

THE APPRAISAL REPORT

VOLUME 4, ISSUE 3 FALL 2009

SEPTEMBER MEETING RECAP

By Michael S. Elliott, Aul & Hatfield Appraisals



Chapter members met on September 23, 2009 at the newly restored Sewall Paint Building in Kansas City, Missouri. The topic of discussion was the history of the West Bottoms (Kansas City's oldest commercial district) as well as ongoing and future developments in the area.

Speakers included Scott Brown, General Counsel for Faultless Starch and Pat Murfey, Principal with Grindstone Properties and incoming President of the West Bottoms CID.

Additional information regarding development in the West Bottoms is available on the website of the West Bottoms Business District at www.westbottoms.com.

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ANNUAL CHAPTER INSTALLATION DINNER

Save the date! On **Monday, December 7, 2009 at 6:30pm** the chapter will have its annual end-of-year dinner with the installation of the new 2010 Executive Board and the recognition of two new MAI's (see page 2).

The meeting will be held at Accurso's at 4980 Main Street, Kansas City, Missouri (on the Country Club Plaza).

The dinner menu will include tossed salad, garlic bread and a choice of Chicken Spadini, Eggplant Parmesan or Three Cheese Ravioli, and Spamoni Ice Cream. One drink ticket is also included.

Members and guests are welcome and encouraged to attend. Tickets are \$40 per person and you can register online at www.appraisalinstitutekc.org or by calling the chapter office at (816) 358-2089. You may choose to select to pay for up to two people at one time on the chapter website.

SPECIAL POINTS OF INTEREST

- *Upcoming 2010 Educational Offerings—See Page 3*
- *New MAI's—Page 2*
- *Upcoming USPAP Changes—Page 4*
- *Historical copies of the newsletter can be found on the website www.appraisalinstitutekc.org*

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TWO CHAPTER MEMBERS RECEIVE MAI DESIGNATIONS



Marian Fields, MAI, SRA has been awarded the Appraisal Institute's prestigious MAI membership designation. The designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. The designation was granted in

November 2009. Marian has been with Commerce Bank since 2005 as a review appraiser and had been a fee appraiser for over 25 years prior to Commerce. Marian is only the fourth woman in Kansas City to achieve the MAI designation and currently one of only two to hold the dual designation of MAI, SRA. Marian will be awarded her certificate at the December 7, 2009 chapter meeting. Please take the opportunity to congratulate Marian on her achievement.



Marian Fields, MAI, SRA



Chris M. Williams, MAI of CB Richard Ellis' Valuation & Advisory Services has been awarded the Appraisal Institute's prestigious MAI membership designation. The designation was granted in September 2009.

Appraisers holding the MAI designation have met rigorous requirements relating to education, testing, experience and demonstration of knowledge, understanding and ability. The MAI designation is earned upon the successful completion of a graduate-level curriculum, which includes a comprehensive exam, a written demonstration appraisal report and attaining 3,000 hours of qualifying experience beyond state certification requirements. Also, designees must abide by both the appraisal profession's Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute's Standards of Professional Practice and Code of Ethics.

Chris M. Williams, MAI

MAIs are recognized experts in appraising properties of all kinds and form a business network encompassing markets nationwide and in Mexico and Canada. Currently, about 7,300 real estate appraisal professionals world-wide hold the MAI designation, with another 7,000 practitioners seeking it. The Kansas City Chapter currently has 75 MAI designated appraisers.

2010 PROPOSED / TENTATIVE EDUCATION SCHEDULE

Listed below is the proposed/tentative education schedule for the chapter for 2010. **The exact class dates and locations will be available soon along with online registration.** See the local chapter website at www.appraisalinstitutekc.org for details about these course offerings. Unless otherwise indicated, classes are open to the general public. For questions or class requests, please contact Tony Viens at education@appraisalinstitutekc.org.

January 2010 - Appraising Distressed Commercial Real Estate: Here we go again

January 2010 - Appraising Convenience Stores

January 2010 - Residential Class on CDU (Condition, Desirability and Utility)

February 2010 - Advanced Sales Comparison and Cost Approaches

February 2010 - Appraiser as an Expert Witness

February 2010 - REO Appraisals - Appraisals of Residential Property for Foreclosure & Pre-Foreclosure

March 2010 - Advanced Market Analysis

March 2010 - Residential Market Analysis and Highest & Best Use

April 2010 - Appraisal Challenges: Declining Markets & Sales Concession

April 2010 - Introduction to FHA

April 2010 - USPAP - 7 Hours

April 2010 - USPAP - 15 Hours

May 2010 - Using Spreadsheet Programs in Real Estate Appraisal - The Basics

May 2010 - Self Storage Economics & Appraisal

May 2010 - Residential - Valuing the High-End Properties

June 2010 - Advanced Applications

June 2010 - Business Practices & Ethics

July 2010 - Litigation Skills for the Appraiser

July 2010 - Advanced Residential Applications & Case Studies

July 2010 - Advanced Income Capitalization

September 2010 - The Discounted Cash Flow Model: Concepts, Issues & Applications

September 2010 - Basic Appraisal Principles

September 2010 - Advanced Residential Report Writing

October 2010 - Advanced Income Capitalization

October 2010 - Curriculum Courses - Residential

October 2010 - Curriculum Courses - General

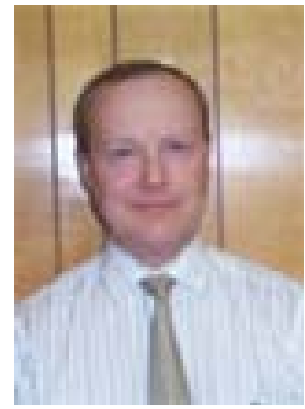
November 2010 - The Appraiser as an Expert Witness

