes at Kitty Kelly's until he graduated from Trenton High School in 1952. Soon after graduation, he went into the Army and served overseas during the Korean

Conflict. After the war, he was able to attend college under the G.I. Bill. He studied business, real estate and insurance at Rider College and Rutgers University.

In 1955, he married his high school sweetheart, the former Marie Dileo, and while still in their 20's, they started the Tighue Realty Co. They lived in Hamilton Square where the family raised three children. Joe had many interests. He loved politics, art, business, teaching, golf and sports.

In 1969 Joe was selected to run for Mercer County Freeholder. He went on to serve three terms. In 1976 Joe became the first president of the Mercer County Surrogate and for ten years served as Surrogate and Judge of the Probate Court. He left the Surrogate office in 1990 and at the age of 60, went back to school to earn the very prestigious MAI Appraisal designation. He became president of Certified Appraisal Service, and founded the Tighue Appraisal Group. He also served as President of the Mercer County Board of Realtors, and was named "Realtor of the Year" when he was recognized nationally for starting a work release program that utilized County workhouse inmates to rehab run-down city houses. Joe recently served as President of the Hamilton Art Group, and his paintings have received several first place awards.



Joe was predeceased by his parents, Eugene & Elizabeth (Baumgardner) Tighue; as well as his sisters, Jean & Eileen. He is survived by his wife of 64 years, Marie (Dileo) Tighue; his sons & daughters-in-law, Gary Tighue and Jennifer Neff of Robbinsville and Robert and Lisa Tighue of Cherry Hill; his daughter and son-in-law, Susan and Bill Murray of Chesterfield; his six grandchildren, Jacklyn, Joseph, Mandi, Max, Kaitlyne and Leah; his brother, Thomas of Ewing Township; and his many nieces & nephews.

Note: Funeral services were held on Thursday, August 29, at the Saul Colonial Home, Hamilton Square, NJ.

Featured Member Benefit: JurisPro

As an Appraisal Institute professional, you will receive a **\$50 discount** to have your qualifications as an appraiser featured to over 800,000 attorneys by listing in the JurisPro Expert Witness Directory! As a member of JurisPro, your qualifications will be featured through:

- Your full page on JurisPro, the #1 website for "Real Estate Valuation Experts" on Google;
- Your full page inside LexisNexis, where three million searches are conducted every day;
- Distribution of your qualifications to over 100 bar associations; and
- Importing your qualifications in-house to law firms across the United States.



No other resource puts you in a better place to receive more consulting work as an expert witness. Members of AI

have listed & been retained through JurisPro. Click here to list your qualifications & to receive your \$50 discount:

[JurisPro/Appraisal Institute \\$50 Discount](http://JurisPro/Appraisal Institute $50 Discount)

2019 UPCOMING EVENTS

Visit our website for registration links: www.ai-snj.org

CONFIRMED 2019 DATES: Register now!

October 8: NJ Regs, Jimmy's American Grill, Bordentown

Dec. 9: USPAP 7 hour Update, Adelphia, Deptford

Dec. 11: Topics for NJ: New Jersey Regs &

Demographic/Economic Trends Affecting Real Estate

Demand, NJ DOT (7 hrs)

SAVE THE DATE: November 14 — Chapter Dinner Meeting & Seminar (2 CE hrs), Adelphia Restaurant

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

Jody Bishop Elected 2020 Appraisal Institute Vice President

Pledger M. (Jody) Bishop III, MAI, SRA, AI-GRS, of Mount Pleasant, South Carolina, was elected 2020 vice president of the Appraisal Institute by its Board of Directors.

Bishop's one-year term will begin Jan. 1, followed by one year each as president-elect, president and immediate past president. He will serve on AI's Executive Committee and the policy-making Board of Directors all four years. He also will chair the Finance Committee in 2020 and the National Nominating Committee in 2023.

