Colorado Chapter of the Appraisal Institute Presents

Economic Overview and Forecast —
State of Colorado
Friday, January 18, 2008

Location: Cherry Hills Country Club
4125 South University Blvd.
Cherry Hills Village, CO 80113

Schedule: 2:30 p.m. – 3:00 p.m. Registration
3:00 p.m. – 6:00 p.m. Seminar
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

- Dinner Only
  - Members, Non-Members, Guests: $40.00

Continuing Education: Appraisal Institute - 3 hours
State of Colorado - 3 hours - PENDING

Topics:
- Colorado Housing Market – What’s Hot and What’s Not
- Residential trends across Colorado
- Strengths, challenges and opportunities
- Review of economic and market performance
- Product successes and niches
- Demographic trends and buyer profiles

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

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

Registration: See Page 14 for Registration Form or go to our web site: www.colo-ai.org
Click on “education” and scroll to “Economic Overview and Forecast”

Speakers:
- Erin Toll, Director of Colorado Division of Real Estate
- Mike Rinner, MAI, Vice President, The Genesis Group
- Sue Selle, Vice President and Senior Market Analyst, The Genesis Group

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The third Round Table, involving County Assessors and Fee appraisers, has been delayed until Spring 2008 due to the heavy volume of assessment appeals throughout the Front Range counties.

Ben White, Denver County Deputy Assessor, will host the gathering and participants will be advised of the date in an early 2008 issue of the Colorado Chapter Newsletter - I will also call the Institute member invitees as well - by the way, if you would be interested in being part of this "Round Table" discussion, please let me know (303/771-5913) We shall look forward to another interesting chat about the issues facing all of us in the valuation business as the economic cycles wax and wain.
As you know, we just celebrated our 75th anniversary. And I’d have to say, “We don’t look a day over 74.” The Appraisal Institute has been at the forefront of appraisal professionalism. As we look into our future, we need to ask what will happen to the appraisal industry over the next 75, 10, or even 5 years? How will the changes in the market impact our businesses? How will the new legislation affect our ability to adequately respond to the needs of our clients? What will AI do to help us not just survive, but thrive in the upcoming years?

ONE: Marketing Tools. AI already has in place tools for our success. We have the Market to Market initiative designed specifically for appraisers to gain more business. We have had direct radio marketing on 850 KOA to allow the masses to hear why designated appraisers make a difference. We have fliers and marketing material to allow our clients to understand the rigorous training we have gone through to distinguish us in the industry. If you are asking, “what has AI done for me, lately?” you’re asking the wrong question. The real question is: “what am I going to do with the tools that I have readily at my disposal?”

TWO: Education. We have in place the very best education system in the world. Education sets us apart from everyone else. That is why we work for our designations: to prove we are capable of a higher level of expertise and judgment. In a nutshell, education allows are clients to recognize we know what we are talking about. If we provide irrefutable facts with sound analysis, we have obtained the desired results..... a supportable value conclusion providing a key to an intelligent business decision. Our clients need more than a number. They need a professional value expert.

Three: Involvement. We need involvement from our members. My slogan for this year is: Participate in '08! I give a sincere “Thank you,” to those who have continued to donate their time, effort, and money for the sake of our profession. Because of space I can’t list names in this article, but “Thanks” for being willing to make a difference. Currently we have 10% of the members doing 100% of the work. Regardless of the reason, the bottom line is: if you want to make YOUR profession better, get involved. I guarantee we have work for you to do. I have started an initiative for 2008 that will put in place specific tasks that will positively impact our profession and our pocket books. But, these initiatives will take involvement. Involvement, knowledge, and application set you apart as a professional. Let’s take on the next 75 years together!

What are carry-over hours and how do I add them to my CE log?

In Regulation 10, carry-over hours for Designated Members are defined as creditable hours earned in excess of those required in the current continuing education cycle, which, if earned during the last six months of the current cycle, they may be carried over into the next continuing education cycle.

Carry-over hours must be entered by the Designated Member Service Center. Please fax, e-mail or mail your certificates of completion.

PLEASE NOTE: THIS ONLY APPLIES TO DESIGNATED MEMBERS IN THE APPRAISAL INSTITUTE.

THIS DOES NOT APPLY TO THE STATE OF COLORADO!!!
Updated BOMA and IREM Data Available at Lum Library

Since the Lum Library now has BOMA’s Experience Exchange Report and the IREM’s Income/Expense Analysis, the Chapter library will no longer order these resources.

