

Southern NJ Chapter of the Appraisal Institute

December 2019 Edition

Bonnie L. Longo, MAI, SRA, Editor; Lisa Weiss, Writer

President's Message

Dear Chapter Members,

It has been a pleasure serving as your president for the past year. I hope someday you will have the privilege that I have had to serve as president of the Southern New Jersey Chapter of the Appraisal Institute and work with the type of Board Members with whom I have had the privilege and who have the health and welfare of the Chapter as a high priority. May you also have the good luck of serving with Lisa Weiss, our superbly competent executive director.

As for the future, may it shine its face upon you and bless you and keep you from harm.

I hope you enjoy the holidays and celebrate them in the manner you believe to be appropriate.

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



Southern NJ Chapter 2019 Education Scholarship

In 2015 and 2016, Southern NJ Chapter President Edward Molinari, SRA, AI-RRS, requested that the money usually designated for a thank you gift for serving as chapter president go towards helping a chapter member to further their education. Mr. Molinari, an instructor and member of the Appraisal Institute National Education Committee, believed in the importance of quality education as well as earning an Appraisal Institute designation. The SNJAI Board of Directors has voted once again to celebrate the spirit that Ed Molinari created to help our members gain more knowledge and continue to fund this scholarship. Southern New Jersey Chapter designated members, candidates and practicing affiliates in good standing with the Appraisal Institute can apply for this scholarship by submitting the scholarship application and a written request summarizing their professional goals and experience.

[APPLICATION CAN BE OBTAINED BY EMAILING THE CHAPTER AT lisamayweiss@hotmail.com.](mailto:lisamayweiss@hotmail.com)

November Dinner Meeting

(This summary is reprinted from www.realquantum.com as written by the seminar instructor Dennis Dull, MAI)

Using modern appraisal technology is imperative to the future success of appraisers. Appraisal Institute chapters like the Southern NJ Chapter of the Appraisal Institute recognize that and are providing learning opportunities for appraisers in their chapter. The chapter, led by President Charles McCullough, MAI, AI-GRS, and Vice President Michael Descano, MAI, covers central and southern New Jersey. Appraisers from this group provide valuation services in New Jersey, Pennsylvania, Maryland, and Delaware. In November, they hosted a continuing education class that I led called, "Modern Technology and the Commercial Appraisal Practice".



The focus of this 2-hour class was to consider some of the dominant modern technologies that are shaping business industries. We looked specifically at how these technologies are impacting appraisers in the structure of the commercial appraisal office. Further, how they impact the development and delivery of the commercial appraisal report.

We started by taking a look back at some of the historic technological developments over the last 50 years. These included the Internet, mobile phones and artificial intelligence. So what does the future of appraisal technology look like? There are five dominant modern technology trends that are shaping the future for the business world in general, and valuation professionals in particular.

Modern Appraisal Technology Trends

For appraisers to be competitive now and in the future, we need to know the best practices and tools for navigating and implementing these trends. They include: cyber-

security, the cloud, big data, specialized software replacing spreadsheets, and mobility.

The importance of each trend is monumental and here's why.

- *Cyber-security* is critical because appraisers work with highly sensitive data every day. Threats come from many avenues; malware, ransomware, phishing, and social engineering. A breach could be lethal to your reputation and the very life of your business.
- The *cloud* is crucial for many reasons, including security, but it is also the most economically efficient way to operate your practice.
- *Big data* is vital because real estate is immersed in volumes of data and appraisers must be able to research, access, retrieve, manage, and analyze a vast amount of data in a timely manner.
- When it comes to *specialized software*, Fortune 100 companies have been moving away from spreadsheets for several years. Specialized software reduces errors and is much more suitable for handling big data.
- Lastly, *mobility* enables professionals to work anywhere, reduces office costs, and opens up the talent pool.

How appraisers embrace these five trends will largely separate the best from the rest over the next few years.

Many thanks to the Southern New Jersey Appraisal Institute Chapter for hosting this continuing education class.

About the Author Dennis Dull, MAI, is a senior appraiser at Keller-Craig and Associates as well as the Chief Sales Officer for Realquantum.



Congratulations Sherrie Lisa Galderisi, SRA, AI-RRS

Effective October 4th, Sherrie Lisa Galderisi earned her AI-RRS designation. We look forward to presenting her with the certificate at the January Installation Dinner. The AI-RRS designation is aimed at providing professional residential reviewers with the knowledge and skills needed to satisfy issues related to due diligence and risk management often requested by their employers and clients.

