

COLORADO CHAPTER APPRAISAL NEWS

**Appraisal
Institute®**
Professionals Providing
Real Estate Solutions

Volume 12, No. 4 — January, 2003



Editor: David H. Daniels, MAI

www.colorado-ai.org

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FRIDAY, JANUARY 10, 2003

The Colorado Chapter of the Appraisal Institute

presents

ECONOMIC OVERVIEW AND FORECAST IN COLORADO RESIDENTIAL AND COMMERCIAL PROPERTIES

LOCATION: Cherry Hills Country Club
4125 S. University Blvd.
Cherry Hills Village, CO

SCHEDULE: 2:30 P.M. – 3:00 P.M. Registration
3:00 P.M. – 6:00 P.M.
Economic Overview and Forecast in
Colorado Residential and Commercial
Properties
6:00 P.M. – 7:00 P.M. Cocktails
7:00 P.M. – 9:00 P.M. Installation Banquet

FEE: Seminar Only
Members Appraisal Institute: \$35.00
Non-members: \$50.00
Seminar and Installation Banquet
Members Appraisal Institute: \$55.00
Non-Members: \$75.00
Installation Banquet Only
Members, Non-Members, Guests: \$35.00

CONTINUING EDUCATION: Appraisal Institute - 3 hours
State of Colorado - 3 hours

SPEAKERS: Tom Wootten, Ross Consulting Group
Mike Rinner, MAI, The Genesis Group

Please note: This program was developed by the Colorado Chapter who is solely responsible for the contents.

REGISTRATION: See Page 12 for Registration Form or go to our web site: www.colorado-ai.org

QUESTIONS: Call 303.691.0487
(outside Denver – 1.800.571.0086)
web site: www.colorado-ai.org

BOARD OF DIRECTORS MEETING

Friday, January 10, 2003, 1:00 p.m. – 2:30 pm.
Cherry Hills Country Club
All Members Welcome

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- Allow you to electronically share the newsletter with co-workers and fellow professionals

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2003 OFFICERS AND DIRECTORS
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ADVERTISING POLICY

1. Advertisements must be camera-ready.
2. Advertisements must represent closely-related businesses or services to the real estate appraisal field.
3. All advertisements submitted for publication are subject to the Editor and Publisher's approval.
4. Appeals for rejections will be submitted to the Board of Directors and their decisions are final.
5. Fees are as follows:

		Member	Non-Member
Full Page	7" x 10"	\$165	\$175
Half Page	7" x 5" or 3 3/4" x 10"	\$ 90	\$100
Quarter Page	3 1/2" x 4 1/2"	\$ 50	\$ 60
1/8 Page	(Bus. Card size) 3 1/2" x 2"	\$ 30	\$ 40

Colorado Chapter does not endorse any product or service advertised in this newsletter.

Send camera-ready copy and check to:

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 1540 S. Holly, #5,
 Denver, CO 80222

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 Outside Denver metro area 1.800.571.0086
www.colorado-ai.org

**Region II Meets
 in Tulsa, Oklahoma**



Colorado Chapter was well represented at the Region II meeting held in Tulsa, Oklahoma on Saturday and Sunday, October 26 and 27, 2002. Shown (l to r)

Claudia D. Klein, SRA; Thomas J. Power, MAI, SRA (Chair, Region II); **Sue Anne Foster, MAI, SRA; John (Jack) W. Nisley, MAI; John A. Schwartz, MAI; Richard G. Stahl, MAI, SRA** and **Richard C. Mosier, MAI.**

Not shown are **Beverley S. Phillips, MAI, SRA;** and **Bonnie D. Roerig, MAI. Dorothy E. Kellogg, SRA** represented the Chapter at the Admissions Member Retention and Development Committee meeting.

**COLORADO CHAPTER'S
 2003 REGION II REPRESENTATIVES**

ONE-YEAR TERM

Sue Anne Foster, MAI, SRA – Greeley
 John A. Schwartz, MAI completing term
 For Terry K. Hartlieb, SRA – Ft. Collins
 Claudia D. Klein, SRA – Colorado Springs
 Richard G. Stahl, MAI – SRA, Denver

TWO-YEAR TERM

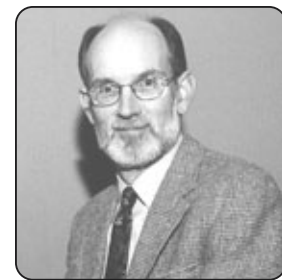
Matthew E. George, SRA – Denver
 Jack W. Nisley, MAI – Grand Junction
 Martin W. Ward, MAI, SRA – Denver

ALTERNATE

Bonnie D. Roerig, MAI – Denver

PRESIDENT'S CORNER

by John A. Schwartz, MAI



STATE OF THE COLORADO CHAPTER ADDRESS

Because this is the last issue of the Colorado Appraisal Institute Chapter Newsletter for 2002, this is a good time to recast the high points and low points of the past year. The High Points are summarized as follows:

The Chapter once again surpassed goals of providing education for its members. The total number of students attending all classes and seminars, including the Chapter free offerings was approximately 1,800 students. This number may vary somewhat because there are five classes yet to be held between December 6 and December 16, 2002. Our classes experienced an 18% increase over last year. Much of our success goes to Carol Brooks our executive director for her outstanding professional means of orchestrating and organizing these many offerings.