The 2007 BOMA Experience Exchange Report and the 2007 IREM Income/Expense Analysis are now available at the Y.T. and Louise Lee Lum Library. The BOMA Experience Exchange Report collects U.S. and Canadian office building data and organizes the information by private/government, downtown/suburban, and size-range subgroups. The BOMA also contains special studies containing national averages for a variety of building types including agency managed, all electric, corporate facilities, financial buildings, medical buildings, and single-purpose buildings. The IREM Income/Expense Analysis collects data from five property categories including office buildings; shopping centers; apartments; federally-assisted apartments; and condominiums, co-ops, and planned-unit developments. The information contained in these sources is available to all members free of charge. To learn more about these resources or to submit a research request, please contact the Y. T. and Louise Lee Lum Library at ailibray@appraisalinstitute.org or 312-335-4467. The Y.T. and Louise Lee Lum Library is underwritten by the Appraisal Institute Education Trust.

Source: September 2007 Chapter Leader Communiqué

Bonnie D. Roerig, MAI Appointed

Bonnie D. Roerig, MAI was just appointed by P Wayne Pugh to be the 2008 Chair of the Appraisal Standards Committee for the Appraisal Institute, and the appointment was ratified by the Board of Directors at its New Orleans meetings just completed earlier this week. To clarify, this appointment is not the same thing as the Appraisal Foundation's Appraisal Standards Board.

In this position, she will also serve on the Institute’s Professional Ethics and Counseling Committee and the Strategic Planning Committee. She will attend meetings of the ASB and present Appraisal Institute positions to the ASB, present AI positions on exposure drafts and on other issues to the ASB and interface with other relevant standards organizations. She will also attend meetings of the International Valuation Standards Committee on behalf of AI.

Congratulations, Bonnie!!

CHAPTER LIBRARY

Remember the Chapter Library is a great FREE resource for 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. The library includes the most recent editions of:

• Dollars and Cents of Shopping Centers – Urban Land Institute
• Denver Metro Apartment Vacancy and Rent Survey
• IREM Income and Expense Analysis – Conventional Apartments – LUM LIBRARY
• IREM Income and Expense Analysis Federally Assisted Apartments – LUM LIBRARY
• BOMA Experience Exchange Report – Office – LUM LIBRARY
• NAIOP Industrial Income and Expense Report
• NOTE Frederick Ross Company Market Reports – Retail, Office and Industrial – Denver/Boulder – NO LONGER AVAILABLE
• Home Builders Association Report – Building permits
• Dollars and Cents of Multifamily Housing – Denver and Colorado Springs
• Trends in the Hotel Industry – 2006 Edition

Come to the Chapter office to look these over at your first opportunity. You will find them very useful for appraisal work. The Chapter 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, please contact the office.

We have found one resource (actually three) that residential appraisers will find useful. The following websites include access to databases of contacts for Home Owners Associations so you can find out monthly dues, reserves, etc. They were compiled by two title companies and a brokerage.

http://www.realestatecolorado.net/denver-hoas/index.html
http://www.firstamheritage.com/Hoas/heritage_hoasearch.asp
http://www.stgco.com/hoa/hoaview/hoasearch.asp

By the way, all Members of the Appraisal Institute can call 312-355-4469 for a complimentary copy of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which includes a complete copy of the current version of USPAP.
Interview with Sherry Engleberg, Executive Director

How on earth did you get hooked up with this organization?

Years ago, Carol needed assistance with registration for a course—and the rest is history. Carol has been wonderful to work with and she has imparted a wealth of information.

Do you have any background in this kind of work?

Thirty-four great years. Both in “for profit” and “non-profit.” I was a licensed life and health insurance agent and I was the Center Director for a Sylvan Learning Center for ten years. I have managed several home owner associations. And I have had the wonderful opportunity to serve on most of the major volunteer Boards in the Denver community, many times as their President.

Any hobbies?

Having both family and friends in my home is one of my favorite things! And I love “old” Country music.

Do you manage any other organizations?

Yes, Colorado Water Well Contractors Association.

Please tell us a little about your family.


Did you enjoy going to Breckenridge recently?

Breckenridge was wonderful.

Have you always lived in Colorado?

College at the University of Denver, however I am a Nebraska girl. “Go big Red”—someday, again!

What challenges do you anticipate ahead for our organization and profession?

For the past five years, I have watched the professional way in which the Colorado Chapter handles issues and the care that it employs for its members. I hope to proceed forward with this same path. Working with all of you will be such a pleasure. And “challenge” is one of the exciting words that I use daily.