Sherrie has worked as an appraiser since 2005. She attended Morris County Community College, then continued at William Paterson College and Black Stone Real Estate Law. She joined the Appraisal Institute in 2006 and worked under Metro's chapter president Michael Hedden in 2008. She then moved to Southern New Jersey and continues to keep involved with the Southern NJ Chapter and served as one of the board members (2015-2017) and is slated to start a new board term in 2020. She

specializes with high end properties, newer construction and tax appeals. Her past automotive experience, as the dealer principal's controller of a four franchise hub, has also helped her to assist her peers with numerous commercial appraisals to add to her portfolio of experience. She is the owner and Senior Appraiser of ATP Appraisals.

Sherrie earned her SRA designation last December. In addition, Sherrie has also earned her Independent Fee Appraiser (IFA) and Accredited Senior Appraiser (ASA) designations and was the National Association of Independent Fee Appraisers (NAIFA) State Director for the past two years (2016-2018). She is committed to have all appraisers be as one unit to keep our industry thriving, no matter which organization they are with. She was also involved in the legislation presented to Governor Christie, (Assembly bill 1973) which did pass, to have New Jersey register AMC companies and to pay a licensing fee.

Sherrie is passionate about the appraisal industry and believes time is the most precious gift. She also believes being the best means to never stop learning. She looks forward to her next journey and continuing to the next level, while still supporting her peers. **CONGRATULATIONS, Sherrie Lisa Galderisi, SRA, AI-RRS!**

SNJAI UPCOMING EVENTS

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

2020 DATES: Register now!

March 16: USPAP 7 hour Update, SJ Tech Center, Rowan University, Mullica Hill

March 19: Business Practices & Ethics, SJ Tech Center, Rowan University, Mullica Hill

April 27-29: Review Theory – Residential, SJ Tech Center, Rowan University, Mullica Hill

May 13: Appraisal of Manufactured Homes Featuring Next-Generation Manufactured Homes, SJ Tech Center, Rowan University, Mullica Hill

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

FEMA Bought 44,000 Flood-Prone Homes. They May Have to Buy Millions More

By Eric Roston, www.bloomberg.com

As the climate crisis worsens, more Americans will be forced from their homes. Many won't be able to afford it, and the U.S. isn't prepared for a massive, government-subsidized migration away from flood-prone areas, according to the first comprehensive analysis of Federal Emergency Management Agency data. In the end, it is the nation's poorest who may be left behind.

Americans have voluntarily sold more than 43,000 properties in high-risk areas to the government since 1989, according to a new analysis published Wednesday in *Science Advances*. FEMA's Hazard Mitigation Grant Program has bought properties sprinkled among one-third of all U.S. counties, spread over 49 states, Puerto Rico, Guam and the U.S. Virgin Islands. After the properties are bought, the structures are demolished and the land remains open, ready to absorb future flood waters.

This 30 year-trickle is nothing compared with the great climate exodus to come. The potential number of homes that may be abandoned is staggering, said A.R. Siders, a co-author and assistant professor at University of Delaware's Disaster Research Center. "There are 49 million housing units in at-risk areas on the U.S. coast, and over \$1 trillion worth of infrastructure within 700 feet of the coast," she said. The government isn't prepared to relocate even one-tenth of that, if it needed to, Siders said.

FEMA did not immediately respond to a request for comment.

The problem will only be compounded as extreme weather intensifies. A separate research paper published this week in the *Proceedings of the National Academy of Sciences* found "robust evidence" that natural disasters are carrying greater risk and expense. The authors said their findings give credence to long-controversial estimates of future costs embedded in climate-economic models.

And while costs from average weather events may not be changing much yet, damage from extreme events is. Economists call this phenomenon a "fat tail," described most famously by Harvard economist Martin Weitzman.

Under the FEMA program, most buyouts have occurred in counties with higher incomes, education, populations and population density, according to the new analysis—places where homeowners are more likely to afford adaptive infrastructure measures such as elevating houses above flood levels.

Low-income and rural areas have received fewer buyouts. While the FEMA data don't indicate the identify of homeowners by race, a recent investigation by NPR found that federal post-disaster aid goes disproportionately to white communities. The concentration of buyouts is a signal that managed-retreat programs may need adjustment, the researchers said.

Instead of being out front, states with the highest amount of flood damage (Florida, Mississippi and Louisiana) fell in the middle of the pack when it came to buyouts. Historically, the availability of federal flood insurance and infrastructure support made those states—which face an increasing risk of unprecedented storm damage as hurricanes intensify and linger longer—appear less risky to live in than may actually be the case.