Due to an unexpected event involving the 2003 incoming officers and directors, the Chapter held the first on-line internet vote for a chapter officer. Harold McCloud, MAI for personal reasons, submitted his resignation to the Chapter President on October 18, 2002. Mr. McCloud was the original choice of the nominating committee and the officer elected after a vote of the membership at the Chapter meeting held on October 10, 2002. The nominating committee was recalled and Richard Stahl, MAI, SRA was selected as the replacement for Harold McCloud and Mr. McCloud was selected to the Board of Directors position that Richard Stahl was originally selected for. The names of Officers and Directors needed to be submitted to National before December 15, 2002. Because of when the resignation took place and that the next Chapter meeting was not scheduled until January 10, 2003, the Board of Directors decided to conduct a vote of the membership using the internet because time was of essence. Consultation with Jeff Liskar, Vice President Legal Affairs, Appraisal Institute was made and he concurred with our suggested method. We conducted the e-mail election on November 4, 2002 and the Executive Director had 124 responses at the close of the elections on December 1, 2003. This far exceeded our expectations and will most likely be used in future elections. This Chapter has conducted the first internet vote in the Appraisal Institute and policy changes will result because of our work.

The National Multiple Sclerosis Society at its November 21, 2003 awards dinner gave the Bronze Award to the Colorado Chapter of Appraisal Institute for its participation in the MS Walk held on May 11, 2003 at East High School in Denver. We raised approximately \$2,500 in contributions for the MS Society. Thanks to all that participated either in walking or donating. It was a fun event that will continue as the primary charity for the Colorado Chapter.

The Board of Directors approved a special arrangement for Appraisal Institute designated members of this Chapter. Because of careful management of our financial affairs and our monetary success in offering courses and seminars, **all Appraisal Institute courses will be discounted 50% starting in 2003.**

Thomas J. Power, MAI, SRA, outgoing Chair of Region II received an award for his service to the Region and as a Board of Director of the Appraisal Institute.

The Chapter was notified on October 8, 2002 that we were no longer able to hold classes at the Daniels College of Business at

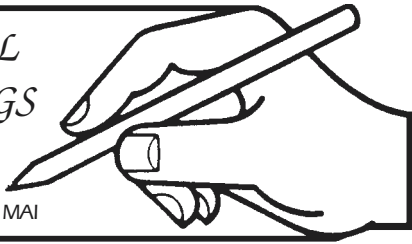
Denver University effective immediately. Because of this untimely event we scrambled to find alternate locations for five classes to be held in December. Concurrent with this we investigated other facilities where we could hold all 2003 classes and also have restaurant and lodging facilities available for our students and teachers. After negotiating the best possible deal we entered into a contract with Four Points by Sheraton Denver University located at 1475 So. Colorado Boulevard. The arrangement at DU was good but in was becoming increasing difficult for the Chapter financially. Thanks DU for the relationship we have had with you over the past several years.

The Region II Meeting was held in Tulsa, Oklahoma on October 26-27, 2003. Many of the discussion points at this meeting revolved around the 60 Day Notice Material which included topics on General Mentoring Review, requirements for SRPA Members to become an MAI, consecutive terms for chapter presidents, Chapter Vice Presidents required to attend Regional meetings as Regional Representatives and other minor issues. The chair reminded the regional representatives that a new Regional Education Liaison, Director and National Nominating Committee member will be selected at the next regional meeting to be held in Omaha on May 3-4, 2003. If any member is interested in holding one of these positions contact Tom Power for further information. The Governance Restructure Project is continuing to examine different alternatives to our present structure. The most significant issue to come out of this is that there is a plan to reduce to number of regions down to five. The national Board of Directors is studying this and is asking input from the regions which in turn are seeking input from chapter members. The new region will contain 13 states extending from Texas to North Dakota and consist of 3,116 members. Supposedly this will save the Institute approximately \$200,000. Cheryl Kunzler the incoming Region II Chair will send out a power point summary about the proposed regional realignment to the Chapter Presidents for discussion at the Chapter level. The majority of monies held by the Region will be sent to Chicago and administered from there. Conference calls with Chapter Presidents were held prior to both Regional and National meetings to discuss important issues affecting chapters.

The National meetings held in Chicago on November 7-12 held no big surprises. The SRPA immediate award of the MAI was defeated. The Chapter Vice President as a Regional Representative was amended to "suggested" as a good introduction to national topics and region concerns. Chapter Presidents are allowed to serve two terms, if needed. Otherwise, the 60-day notice material passed. It appears that the financial condition of the Appraisal Institute has improved, but the organization is not on solid ground just yet. To that end did you notice that your dues increased with 2003 dues billing that you recently received? I didn't think so. The increase is \$25.00.