Is there anything that we, as members, can do to make your job easier, or more pleasant?

Patience—Patience—Patience!!!
The 176,000 square-foot Signature building is the world's largest, speculative Class A, Platinum-rated, LEED office building. The building concept, created by Aardex, a local design-build firm, has been hugely popular allowing the building to be 100% preleased.

A concern of most developers has been the cost to develop green buildings. While retrofitting an existing building can be very costly, according to the developer, a project that is initially designed as a green building has hard costs similar to their non-green counterparts and an extended economic life beyond that of non-green buildings.

Aardex combined a wide-variety of green construction concepts into their design. Everything from the HVAC system, to exterior and interior wall construction, lighting, and parking efficiency has been considered.

The building, which is primarily glass, allows for a large percentage of natural lighting. The overhead lighting system has sensors that lower lighting levels in areas receiving significant natural light and shifts as the daylight progresses. Motion sensors are activated in all restrooms and, at night, in all office areas, so that only those areas being utilized are lit at any given time.

Because the glass has a high UV resistance, heating and cooling needs are reduced.

Interior wall construction consists primarily of glass-panel walls, which serve a variety of purposes. These walls may be set in virtually any configuration for optimal tenant utility. The walls may be reused many times and save significant construction costs for future tenant finish. The walls have all necessary wiring within the frame work and allow for significant flexibility in placement of electrical outlets, computer portals, and telephone jacks. They take advantage of natural light and allow the greatest number of employees to have exterior views.

Even the parking garage has been given careful consideration. The design includes an internal ramp structure that maximizes parking efficiency.

The most impressive aspect of the building function, in my opinion, is the HVAC system. There is no ductwork in the building and, therefore, no recirculated air. The HVAC system circulates warmed air below the raised floor structure. This air is regulated to a temperature of 65 to 65 degrees, while a typical HVAC system must cool the air to 55 degrees to have the same impact on the indoor environment. Numerous circular vents have been installed across the flooring, which allow each employee temperature control over their individual work environment. Ceiling mounted chill beams, much like car radiators, circulate cooled air from the ceiling down along the windows and out across the floor. In the winter, floor vents that run along all exterior walls circulate warm air up exterior windows and out across the ceiling. A solar band constructed around the exterior perimeter of the building on each level, reflects 70% of the heat rays off the building in the summer and reduces the necessity for cooling in the summer months. This will reverse in winter months.

A total 35% savings in heating, cooling and lighting is anticipated.

Overall, the tour was enlightening and provided a nice overview of some of the many green building concepts available in the current market.
Peter Bowes, CRE, MAI, Receives Prestigious Landauer/White Award of The Counselors of Real Estate

(Chicago) November 16, 2007 — In recognition of his outstanding professionalism, leadership, integrity, and commitment to community service, Peter Bowes of Denver, Colo., was presented with the prestigious 2007 James D. Landauer/John R. White Award at The Counselors of Real Estate (CRE) Annual Convention in San Francisco. Bowes leads the Denver-based real estate appraisal and consulting firm, Bowes and Company, which specializes in appraisal, counseling, research, litigation support, and testimony regarding land and commercial, special purpose, recreational, environmentally-impacted, and other investment real estate.

To present the award, 2007 CRE Chairman of the Board Anthony Souza delivered a moving speech highlighting both Bowes’ esteemed professional career and his principled personal journey.

Bowes has played an instrumental role in several complex and highly visible Denver real estate projects, conducting appraisals of Lowry Air Force Base and Fitzsimmons Army Hospital, Stapleton International Airport, Central Platte Valley, Coors Field, and INVESCO Field at Mile High. He has served as chairman of the Downtown Denver Partnership, an organization that has honored Bowes for his long-term contribution to the city.

Of particular note was Bowes’ extraordinary facilitation of the negotiations between the City of Denver and Ascent Entertainment leading to the development of Denver’s Pepsi Center. For those negotiations, Bowes was awarded The Counselors of Real Estate James Felt Creative Counseling Award in 1999.

In addition to his real estate practice, Bowes has taught 67 courses on subjects ranging from real estate risk to business ethics for organizations such as the Appraisal Institute and the University of Denver’s Daniels College of Business. A sought-after speaker, he has also authored more than 47 professional articles.

Bowes has a long history of civic and community service with the Episcopal Church, the Rotary Club of Denver, the Girl Scouts, Historic Denver, the Downtown Denver Partnership (Downtown Denver, Inc. and Denver Civic Ventures), the YMCA of Metropolitan Denver, the Colorado Council on Economic Education, and the Trust for Public Land.