Researchers identified several other problems with FEMA's program. The size of buyouts have decreased over time, with just one to three properties covered in a single project. It takes an average of almost six years to complete

a buyout, often leaving homeowners in financial difficulty, according to a recent report by the Natural Resources Defense Council

"The way that we're currently dealing with these issues is a sort of unmanaged retreat in a lot of places," said Anna Weber, senior policy analyst at the NRDC. "That's just not working for people right now."

Americans aren't going to sit and watch their homes flood, said Katharine Mach, lead author of the FEMA study and associate professor at the University of Miami. Some will take buyouts. Some will build levees. Regardless, parts of the nation "might look more like Venice in the future."

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



Michael Descano, MAI, attended the Chapter Leadership Program. Chapter leaders came together from across the country to learn, network and began to plan a successful 2010. He is seen above, with 2020 Appraisal Institute President Jefferson L. Sherman, MAI, AI-GRS

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.

Scholarships The Appraisal Institute Education & Relief Foundation offers [scholarships](#); next deadline is January 1. Scholarships are for courses only (not exams or Capstone) and do not apply to those retaking a course. If a Candidate needs emergency assistance due to a natural disaster, medical emergency, etc., apply for assistance through the [Appraisal Institute Education & Relief Foundation](#)



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.

ALSO — Please remember to regularly check the NJ State Board of Real Estate Appraiser's website for any changes.

Here is the link:

<https://www.njconsumeraffairs.gov/rea/Pages/default.aspx>

One of the recent changes is below. Many were unaware of this, so it's best to check the website regularly.

Please be aware of the following State Real Estate

Appraisers Board regulation: 13:40A-9.7(b): “Each State-certified or licensed appraiser shall include on every appraisal performed pursuant to the Act both the appraisal Management company registration number and the amount of the fee received by the appraiser for performance of that appraisal.

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 Provide a Wide Variety of Services, Appraisal Institute Says

Hiring a Designated Member of the Appraisal Institute can provide a broad range of benefits to commercial and residential clients, the president of the nation’s largest professional association of real estate appraisers said in an October press release.

“When hiring a valuation professional, clients should first understand the role of an appraiser,” said Appraisal Institute President Stephen S. Wagner, MAI, SRA, AI-GRS. “The appraiser’s role is to provide objective, impartial and unbiased opinions about the value of real property — helping those who own, manage, sell, invest in and lend money on the security of real estate.”

Before clients select an appraiser, Wagner recommended that they make Appraisal Institute Designated Members their preferred source for reliable appraisal services. Appraisers who become Designated Members of the Appraisal Institute have gone beyond the minimum requirements that each state requires for appraisers, he said.

“Appraisal Institute Designated Members have completed stringent educational requirements, have considerable professional experience, and adhere to standards of professional practice that exceed those

required by state or federal law," Wagner said. "Designated Members also are required to participate in continuing education programs, including those that emphasize the most-up-to-date valuation techniques."

Wagner also encouraged potential clients to take advantage of the wide range of services that appraisers offer. Depending upon an appraiser's designation and qualifications, he or she can provide or assist with:

- *Estate planning and estate settlements;
- *Tax assessment review and advice;
- *Advice in eminent domain and condemnation property transactions;
- *Dispute resolution
- *Feasibility studies;
- *Expert witness testimony;
- *Market rent and trend studies;
- *Cost/benefit or investment analysis,
- *Land utilization studies and
- *Supply and demand studies.

Wagner suggested that the best way for consumers to combat potential problems with appraisals performed for lending purposes is to ensure the appraiser hired by their lender is highly qualified & the right questions are asked.

He said homebuyers should request that their lender ask the appraiser:

- * What professional designations do you have?
- * Are you licensed/certified in the state where you live?
- * How long have you been in practice?
- * What level of experience do you have in this particular market and with this type of property?
- * Are you familiar with property in this neighborhood?
- * What types of clients have you had?

To find a Designated Member of the Appraisal Institute, visit the Appraisal Institute's

website https://ai.appraisalinstitute.org/eweb/DynamicPage.aspx?webcode=aifaasearch&_ga=2.8343410.1705780953.1571066568-657729976.1527084299.