"I am honored to have been elected vice president of the Appraisal Institute, and I look forward to the opportunity both to work with the national Board of Directors and to represent fellow AI professionals and others around the world," Bishop said. "My goal is to be part of a team that will shape the future of the Appraisal Institute."

Bishop is currently senior managing director of Valbridge Property Advisors in Charleston. He previously was a partner with Atlantic Appraisals, LLC, an associate appraiser with Appraisal Consultants and a senior staff appraiser with the Charleston County Assessor's Office.

Bishop serves as a non-voting member of the Appraisal Institute Board of Directors due to his position on the Audit Committee. He has chaired the General Demonstration of Knowledge Grading Panel and has served on the ADQC. He has served as president of the South Carolina Chapter. He also is an AI associate instructor, has been a seminar and webinar author, and has served as discussion leader at the Leadership Development and Advisory Council conference.

He was named the 2018 recipient of the Edward W. Adams, SRA, Outstanding Board Services Award, was presented a 2017 President's Award and received a 2017 Volunteer of Distinction recognition.

Member Benefit: Job Posting

WestRock Appraisal Services Corp. Established 21st Century Tri-State commercial real estate appraisal company seeks fee based Certified General Real Estate Appraisers with five or more years of experience, who aspire to be paid for their appraisal knowledge, and not for data entry. Benefit from our processing-market research support teams coupled with our proprietary copyrighted commercial appraisal program, capable of generating a 150 page commercial appraisal report in ten minutes. We have created a new remote appraisal world; come grow with us from the comfort of your home or office. Please e-mail your resume, etc., to ristromer@gmail.com

Appraisal Standards Board Considering Creating Standards for Evaluations: **ASB to Issue Concept Paper and Hold Public Hearing**

On August 1, the Appraisal Standards Board (ASB), an independent board of The Appraisal Foundation, announced it intends to examine the concept of creating standards for evaluations, which are alternatives to appraisals used by financial institutions.

Currently, there are no uniform standards for appraisers to follow when conducting an evaluation, which leads to greater risk to the safety and soundness of the real estate transaction and diminished protection for consumers. The ASB intends to issue a concept paper around Labor Day, and will follow up with a public hearing with panels of constituents on October 18, 2019 in Washington, DC. As with all public meetings of the ASB, the public hearing will be broadcast via livestream.

"This important development by the ASB shows how the Board has their ear to the ground, listening to the concerns of working appraisers in a rapidly evolving marketplace where there is an increasing demand for different valuation products," said David Bunton, president of the Foundation. "They are balancing that with their responsibility to protect the public trust in valuation by creating uniform standards that are subject to oversight."

Currently, the *Interagency Appraisal and Evaluation Guidelines* for federally regulated financial institutions provide guidance on evaluations, but that guidance is directed at lenders, not appraisers. Furthermore, the courts have found such guidance to be unenforceable. "This puts appraisers in a difficult, untenable position," said John Brenan, vice president of appraisal issues at the Appraisal Foundation. "Appraisers often struggle when asked to perform evaluations, since most are mandated to comply with the Uniform Standards of Professional Appraisal Practice (USPAP). It's almost a Catch-22 situation."

Under federal regulations, evaluations may be performed by non-appraisers who have not demonstrated a level of expertise through education, training, and

examination. If appraisers are not completing an evaluation, there is no recourse for a lender or consumer to appeal a bad evaluation. With the increased use of evaluations in the marketplace lenders and consumers are being exposed to an unnecessary level of risk not seen since the 1980s when national appraiser qualifications and appraisal standards had not yet been created.

"Appraisers are valuation experts. When hiring a licensed or certified real property appraiser to develop and report market value, the client should expect the work to be performed in accordance with USPAP," said Wayne Miller, chair of the Appraisal Standards Board. "The Board is eager to receive stakeholder feedback from the planned concept paper and public hearing on the impediments, if any, to appraisers completing evaluations in accordance with USPAP. As always, the Board's goal is to allow USPAP to evolve in an ever-changing real estate valuation environment, while continuing to promote and maintain a high level of public trust in the valuation profession."