In closing, when I took this position I didn't think there would be a lot of problems associated with the position. Wrong. There are more phone calls, issues, surveys, e-mails, mail and conference calls than I ever expected. However, I appreciate the opportunity to serve the best Chapter in the Appraisal Institute. ■

EDITORIAL
RAMBLINGS



By David H. Daniels, MAI

The city and county of Denver now wants to be a hotel developer. I understand that a convention hotel is needed, but why not do it privately? As a taxpayer and a resident of Denver, I really don't want my tax dollars spent on a hotel, especially in today's competitive and risky market. In addition, isn't a publicly funded hotel unfair to existing hotel owners in the downtown market? It seems to me that the convention center hotel will have a competitive advantage. From what I've read in the newspapers and by watching city council meetings, the city is building a hotel that would need to average more than \$300 per night if built privately. Since it will be built with public money, the average room rate will need to be somewhere between \$150 and \$200 per night. Does this mean a guest will get a \$300 room for something less? As a private hotel owner, would you want to com-

pete with a subsidized high-end hotel? It seems to me that a publicly funded hotel will only result in a soft market for all.

I draw this hypothesis based on a comparison to the local golf course market. For example, it is difficult for a private (i.e., daily fee) golf course owner/developer to effectively compete in this market because of subsidized (municipal) golf. Municipal golf courses have saturated the market by providing "affordable" golf. Municipal golf courses can charge less because of reduced or no capital costs, no real estate or personal property taxes, reduced insurance costs, reduced water costs, and generally operate at breakeven level. In addition, municipal golf courses give substantial green fee discounts to seniors, juniors, and residents. Because of the subsidies, daily fee golf course owners/developers can't or don't charge market green fee rates.

In any event, the only winner is the consumer. Golf in Colorado is relatively cheap. Will this happen to the downtown hotel market? I don't know. I'm sure the appraisers and consultants intimately involved in the negotiations have a much better idea. However, on the face of it, a subsidized hotel in the highly competitive private market does not seem like a good idea.

Note: David H. Daniels, MAI has served as newsletter editor since 2001. This is the last editorial comment.

Two hundred people attended the Annual PotPourri seminar at the Denver Board of Realtors on August 29th. Pictured are the presenters who made the day so successful. And, it wasn't all work. **Arthur Anderson, SRA** photographed attendees enjoying lunch on the lawn – a welcome break.



**STANDARDS OF PROFESSIONAL PRACTICE PART C
ON-LINE EDITION — REVIEW**

by Thomas L. Fellows, MAI

Earlier this year, I reviewed my Continuing Education hours. Like many of you, I realized that it was once again time for the periodic brainwashing known as “SPP.” Not the State’s four-hour version, but the Institute’s 16-hour “update”. I had just upgraded my computer and on-line service, so I registered for the on-line version of 430 C. This is my review.

My training and work experience stresses objectivity. However, I chose the on-line course despite (or because of) the following prejudices:

- Technology is a tool. It is not fun.
- Air travel was once a great pleasure. Now it is to be avoided at all costs.
- I lived in Denver for ten years. Do not ask me to drive to Denver unless you are a client.
- If I am to be out of the office or away from my family for more than a few days, I want to choose my company carefully.
- 430C is dry stuff. I have taught the State 4-hour class several times and put together my own materials. I have always sensed that the instructor is having more fun than the students.
- Polite discussion is a vanishing art /skill. Enjoy it when it is available.
- Last December, I took the litigation classes. I drove to Denver and checked into La Quinta the night before. The class discussions were interesting and sometimes fun. The experience at La Quinta was just a little better than the commuting option.

With these prejudices, my options were:

1. Sign up for the Don and Bonnie show in December and plan on two nights in Denver
2. Sign up for the on-line class from the comfort of my home office.

First, some base comparisons.

Provider	Colo. Chapter 430C	On-Line 430 C
Instructor	Don and Bonnie	Sherryl Andrus
Credit Hours	15 plus exam (1)	15 plus exam (1)
Classroom Hours	15 plus exam (20 minutes)	5 plus exam (20 minutes)

Materials	In 1987 I received a three ring binder with discussion questions, class work problems, reference materials and a class roster. I presume it will be the same in December.	No Materials. All material is presented on-line. There is little if any discussion; no group discussion and the work problems are basic. If you want hard copy of anything then you must print it. The reference material is via links to Foundation and AI sites.
Cost	\$195 for AI members and affiliates, plus food, transportation or lodging. This is approximately \$12.19 per credit hour (tuition only).	\$250 for AI members plus two six packs, a bottle of tequila or a box of Tension Tamer tea. This is approximately \$15.62 per credit hour (tuition only).
Discussion	My experience with the material and these instructors is that there will be interesting (if sometimes boring) discussions.	There is a chat room.

Provider - Administration

Nobody runs a program better than Carol. By comparison, the on-line administration was competent; registration was relatively easy. There were times when I wanted to work and the site was “down for maintenance” - annoying but not critical.

Most on-line offerings do not have examinations; 430C requires an exam. I thought any Member could be a proctor, but learned only Members who have taken this exam can proctor it. Fortunately, Carol can also be a proctor.

Instructor

A key element of this on-line class is that there is no “instruction.” This is not a criticism of Ms. Andrus; I am not sure what function she was supposed to serve. There was no interaction with the instructor at any time. I could have emailed her a question, but one of the joys of discussion is its immediacy.