A member of The Counselors since 1972, Bowes has participated as a volunteer on both the national and local levels for The Counselors, and for the Appraisal Institute, for which he served as national president in 1986.

Bowes graduated from Stanford University in 1958 with a Bachelor of Science in engineering and joined the family business after two years in the United States Marine Corps. He holds masters degrees in real estate and economics from the University of Denver.

THE JAMES D. LANDAUER/JOHN R. WHITE AWARD OF THE COUNSELORS OF REAL ESTATE

Established in 1986, the James D. Landauer/John R. White Award is presented annually to an individual who has demonstrated outstanding professionalism and who has furthered the ideals of The Counselors of Real Estate organization and its CRE designation. Both members and non-members are eligible for the award.

Originally the James D. Landauer Award, and later renamed the James D. Landauer/John R. White Award, the award is named for two CREs who played pivotal roles in establishing The Counselors of Real Estate organization and who were instrumental in furthering the prestige of the real estate counseling profession. White and Landauer were mentors to many members of The Counselors and their legacies are strongly embedded in the CRE organizational history and culture.
Mary Kay Kelley, SRA started the Fall Event 7 years ago and chaired it for five years. Donald E. Boyson, MAI, SRA has been Chair for two years. It is a highlight of the Chapter’s events!

Richard D. Williams, MAI was the Moderator for the panel that presented “Tourism = Value” which was very informative.

Millie K. Wilson was the Moderator for the panel addressing “Economic Up-Date — Mountain Regions” Keren Prior, Assessor for Archuleta County, gave insights to the growth and issues in her area.

It wasn’t all work — It was Oktoberfest, and everyone enjoyed all the festivities that were a part of the very popular event.

Panelists, Ivor J. Hill, Associate Member; Mary Wolf, HUD; Kyle Hooper, State Division of Property Taxation; Keren Prior, Archuleta County Assessor; and Ben White, Denver County Deputy Assessor fielded questions from the audience as they discussed “Don’t Count Your Chickens Before They Are Taxed.”

Tony D. Cichello, MAI, the Chapter Photographer, had the camera turned on him and his lovely wife as they enjoyed all the action in Downtown Breckenridge!
Last summer, Mike Beery, now the new Program Administrator for the Colorado Board of Real Estate Appraisers (BOREA), contacted Claudia Klein, the AI Chapter President this year, with a request for help with license application experience reviews. Chapter members and a couple of non-members responded by agreeing to "lock in" for a day in August, relieving a large backlog of experience applications.

One of the results of increased appraisal license requirements across the nation to take effect in January 2008 has been a substantial increase in applications for upgrades of appraisal licenses and certificates. Among the increased requirements is appraisal experience. In the context of the increased license requirements, the Appraisal Subcommittee, the Federal overseer of Boards like BOREA, has been reviewing license upgrade applications more closely.

Since BOREA is understaffed, particularly for an extraordinary surge of applications like this, Beery requested assistance from the Chapter. Members joined Mike in the BOREA office building in downtown Denver prepared to spend a full day reviewing experience applications and were pleased to find that they could complete the work before well the end of the day. Beery said to the group, "The response was tremendous, and the day was a huge success. It was inspiring for me to see your dedication and professionalism in volunteering to perform this work." Many of the Chapter members continue to review experience for BOREA as the license upgrade applications stay at a high level.

This is an example of AI Colorado Chapter members serving the profession in a variety of ways through BOREA. And, Peter Bowes, MAI; Burton Lee, MAI and Suzanne Dickinson, MAI serve on a Task Force that assists BOREA in approving locally originated educational programs for approval by BOREA for continuing education credit. A number of members also assist BOREA with review of appraiser license disciplinary complaints. And, of course a number of members have served as members of BOREA itself including, Tom Fellows, MAI (now serving as Chair), Karen Tool, SRA, (currently serving on the BOREA) Lou Garone, MAI, Mark Levine, MAI, Bill Van Court, MAI, Maggie Love, MAI, Larry Massey, Ed Leet, SRA (deceased), Jim Vandermiller, SRA and me.