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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:

<https://ai.appraisalinstitute.org/nfai2test/eweb/DynamicPage.aspx?webcode=AIEducationSearch>

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. The USPAP document is not part of the course materials provided by the Appraisal Institute.

Appraisers Can Help Themselves Mitigate Liability Risk, New Book Says Appraisers who take on a variety of valuation assignments can manage the risks associated with their work by taking realistic, effective steps, according to a new book published by the Appraisal Institute.

"Risk Management for Real Estate Appraisers and Appraisal Firms," by Peter T. Christensen, Esq., with contributing author Claudia L. Gaglione, Esq., provides practitioners with suggestions for managing the risks associated with valuation assignments. The book also will help appraisers assess their liability and take steps to lessen their risk and protect their appraisal practices.

This book presents information based on published court opinions & actual professional liability insurance

claims. It examines why appraisers get sued, the elements of the most common claims & the appraiser's best tools for reducing liability risk. Unique issues relating to specific areas of appraisal work are covered, including residential & commercial lending, appraisal review, expert witness and arbitration services. Strategies for mitigating risks relating to the operation of appraisal firms also are discussed.

"Risk Management for Real Estate Appraisers and Appraisal Firms" is a 230-page soft cover book. It is available for \$60 (\$50 for Appraisal Institute professionals). Print (stock number: 0820M) and PDF versions (stock number: 0820MPD) are available, as is a print and PDF package (stock number: 0821M). Call 888-756-4624 or [order online](#).

Riparian Matters and Valuation of Riparian Land Seminar

The NJ Department of Environmental Protection, Bureau of Tidelands Management, will be presenting "Riparian Matters and Valuation of Riparian Land," a FREE seminar on December 6, 2019 from 9:00 am to 12:30 pm (Registration at 8:15 am), in the Public Hearing Room at 401 East State Street, Trenton. Randy Bearce, Manager of the Bureau of Tidelands Management; Joseph V. Heenan, MAI, SRA, CTA; and Robert Parmley, SRA, will be presenting this informative seminar which is geared toward those appraisers submitting real estate appraisal reports to the Bureau of Tidelands Management for properties encumbered with riparian claims. Bureau of Tidelands Management plans to make the attendees' names available on the Tideland's website as a resource for applicants in need of appraisals for their Tidelands Application. This seminar has been approved for 3.5 CE hours with the New Jersey State Board of Real Estate Appraisers and is pending approval for Tax Assessor CEU's. Contact Joseph V. Heenan at joseph.heenan@dep.nj.gov to register by December 2. Pre-registration is mandatory as seating is limited. Please include your Name, Address, Telephone, Email and License/CTA Number.

NJ Appraiser Board: CE Requirements for Renewal

<http://www.njconsumeraffairs.gov/rea/Pages/CE-Requirements-for-Upcoming-2018-2019-Renewals.aspx>

As a condition of renewal, licensees are required to obtain at least 28 credit hours of approved continuing education for each biennial renewal period subsequent to licensure/certification or 14 hours of continuing education if initially licensed or certified in the first six months of the second year. If initially licensed or certified during the last six months of the second year, no continuing education is required. If you are exempt from this requirement for this renewal period only, please answer "yes" to this question. Credits may not be carried over to another renewal period.

You must retain documentation to verify all claimed CE credits for a period of not less than four years.

As a condition of renewal, licensees must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. Do not send course documentation with this form.

All licensed and certified real estate appraisers shall be required to complete a two hour course on New Jersey law and rules governing the practice of real estate appraising. The course at a minimum shall include: the origin and history of the Real Estate Appraisers Act, the Board composition, scope of practice, mixed practice conflicts of interest, continuing education requirements and criteria, temporary visiting certificates, trainee and supervisor requirements, appraisal reporting and common deficiencies, and the complaint process.