Hours

If you have more than ten years of meaningful appraisal experience, you could read through the on-line modules in about four hours. If this is your first “update” since being licensed or designated, you may require ten or twelve hours. I took a little longer, but I am distracted easily, especially when on-line.

Materials

I am still a book and paper person. I still check books from the library. Reading *The Gazette* (newspaper) on-line is just not the same as getting newsprint on my elbows.

I prefer the three ring binder format for materials. The on-line materials were comprehensive and easy to navigate. You should be comfortable with navigating links and remembering where you are. A broadband connection is preferable to any alternative, but the material can be covered using the slower modem speeds.

A significant limitation is accessibility. Once you have clicked the “Finished” button at the end of the course, you can still enter the site and review material, but only for a week or so. It can take about a month to arrange for the examination. If you want to review the night before the test, you must have either added all of the links to your “favorites” folder or printed out the entire course.

Cost

This is not a big issue, but.... Something does not make sense when the Chapter can offer a class to its membership at a lower cost than National. Carol says it is a service to the membership – **THANKS!**

But then I looked at my son’s tuition bill at Boulder. Three semester hours are roughly equivalent to 45 classroom hours; or 1 semester hour is 15 classroom hours. Boulder charges \$150 per semester hour (in-state), or about \$10 per classroom hour. Pikes Peak Community College charges \$5 per hour. The cost of 430C is \$12 to \$15.62 per classroom hour.

My conclusion is that on-line education (“distance education” seems to be the favored term) is priced too high.

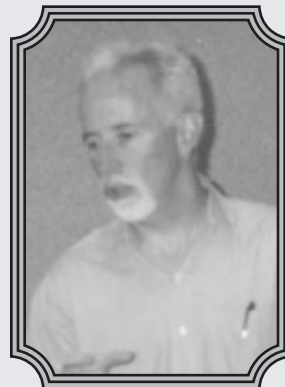
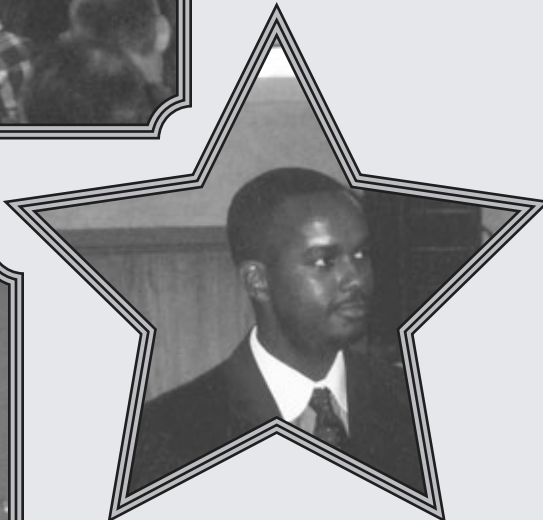
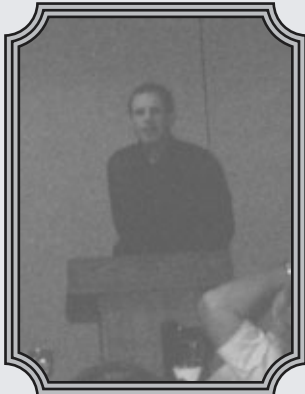
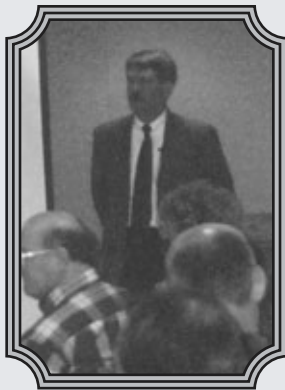
(continued on page 8)

Breckenridge Summer Event Greater than Last Year

Pictured here are the numerous speakers who made the three days an exciting educational experience.



Kudos to Chair, **MaryKay Kelley, SRA** and Committee members **Michael J. Fronczak, MAI** and **Karen L. Tool, SRA** resting for a moment between events at Breckenridge.



The Educational Difference (What makes the SRA Different)

by Matthew E. George, SRA

A vast majority of residential appraisers have lenders as their clients. However, rarely is the SRA designation a "requirement" for an appraisal. As a matter of fact, many lenders do not know what an SRA is, or what it takes to attain the designation. Consequently, most lenders do not care about the SRA designation. This problem can only be solved by the membership overwhelmingly conveying the real value for the SRA designation. The difference is summed up into one word: education.

National has provided brochures and materials pointing these facts out, but most of us residential appraisers are too "busy" or "not into marketing." The SRA should be proud of their requirements: college/college equivalent education, demonstration report, extensive coursework with exams requiring a passing grade, continuing education, and a peer review that exceeds State level expectations. The "educational difference" of the SRA provides:

- 1) personal accomplishment / satisfaction
- 2) professional recognition
- 3) a peer environment that encourages growth (professional networking)
- 4) a productive office (because of the vast tools the education provides) and finally,
- 5) profitability (the higher the education the better the odds for more profit to you and your staff).

If you are an SRA or are working toward that goal, remember, there is a difference.