One of the reasons I chose to stay in Colorado when I found myself here in the 1970s was the cooperative and collegial atmosphere of the real estate industry and the appraisal profession in the state, and particularly in the Appraisal Institute. I’m glad to be able to report that the Colorado Chapter, the appraisal profession and the real estate industry in Colorado remain that way.
The Chapter honored Carol Brooks with a Roast to Remember. Rebecca A. Hawkins, SRA, Chair, and Peter D. Bowes, MAI, Master of Ceremonies, developed a fast-paced evening that included many speakers and notes from people who had worked with Carol over the years. After 27 years of service to the Colorado Chapter of the Appraisal Institute (Society of Real Estate Appraisers Denver Chapter #9, Colorado Chapter #22 of the Appraisal Institute), Carol is going to hand the baton to Sherry Engleberg. Carol has been a mainstay of the Chapter, experienced many changes and worked to keep the Chapter at the forefront of the Appraisal profession. Best wishes to Carol in her new lifestyle!
John P. Cordasco, SRA

Attending Colorado State and CU, John worked toward a degree in political science and then in finance & accounting from CU-Denver. The world of accounting was John’s first introduction to the business world. He worked as an accountant for 10 years. He then obtained his appraisal license while living in New Jersey. Returning to his birth state of Colorado, John and his wife sought to live life in the new frontier in 1994.

Timing was everything for this “Self-Starter”. The market was good and John set out on his own without working for another appraisal firm in Colorado. Slowly he was able to build his client base and do a lot of VA appraisal work. John likes to set goals and achieve them. He felt it was important to start differentiating himself from other appraisers and decided to obtain the SRA designation. He sought guidance from Lou Garone, MAI, SRA and Claudia Klein, SRA from time to time.

As John says, the whole process of getting the SRA made him “lose a few hair follicles”, but he finally achieved his goal of the designation. He, his wife and two young children enjoy their home in Colorado Springs. They enjoy many family activities of camping, hiking, & viewing museums. He does not have a specific field of interest in the residential appraisal market, but would like to do more land appraisal work. He asks what courses the AI might be best to help him learn more in that area of the field. John, we are so pleased to have you among us as designated member. We wish you all the very best.

John P. Cordasco, SRA Receives Certificate

Photographer: Anthony D. Cichello, MAI

Claudia D. Klein, SRA stated that it was an honor to present an SRA Certificate to John P. Cordasco, SRA. She further said that one of her goals was to present more designations during her term than anyone before her. She has presented SIX SRA Certificates this year!

Thomas A. Shepard, SRA

With a degree in Criminal Justice from Buffalo State College in New York in 1986, Tom started his career as a juvenile delinquent officer. Observing that even the long term juvenile officers often needed second jobs to make a decent living, Tom looked for a more lucrative career. He took a three month sabbatical to visit in Colorado. Deciding to stay in our fair state, Tom went to work as a technician in soils engineering for a few years. A friend introduced him to the residential appraisal business and he loved the idea of both office and field work, plus the potential of a reasonable level of income. Taking a few appraisal classes at the beginning and working for no income by pulling comparable sales in a real estate appraisal office, Tom waited for a chance to do appraisal work full time. He obtained his registered license and slowly gained experience.

As all of us know, the final break to independent appraisal work is the biggest jump you can make and Tom did this near the end of the 1990s. He slowly gained clients and a good reputation and heralds the Appraisal Institute as his main guidance in the path to become a successful appraiser. Of course the dreaded “Demo” still loomed ahead before the final step of success was made. Tom wishes to thank Lou Garone, MAI, SRA and Tom Power, MAI, SRA for all of their help and encouragement in this designation process.

Tom is enjoying his independent appraisal practice and works out of his home. He lives with his wife and two step-sons in Littleton. Family activities in basketball, scouts and a bit of Colorado skiing keep him grounded outside of his appraisal practice. He is looking to expand his appraisal practice into more commercial business. We congratulate you, Tom, and hope you continue to have success in your well chosen career.

Happy New Year!
Carol Brooks asked if I would write some comments to the questions below. It is possible to say “no” to Carol. But why would you? She does her job so well; you would hate to be the weak link in an otherwise strong chain.

I add the usual disclaimer that my comments are my own and do not represent either the Appraisal Institute or the Board of Real Estate Appraisers.

What are the challenges facing the appraisal profession in the next few years?

1. Education – Body of Knowledge
All professions have specialized language and knowledge. I entered the profession in 1973, with no real estate experience or training. The shop gave me a text called The Appraisal of Real Estate (6th Ed.) and suggested that I read it; great bedtime reading.

I was fortunate that my mentors were all Members of the American Institute of Real Estate Appraisers. My education was filled with classes (AIREA before the AI), seminars, chapter meetings, work experience and professional activities.

The importance of education is greater today. The choices are greater; the vendors are more numerous. The chances of missing opportunities are also greater. People entering the profession must be diligent and careful in selecting their education opportunities. Clients expect that we be knowledgeable.