Comprehensive Exam Prep

Gary DeWeese, MAI, an instructor for the Appraisal Inst. for more than 20 years, is offering Comp Exam prep material. 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 about the material, read student reviews & learn how to order, visit www.garydeweese.com or contact garydeweese@comcast.net or 925-216-8751. *Materials were developed by Gary DeWeese and are not sponsored or endorsed by the Appraisal Inst.*

Appraisers Can Help Clients Navigate Natural Disasters

In the aftermath of a natural disaster, appraisers can help their clients by providing expert market analysis.

The Appraisal Institute's "Guide Note 10: Development of an Opinion of Market Value in the Aftermath of a Disaster" addresses how real property markets in affected areas often exhibit instability, even chaos, and how analyzing data in such markets presents an array of challenges. The Guide Note, revised last year, also discusses how valuation professionals can develop credible opinions of market value in the aftermath of a disaster.

The Guide Note explores how property utility might be impacted by damage or destruction; properties might be more scarce because damaged or destroyed properties are removed from the overall supply; desire for property might increase because displaced homes and businesses need replacement space; and effective purchasing power might be impacted by changes in lending policies and practices in the area in response to the disaster.

It further indicates that a disaster might have a drastic impact on both supply and demand, causing them to

suddenly be out of balance. There may be a dramatic drop in supply due to destruction & damage. At the same time, there may be a spike in demand because those who suffered loss or damage to owned or leased real estate will need to find replacement space. This is especially true regarding residential real estate; people need to find alternative shelter immediately. As a result, sharp increases in asking & selling prices might be observed. This raises several questions from an appraisal viewpoint:

- Do such higher prices represent “market value”?
- Are the parties to the transactions “typically motivated” and acting in their best interest or is their behavior irrational?
- Are the properties being exposed on the market for a “reasonable” length of time prior to sale?

These questions & many others demonstrate myriad ways in which experienced, competent valuation professionals can help their clients navigate the impact of natural disasters on property values. [Download](#) the Appraisal Institute’s six-page “Guide Note 10” originally was published in Nov. 2010.

Beach Towns That Will Soon Be Under Water

<https://247tempo.com/beach-towns-that-will-soon-be-under-water/5/>

There are about 13,000 miles of coastline in the 48 contiguous United States, and by the end of the century, these contours will be greatly altered by climate change.

By the close of the 21st century, about 2.5 million properties worth \$1.07 trillion, in cities and towns along the coastline will be at risk of chronic flooding, according to a [report from the Union of Concerned Scientists](#), a nonprofit science advocacy organization. Chronic flooding, as defined by the scientists group, means flooding that occurs 26 times a year or more. 24/7 Tempo has identified the 21 U.S. beach towns that will soon be under water, based on data in the Union of Concerned Scientists report “Underwater: Rising Seas, Chronic Floods, and the Implications for US Coastal Real Estate.” Areas were ranked by the total number of homes that will be at risk of flooding by the year 2060.

Rising waters will have far-reaching implications for the economy. Apart from the impact on financial & real estate markets, town infrastructure – roads, bridges, power plants, airports, public buildings, military bases – would be at risk of more frequent inundation. Chronic flooding also will have a social impact as well, as beloved destinations holding memories of boardwalk strolls, young romance, crashing ocean waves, and greasy summer food are inundated with rising waters & could become virtually unlivable. (The following are the NJ towns that made the list.)

21. Ventnor City, New Jersey

> **Total population (2016):** 10,505
> **Homes at risk:** 3,615

> **Pct. of total pop. in at risk homes:** 46.2%
> **Value at risk:** \$850.0 million

Ventnor City is a small beach resort about 4 miles south of Atlantic City. According to a report published in 2016 by Climate Central, Ventnor City experienced 229 coastal flood days from 2005- 2014. That was more than twice as many coastal flood days as the previous 10-year period.

16. Lavallette, New Jersey

> **Total population (2016):** 2,026
> **Homes at risk:** 3,938
> **Pct. of total pop. in at risk homes:** 54.1%
> **Value at risk:** \$1.97 billion

This Ocean County resort community was devastated by Superstorm Sandy in 2012. In an NJ.com story, David Robinson, a climatologist at Rutgers University, explains that ocean temperatures off the Jersey Shore are rising and that future storms that will strike the Jersey coast will increase in intensity.