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Look Who's Looking at You!

by Richard G. Stahl, MAI, SRA, Chair, Website Committee

It was with great pride that the Colorado Chapter was recognized by the Appraisal Institute at the national summer convention in Honolulu for its outstanding and innovative website. Four years after its modest beginning, your website has evolved into a valuable resource for members and *others* who visit the site.

Others, you say? Well lets just take a look at some statistics. During the month of November, our website had 916 unique visitors with 1,560 visits (1.7 visits per visitor) viewing 6,255 pages (4 pages per visit) for a total of 62,048 hits! Tuesday is the most visited day of the week and, not surprisingly, Sunday is the least visited day of the week.

With the exception of 3 am, the busiest hours are from 4 pm to 11 pm. Wait a minute, what do you mean with the exception of 3 am? Well, believe it or not, 3 am is very busy resulting from visits from the UK, Belgium, Norway, Germany, Hungary and other nations half the world (and daylight hours) away. While most visits were 30 minutes or less, 68 visits exceeded 30 minutes and 42 exceeded 1 hour.

At the risk of being too technical, Robots/Spiders (utilities that reach out and grab pages from the internet if it's a new page or a page that has been updated since the last time it was visited) totaled 343 visitors. The most often used search engines were Google, Yahoo, MSN and AOL. The least used were Excite, Webcrawler and Dogpile.

Our most visited pages were the home index, newsletter, resources and course offerings. The statistics also show keyphrases and keywords used on search engines. Of interest are the names of several Chapter members named as keyphrases on the search engines.

The Colorado Chapter began to track statistics in September and will continue to analyze future data. The information gives us a better idea of who comprises the *others*. But now its "Look Who's Watching Who's Looking at You".

In 2003, the webpage will be in the competent hands of Burton Lee, MAI. We look forward to his website leadership.



Beginning with a quiz, **Thomas L. Fellows, MAI** presented the last 4-hour USPAP Update in Colorado Springs to 47 students on November 1st.

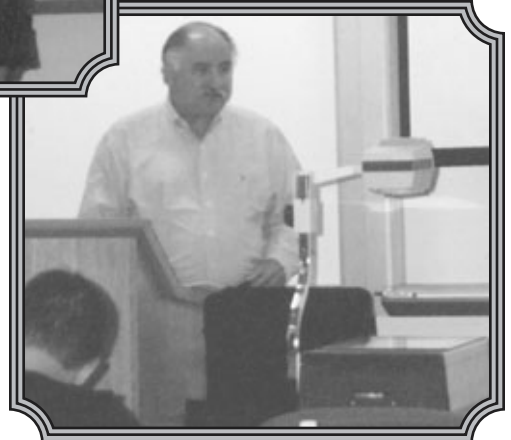
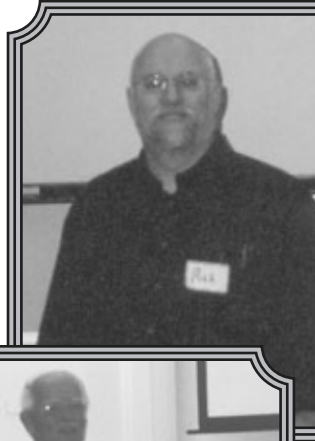
1,180 Appraisers attend Colorado Chapter Educational Offerings in 2002!

Colorado Chapter presented a total of 332 hours of education including courses, National Seminars and Chapter developed offerings presented by community leaders. This included 28 hours of FREE continuing education hours. This aggressive educational program would not have been possible without the dedication of Chapter members who freely gave of their time and expertise:

Thomas L. Fellows, MAI – Instructor,
USPAP Update, Colorado Springs
Louis J. Garone, MAI, SRA – Instructor,
USPAP Update, Denver
MaryKay Kelley, SRA - Chair, Breckenridge Summer Event
John (Jack) W. Nisley, MAI – Instructor,
Residential Demonstration Report Writing Seminar
Thomas J. Power, MAI, SRA – Instructor,
Residential Demonstration Report Writing Seminar
Mike Rinner, MAI – Chair, Education Committee
Bonnie D. Roerig, MAI - Instructor,
General Demonstration Report Writing Seminar
Robert O. Stevens, MAI, SRA – Instructor,
USPAP Update, Grand Junction

Other members, too numerous to mention, also lent their support to this year's successful schedule. Colorado Chapter is fortunate to have an exceptional group of professionals who are involved with the activities of the Chapter, especially education.

If you are interested in helping in any way, please call the Chapter office. You will be immediately involved and gratefully received.



STANDARDS OF PROFESSIONAL PRACTICE PART C *(continued from page 5)*

Discussion

I miss sitting in the classroom waiting for the opportunity to engage in lively discussion. OK— that is my issue.

From an instructor's view, this is a discussion class. The learning objectives are best presented through discussion. Reading through the Standards or the Regulations or the Advisory Opinions is not the same as discussing why some poor hapless appraiser is about to have his or her right hand cut off.

My Conclusion

There is a school of thought that continuing education is merely a monetary system of buying credit hours. I normally try to avoid class offerings of that nature. Unfortunately, the material of 430C is not very exciting. This class is one that can be considered purely at the "cost per credit hour" level.