November 2010 - Valuation of Green Residential Buildings

December 2010 - USPAP - 7 Hours

CHAPTER MEMBER PARTICIPATES IN FEDERAL RESERVE PANEL

By Jack Shelton, SRA, Shelton & Associates



I was asked to participate in one of three panels that discussed the trends, government agency programs, and private financing programs regarding residential foreclosures that took place on June 15th, 2009 at the Federal Reserve Bank. The program was sponsored by the FDIC and Federal Reserve officials and was aimed at identifying resources and programs to appropriately respond to what has become a significant regional, as well as national housing problem. Approximately 120 lenders, regulatory officials and neighborhood organization members attended.

The panel I served on included two UMKC professors, and a Fed economist. Our assignment was to examine the trends in sales and the impact on individual neighborhoods. I analyzed supply trends for the individual regional counties, and as you all know, in every case each county reflected oversupplies of 6 months plus. I therefore got to deliver the news that until supplies are reduced dramatically that negative effects on values will be experienced.

The consensus was that although the initial foreclosure problem was based upon subprime and other loan problems, that the future rate of foreclosures will be based upon unemployment figures and economic problems. Since unemployment continues to rise, the overall picture was negative through 2009. The rate of foreclosures was expected to decrease, but remain at historic highs through 2010, with a possible return to a healthier real estate market in 2011, which coincides with the most recent forecast of the Mortgage Bankers Association.

The university professors focused on vacancy rates in neighborhoods that were caused by foreclosures, and the ultimate impact of demolitions on neighborhood development and values in urban areas. Their recommendations included preservation wherever possible in urban areas rather than demolition.

It was a very rewarding and interesting experience to participate on the panel, and I thoroughly recommend that Institute members volunteer for such programs whenever they are presented.

UPCOMING CHANGES TO USPAP

On January 1, 2010 a new edition of the Uniform Standards of Professional Appraisal Practice (USPAP) becomes effective. The new USPAP was released by the Appraisal Foundation on October 1, 2009. The 2010-2011 edition will be valid for two years.

Significant changes in the document include:

- A requirement added to the Conduct section of the ETHICS RULE, stating that, prior to accepting an assignment (and if discovered at any time during the assignment), an appraiser must disclose to the client and in the report certification any services regarding the subject property performed by the appraiser within the prior three years, as an appraiser or in any other capacity.
- Clarification in the JURISDICTIONAL EXCEPTION RULE that a jurisdictional exception may only exist if it precludes an appraiser from complying with USPAP. There are also related revisions that apply to the citation and disclosure of the source of the jurisdictional exception.

Additional information regarding USPAP is available at www.appraisalfoundation.org

Information Source: The Appraisal Foundation



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WE'RE ON THE WEB!

WWW.APPRAISALINSTITUTEKC.ORG

**Promotions, special
announcements? Email
thawks@shanerappraisals.com
to have your special events
printed in the newsletter!**

UPCOMING MEETINGS/EVENTS

Annual Installation Dinner—December 7, 2009—6:30pm

Accurso's—4980 Main, Kansas City, MO (on the Country Club Plaza) -

Register online at www.appraisalinstitutekc.org

—If you have meeting suggestions for 2010,
please contact *Mark Maschger, SRA*—

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THE FOLLOWING MEMBERS/ORGANIZATIONS CONTRIBUTED ARTICLES
AND/OR INFORMATION TO THIS ISSUE OF THE NEWSLETTER:

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2010 CHAPTER OFFICER REVISIONS

In May 2009 the chapter voted and approved the slate of officers for 2010 that was submitted by the Nominating Committee. In October 2009 the Board of Directors received the resignation of Brad Eldridge, MAI. In compliance with the Kansas City Chapter Bylaws, the Board of Directors has, through appointment, made the following changes to the 2010 slate of officers:

2010	
President –	Ken Jagers, MAI
Vice President –	Mark Maschger, SRA
Secretary –	T.J. Hawks
Treasurer –	Michael S. Elliott
Past President –	Sid Womack, MAI
Director 2 yr Term –	Bruce Fitzsimmons (Expire 2011)
Director 2 yr Term –	Erin Reese (Expire 2011)
Director 3 yr Term –	Susan Smith, MAI (Expire 2012)
Director 3 yr Term-	Vacant
Regional Rep –	Mark Maschger, SRA
Regional Rep –	Sid Womack, MAI
Alt. Regional Rep –	Scott Belke, MAI, Ken Bell, SRA, Brian Klahr, MAI

Please take a moment to congratulate these members of the Kansas City Chapter who have stepped up to volunteer their time giving something back to the profession while benefiting our local chapter.