15. Margate City, New Jersey

> **Total population (2016):** 6,250
> **Homes at risk:** 3,970
> **Pct. of total pop. in at risk homes:** 55.7%
> **Value at risk:** \$1.90 billion

Margate City is located just south of Atlantic City. The resort community had 229 days of coastal flooding in the 10-year period from 2005 to 2014, more than double the number of coastal flood days from the previous 10-year period, according to a 2016 Climate Central study.

12. Sea Isle City, New Jersey

> **Total population (2016):** 1,905
> **Homes at risk:** 4,266
> **Pct. of total pop. in at risk homes:** 61.8%
> **Value at risk:** \$2.55 billion

Sea Isle City, located in Cape May County, is a resort community whose summer population swells to 20 times the permanent population. It is one of the many Jersey coastal communities that was blasted by Superstorm Sandy in 2012. Currently, over 4,000 area homes are at risk of rising sea levels by 2060 if action is not taken.

8. Atlantic City, New Jersey

> **Total population (2016):** 39,306
> **Homes at risk:** 7,055
> **Pct. of total pop. in at risk homes:** 34.5%
> **Value at risk:** \$1.05 billion

It’s a good bet that Atlantic City, one of the East Coast’s gambling meccas, will have flooding issues in the years to come. Nearly 7 years ago, Superstorm Sandy shattered windows of casinos, forced residents to evacuate the city, and tore up the city’s famed boardwalk. Climate Central predicts a 74% risk of at least one flood over 5 feet occurring between now and 2050 in the Atlantic City.

7. Wildwood, New Jersey

> **Total population (2016):** 5,192
> **Homes at risk:** 8,109
> **Pct. of total pop. in at risk homes:** 33.8%
> **Value at risk:** \$2.38 billion

Wildwood, less than hour south of Atlantic City, is famed for its Doo Wop-era motels. It also suffered during Superstorm Sandy. A report from the U.S. Army Corps of Engineers on the New Jersey Back Bay region this past March said construction of seawalls in Wildwood and Sea Isle City, will “manage risk for both high and low frequency events.” Construction of those storm walls may protect some of the more than 8,000 area homes at high flood risk.

4. North Beach Haven, New Jersey

- > **Total population (2016):** 2,250
- > **Homes at risk:** 10,293
- > **Pct. of total pop. in at risk homes:** 57.5%
- > **Value at risk:** \$7.78 billion

North Beach Haven is a resort town on Long Beach Island, a long, narrow strip of land. The town is about an hour north of Atlantic City. Superstorm Sandy tore apart houses and left piles of sand in the streets of North Beach Haven in 2012. Climate Central projects a 74% risk of at least one flood over 5 feet taking place between today and 2050.

3. Ocean City, New Jersey

- > **Total population (2016):** 11,430
- > **Homes at risk:** 11,110
- > **Pct. of total pop. in at risk homes:** 53.1%
- > **Value at risk:** \$5.89 billion

Ocean City, located about a half-hour south of Atlantic City, touts itself as a family-friendly beach resort that is also a dry town (no alcohol can be purchased there.) Sea-level increases & frequent flooding episodes have cost the town about \$530 million in lost property value from 2005 - 2017, according to a study done by data science organization First Street Foundation & Columbia University.

SNJDC Day on the Delaware

Nearly 300 attendees gathered on Friday, August 9th to set sail on the Spirit of Philadelphia for the Southern New Jersey Development Council's 32nd Annual Day on the Delaware. Attendees were greeted with beautiful weather to enjoy this unique networking experience and tour of the development along the Delaware River Waterfront. Two chapter members, Justin Molinari & Joshua Garretson, MAI, AI-GRS, AI-RRS, attended the function and found it to be an excellent time with other South Jersey contemporaries.



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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)**