I skimmed some of the other on-line offerings and found 7-hour classes addressing topics from "Analyzing Operating Expenses", "Appraisal of Nursing Facilities" and "Valuation of Detrimental Conditions in Real Estate." There is something odd (self serving \$?) about being required to take 16 hours of 430C every five year cycle when we can learn all about nursing homes and detrimental conditions in 7 hours. This will become especially bothersome once the Foundation's 8-hour class is required every **two** years. I digress.

There are trade-offs. I missed the discussion and the materials. I did not miss the commute or the motel. The on-line option is appropriate (at least for 430C) if used in moderation. I encourage the "real" class at least every other cycle. That is if Don and Bonnie can stay with it.

CHAPTER LIBRARY

By Bill James, MAI

When Dennis Roelker asked me to be the Chapter Public Relations Chair for 2003 I found that a part of my responsibilities would be the Chapter Library. I had forgotten that it even existed and discovered that it is a great FREE resource for commercial appraisal work! If you haven't used it you will find that it includes a number of useful appraisal data sources that would otherwise cost you a lot. We have been looking for resources that are useful to residential appraisers as well but have found none yet that make sense to include. The library includes the most recent editions of:

- Dollars and Cents of Shopping Centers
- Denver Area Apartment Rent and Vacancy Survey
- IREM Income & Expense Analysis
- BOMA Experience Exchange Report
- Real Estate Research Corp Investor Survey
- NAIOP Industrial Income & Expense Report
- Frederick Ross Market Reports

Come to the Chapter office to look these over at your first opportunity. You will find them very useful for commercial appraisal work. Carol Brooks says she can even offer use of the Chapter copier at no charge as well. Of course, if you would like any other resources added to the library, particularly for residential appraisal work please let Carol or me know.

In Memoriam

by Peter D. Bowes

MARLIN D. OPPERMAN

Marlin Opperman died November 21, 2002. He had been sick most of this year and died of complications related to cancer.

I met Marlin when we were doing masters degree work at the University of Denver. At that time he was working as a real estate appraiser and ultimately took many appraisal courses from the American Institute of Real Estate Appraisers. He never forgot that education and used it in his condemnation work.

After Marlin graduated from the University of Denver College of Law, he served as the Assistant Attorney General in Colorado for highway right-of-way acquisitions. He went into private practice in 1974, specializing in condemnation. He was admitted to the bar for Colorado and U.S. Courts. He was an author and teacher on condemnation matters. Marlin was General Counsel to the American Society of Farm Managers and Rural Appraisers.

Marlin was a member of the External Advisory Board of the University of Colorado Cardiovascular Institute.

Many of us remember Marlin, either working with his clients, or with clients on the other side. He was tenacious, unrelenting, knowledgeable, and attentive to detail. Whether you were working with him or with lawyers on the other side, Marlin insisted that you pay attention to details or suffer the consequences. He was good at what he did.

Marlin is survived by his wife Nancy, his daughter Cheryl, and his son David. They, I, and many of you miss him.

TIME TO GIVE SOME BACK

By Harold S. McCloud, MAI

On August 30, 2002, the Colorado Chapter Board of Directors met to plan the upcoming year. During the planning process, it was the treasurer's duty to inform the board that a pending fiscal crisis is brewing. To be brief, over the past five years, the Board of Directors has been very successful at controlling costs. As a dues-based organization, the chapter has operated within its means. The difficulty comes from education. Over the past several years, education has produced substantial profits, which have resulted in a large surplus. This surplus has grown to nearly three years of operating reserves.

In order to stem the tidal wave of black ink (aka surplus), the board has opted to provide the Chapter members with the following benefits:

- 1) The board has increased travel reimbursement for Region II Representatives and other chapter officers and committee chairs required to attend Region meetings.
- 2) Several local seminars and educational offerings will be FREE to Designated, Associate and Affiliate members during 2003.
- 3) The chapter will pay 50% of the cost for National courses during 2003 for DESIGNATED MEMBERS, if the member registers three weeks or more in advance.

These measures have been instituted to provide Colorado Chapter members with tangible benefits for annual dues, while controlling the surplus. As a final note, I cannot wait for members to pipe up and ask what they get for their annual dues.

BOY AM I GOING TO TELL THEM!



Jack W. Nisley, MAI and **Thomas J. Power, MAI, SRA**

explained the residential demonstration report writing process at the seminar held on October 28th in Denver.

Welcome!

They Went That-A-Way

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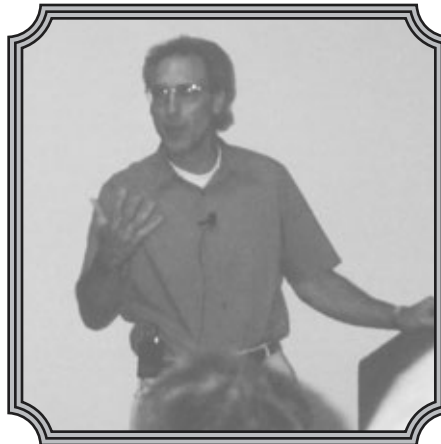
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SUSPENDED

Steve Sneddon



MEETING October 10, 2002

Steven M. Blair and **Jim Westbrook** shared their expertise concerning mold and the remediation process with 73 attendees.