Realtor.com: Amazon Delivers High Home Prices *From move.com*

One year after Amazon selected Arlington, Va., as the site of its new HQ2, the impact on the housing market has been pronounced. Massive inventory shortages, sky-high price spikes and a blistering pace of sales are now the norm in the metro surrounding Amazon's second headquarters, propelling it to one of the nation's hottest housing markets, according to research by realtor.com®.

In contrast, New York City, which was initially chosen as one of the two markets for Amazon's headquarters, is now sitting at a 15 percent decline in home sales, year-over-year. At the time of the announcement, Manhattan saw a massive leap in home sales of 50 percent. Sales in Manhattan maintained strong double-digit growth until February, when Amazon decided to pull out of New York. At

that point, sales growth immediately decelerated and then started declining. The median sale price in Manhattan currently sits at \$1.04 million, down 15 percent year-over-year.

"The 'Amazon effect' has branched out of its home base of Seattle and it has clearly stamped its fingerprint on the Northern Virginia housing market. The impact of the company's expansion in the suburbs of Washington, D.C. diverges along homeownership lines, with homeowners experiencing noticeable equity gains and buyers feeling the sting of higher prices," according to George Ratiu, senior economist at realtor.com®. "Following Amazon's initial announcement that it was scouting cities for a second headquarters, we knew the winner would see a considerable jump in demand for housing, especially from investors and speculators looking to cash in on increased demand. Looking back a year after the announcement, we can see how dramatic the move has been in the market."

Immediately following last year's announcement, home sales in Arlington jumped 21 percent year-over-year as investors swarmed in on the area. Initially, the area saw a substantial 17 percent increase in median listing price, but it has only gone up from there. The median listing price in Arlington County reached \$863,000 in October 2019, up 33 percent year-over-year.

In part, the massive price appreciation is due to the lack of inventory and swelling demand



for housing in the area. As of October 2019, active listings in Arlington County were down 49 percent year-over-year. Without inventory available to meet current demand, buyers are extending their home search farther out. In Northern Virginia, which is made up of 14 counties, active listings are down 26 percent year-over-year.

The lack of available homes has all but assured that any home hitting the market is bought almost instantly. Half of all homes in Arlington are selling in under 28 days -- nine days faster than a year ago and 38 days faster than the national median days on market. The market conditions which have catapulted Northern Virginia into one of the nation's most competitive housing markets can be traced back to two story lines, according to Ratiu.

"First, the nationwide competition drew so much attention, it caused a massive shortage of homes as investors descended on the area, buying homes as quickly as they could. Second, homeowners and investors have been holding out on selling, anticipating that prices will only continue to increase further, which has compounded the area's inventory shortage, and further increased home prices, testing the area's limits for what buyers are willing to pay," he said.

Apps for Appraisers www.appraisalbuzz.com

As an appraiser, your smartphone could be what your business needs to be successful. All businesses should

take advantage of the free technology that is available at the touch of a button. From apps that can store important data to multi-navigational GPS apps, your appraisal business could be working much smarter.

*** E-Key Though you should meet the agent at the home you are inspecting, there are also times when you will not. Supra (e-key) allows appraisers to not have to carry an extra device in order to access homes with a lockbox. The agent will grant access to the home with a code sent through the app and then the appraiser will have independent access to the property.

*** Mint Mint is the free budget planner that tracks and can categorize work expenses. Take charge of your finances by tracking mileage, taking pictures of receipts, and more. Mint gives you a black and white look at your money by charts tracking day-to-day finances and investments and offering recommendations on each. Mint also allows you to set goals and see your progress, something appraisers could use as a project/income tracker as well.

*** CoPilot GPS As an appraiser, you will spend countless hours on the road. What's worse than driving an hour away only to find out the next property on your list was next to your home? This GPS allows you to input multiple addresses and it will calculate the most efficient route in order to reach them all. This app also offers offline storage of maps, alternative routes while in use, turn by turn instructions, and much more.

*** Burner As an appraiser, there are often times you are required to get in personal contact with the client. For security reasons, it may not be best to go out handing your personal cell to everyone. With Burner, you will have another number to use as contact so that your personal remains safe. You will be able to give this number without fear and with the ability to disconnect as soon as the transaction has been completed.

*** Dwolla Taking payments in the field has never been easier! With Dwolla, appraisers can now take payment for inspections as soon as they have been completed. Rather than the follow up afterwards and potential hassling you may have to do, Dwolla lets you safely request and send payments to other phones, emails, and accounts.



Forty appraisers attended the December USPAP 7 hour Update at the Adelphia. Special thanks to Frank O'Neill, SRA, for instructing!

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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)**