President, **John A. Schwartz, MAI** presented MAI certificates to (l to r) **Steven W. Ketcham, MAI**, **Louis J. Garone, MAI, SRA** and **John F. DeRungs, MAI**.

Changes in SPP Courses

In recent years, The Appraisal Foundation and its appraisal sponsors developed a 15-hour course on the Uniform Standards of Professional Appraisal Practice, which the Appraisal Institute has used for its Course 410. The Appraisal Foundation has now developed a seven-hour program on recent changes to USPAP for those who have already completed the 15-hour course. The Appraisal Institute will use this seven-hour program for a new Course 400.

An updated version of Appraisal Institute Course 420, which focuses on the Appraisal Institute's Code of Professional Ethics, is scheduled for release in 2003 to reflect recent changes to the Code. Due to the introduction of The Appraisal Foundation's seven-hour USPAP update, the Appraisal Institute's Course 430, which focuses on recent changes to USPAP and the Code, will be discontinued. However, in 2004 the Appraisal Institute will introduce a new Standards of Professional Practice Course 450 that will cover advanced topics and case studies in ethics and standards.

Standards of Professional Practice, Part A, Course 410, National USPAP Course

Materials for The Appraisal Foundation's 15-hour National USPAP Course will continue to be used in 2003. A tentative release date for the revised material is February 2003. Students may use this course for qualifying education or, for 2003 and possibly in subsequent years, to satisfy the requirement for the seven-hour *National USPAP Update Course*.

New for 2003: Course 400, 7-Hour National USPAP Update

Effective January 1, 2003, real property appraisers must take the seven-hour *National USPAP Update Course*, or its equivalent, at least once every two years to maintain their license or certification. This program, developed for The Appraisal Foundation by the Appraisal Standards Board and the Foundation's appraisal sponsors, will be available to Appraisal Institute chapters as Course 400. This USPAP update is for students who have successfully completed the 15-hour *National USPAP Course* (Appraisal Institute Course 410).

Standards of Professional Practice, Part B: Course 420

The introduction of the Appraisal Institute's new Code of Professional Ethics as of January 1, 2003, offers an ideal opportunity to reorganize Course 420. The rewritten course will still focus on the code, but will also cover best business practices and how they relate to the Appraisal

Institute's standards and ethics requirements. It will still contain seven hours of class time and a one-hour exam. Because of the extensive changes to the course, it will take a little more time than usual to put it together. We will make every effort to have the materials ready by April 1, 2003, so it would be prudent to schedule Course 420 later in the spring.

Course 430, SPP Part C, to Be Withdrawn for 2003

Course 430 will not be available next year. For 2003, the chapter has scheduled the new Course 400 in tandem with Course 420 to help their members meet their SPP continuing education requirements. Date and location to be determined.

Changes in Online SPP Courses

Currently, Standards of Professional Practice Part B (Course 420) and Part C (Course 430) are also offered through the Appraisal Institute online education program. Both online programs will be discontinued beginning January 1, 2003. Online Course 420 is planned to be offered again in summer 2003 after the classroom version is redesigned. An online version of Course 450, the successor to Course 430, will be evaluated once the classroom version of the course has been created. If the determination is made to offer the course online, it would appear in 2004.

Changes to Members' Standards Requirements

Based on the creation of additional Standards of Professional Practice courses, the General Appraiser Council, Residential Appraiser Council, and Continuing Education Committee recommend changes to the Standards of Professional Practice course requirements that will give members greater flexibility in completing such requirements.

Under the proposed changes, members who have attended Courses 410 and 420, and passed the corresponding examinations, will be able to fulfill the Standards of Professional Practice Course requirement for their five-year cycles by attending Courses 400 and 420, or Course 430 (to the extent it was or will be offered), or Course 450, and passing any corresponding examination(s). Members may also fulfill the Standards of Professional Practice Course requirement for their five-year cycle by again taking Courses 410 and 420, and passing the corresponding examinations.

If you have questions about the content of these courses, please contact Pat McKibbin, Senior Technical Writer and Editor, pmckibbin@appraisalinstitute.org or 312-335-4241.

Can You Just Imagine? 2003 Changes to USPAP

by Bonnie D. Roerig, MAI

Once again, the sands of professional appraisal standards are shifting. Not a lot, it appears, but the Colorado Chapter of the Appraisal Institute thought you might appreciate a ready reference. That said, the full summary of the Appraisal Standards Board's June 11, 2002 actions is available on the Foundation's web site at: www.appraisalfoundation.org. There is no cost to print the 13-page document, so obtaining more information is relatively easy.

So, here goes:

Property Sales History: The prior sales of the subject property needs to be reported back three years for all property types including one-to four-family dwellings, if such information is available to the appraiser in the normal course of business.

Appraisal Updates: Revisions to Advisory Opinion 3 and Statement No. 7 with regard to conditions for "updates" of prior appraisal reports. Language specific to any particular discipline was removed, broadening the application of AO-3 to all appraisal disciplines, not just real and personal property.

Appraising Contaminated Properties: The ASB voted to approve Option 1 (of two) regarding the proposed Advisory Opinion on appraising properties impacted by environmental contamination. This option provides guidance for appraisers valuing contaminated property in its "as-is" condition. The option approved has less specific methodology for this process than did Option 2 although the Board agreed that it is not plausible to provide advice on this topic without addressing some aspects of methodology.

Appraisal Review (Standard 3): Standard 3 will include all appraisal disciplines and will require that an appraisal review that includes the reviewer's own opinion of value by reported in at least a Summary Appraisal Report format. The requirement that the scope of work in an appraisal review must match the scope of work in the appraisal under review will be removed.

USPAP Compliance: Language in the ETHICS RULE will be clarified to indicate that appraisers "should" (rather than "must") comply with USPAP even when they are not required to comply through the force of law, regulation,

or agreement. Compliance is also required when an individual, by choice, represents that he or she is performing the service as an appraiser.

Organizational Matters: USPAP will be segmented to indicate which appraisal discipline a given section will apply (real property, personal property, business appraisal or ALL).

CLASSIFIEDS

Appraiser Position: Denver. Established firm with multiple offices and national clientele seeks extremely quality-oriented commercial appraisers with 2+ years experience for a variety of property types. Position requires strong analytical/writing and computer skills including proficiency with spreadsheets, Pro-Ject, Argus and Word Perfect 8.0. Benefits include vacation, health insurance, education reimbursement and 401(k). Send resume to NVC; 950 S. Cherry St., #800; Denver, CO 80246 or fax resume to 303.753.9339.

Typing, transcription, editing, and proof-reading services. 13 years experience transcribing and producing commercial real estate reports. 100 words/minute typing, exceptional editing and grammar skills. Latest technology and software enabled. Fast, accurate and reliable. Contact Vicky Dietz at 303-651-7990 or vjdietz@earthlink.net for references and more information.

Real Estate Appraiser Trainee, newly licensed, Registered Appraiser is seeking an entry level Appraiser position. College grad, self-motivated, well-organized, dependable and computer literate. Call Floyd Cormier 720-216-0602.

Denver appraisal & counseling firm needs commercial candidate with 2 or 3 years experience. Must be skilled in current val. techniques and narrative report writing. Submit resumé to James Bien, MAI; JBien100@aol.com or fax to 303.797.1593.

Seaching - Recent schooling and licensing as "registered appraiser". Looking for ANY and ALL apprenticeship opportunities as entry into appraisal profession. Travel and compensation not primary concern - opportunity is - good communication skills, self starter. Resumé and references upon request. Robert Olchin, 970-887-9840, 970-887-2030, h.csri@kymtnhi.com

TIRED OF WORKING AT HOME? Want to network with Real Estate professionals? Move your office to Inverness Professional Suites at Dry Creek and I-25. We offer furnished offices with high-speed internet access. Conference room; copy, printer, and fax equipment. New suites will be ready January 2003. Rents range from \$500-\$1000. Suites from 108 SF to 248 SF. 1-year lease w/60 day cancellation clause. Call: Steve, Laura, or Jason Letman, 303.770.2420.

PROPERTY TAX CONSULTANT - Deloitte & Touche, employer of the largest property tax practice in North America, is seeking professionals at all levels to join its Denver office. Candidates must have at least 2 years property tax experience, with emphasis on valuation and assessment negotiation/appeal. Experience with commercial real property, industrial personal property, and/or energy related property is a plus. Bachelor's degree required, master's degree preferred. CPA, CMI, and/or MAI or candidate a plus. Some travel may be required. Must be familiar with Microsoft Office products.

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Real Estate Appraiser Needed for Aspen-Glenwood Springs Area - *Amazing Benefits!* Licensed/Certified and experienced appraiser needed for Aspen-Glenwood Springs area. Benefits include studio apartment, season ski pass and office space. Call Sakson Mortgage Group at 1-888-738-2636 for more details.

ENROLLMENT Form — No Phone Reservations! Please

Economic Overview and Forecast – Residential and Commercial Property In Colorado

Mail this and a check no later than January 6, 2003 to:

Appraisal Institute, 1540 South Holly Street, #5, Denver, CO 80222

OR FAX (303.757.0158) this with your VISA or MasterCard number and expiration date

Name: _____ Designation: _____

Social Security Number: _____

Work Phone: (_____) _____ E-Mail Address: _____

Address: _____ City, State, Zip: _____

VISA MasterCard **Note: The Chapter does not accept American Express**

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Name on Card: _____ Expiration Date: _____
Please type or print

Signature: _____

Schedule: Registration:2:30pm – 3:00pm
Seminar:3:00pm – 6:00pm
Cocktails:6:00pm – 7:00pm
Installation
Banquet:7:00pm – 9:00pm

Continuing Education:
Appraisal Institute and
State of Colorado:.....3 Hours

Fee: Seminar Only
Members: **\$35.00** _____
Non-Members: **\$50.00** _____

Seminar and Installation Banquet:

Members: **\$55.00** _____
Non-Members: **\$75.00** _____

Installation Banquet Only
(members, non-members,
and guests) **\$35.00** _____

Total \$ _____

Questions: 303.691.0487, Outside Denver Area: 1.800.571.0086, e-mail: carol@colo-ai.org