The profession appears to be moving in the direction of specialization. “Certification” programs (such as the recent Conservation Easement class) are being developed for sub-specialties. The trend will probably continue.

2. Mentoring (Supervision and Training)
I had great mentors: different personalities and backgrounds, but absolutely professional. In the post-licensing environment, I see the lack of consistent, quality mentoring as a major negative affecting our profession. It shows up in the complaints received by BOREA.

I do not see a solution to this problem. In the 1970’s, I was merely one of a string of trainees or associates that passed through an established appraisal shop. In return, I hired numerous trainees and associates during the 1980s. From a business perspective, it is difficult to justify training associates, at least in a commercial oriented practice. The current business models do not encourage taking on the risk and expense of trainees or associates. The residential experience is likely different.

Finding a set of possible solutions for this issue is one of the major challenges of the profession.

3. Licensing versus Professionalism
In the pre-licensing environment (pre 1995), practitioners distinguished themselves by association with the major professional associations: Appraisal Institute, Society of Real Estate Appraisers, ASA, IFA, etc. The initial Appraisal Foundation Board and our own Colorado Real Estate Appraiser Certification Steering Committee (CREASC) was comprised of members of those organizations.

The post licensing environment is represented by licensed or certified appraisers. The professional organizations still exist, but the competitive need to excel in them has diminished. One consequence is a larger pool of licensed-certified appraisers, but not a proportionate increase in ideals of professionalism.

4. Business Models
I am a Liberal Arts major – from CU Boulder (1967 to 1971 no less – the cosmic center of the universe). As a new trainee, I was told that I had to pay for my own appraisal classes, travel expenses, tape measure, photography and calculator. I was something called an “independent contractor.” Welcome to the fundamental business model.

Since then, I have seen the appraisal business models expand to large shops, multi-regional associations, and the relative recent downsizing to one person shops. When I employed six people, I could afford to teach an Institute class for two weeks, or travel to conventions at expensive locations for five days. As a one person shop, those are no longer viable options.

Professional associations (such as AI) could offer more programs or services that help all business models. At one time, a significant benefit of being associated with AI was the possibility of group health insurance. That’s gone. I still have a policy, but the current twelve month adjustment to my premium was +26%.

What are the most important issues facing BOREA in 2008?

The following topics are at the top of the list. You will see that the issues are closely related and intertwined with my observations about the profession in general.

1. The state licensing programs must be consistent with the standards adopted by the Appraisal Sub Committee. During the past eighteen months Colorado’s BOREA has been working closely with ASC to be compliant. The various ASC audit letters and BOREA’s responses are a matter of public record. It is a difficult and on-going task.

(continued)
Region II had its semi-annual meeting in Golden Colorado October 19-21, 2007. It started off with an associates meeting attended by 15 Associate Members and a training session for experience reviewers. The venue we selected was the Golden Hotel, a little boutique hotel with great food and really nice rooms. The hotel is next to the creek and there were walking paths to enjoy the brisk autumn air.

The presidents’ meeting in the morning aired several burning issues with the chapters in Region II. The full meeting with all the Regional Reps started after lunch and adjourned early so that we could all walk to Coors Brewery for the tour and tasting.

On to dinner at Rhapsody’s, across the street from the Golden Hotel, where we re-convened the information part of the meeting after dessert. This was a gamble, taking time out in the middle of the meeting to go have fun and eat dinner, and then keep the group’s attention on AI business. It worked thanks to Immediate Past President Dick Powers’s presentation and handling of questions and answers. He made it a town-hall style of presentation as opposed to a power point that tends to put people to sleep. Even he was surprised at one point when he asked if we had had enough and we kept at it for another half hour.

Sunday morning found us back at the hotel to wrap things up. Weather moved in, so we expedited the meetings so everyone could get back to DIA and make their afternoon flights.

Business addressed at the meetings were:

1. 45-day notice items:
   a. Eliminate structured format for alternative to Residential Demonstration Report requirement: recommended passage;
   b. Allow Associates to take the 7-hour USPAP course in the first year of being an Associate if they previously took the 15-hour WUPAP course: recommended passage;
   c. Prohibit LDNC members from serving on other national boards or committees (except the chair of LDNC): recommended passage;
   d. Membership Categories and Statuses Revised: recommended passage except for voting rights for Associates on unification and other matters.

2. Passed a resolution to get national to put education and chapter finance reporting into commonly accepted electronic formats so that chapters don’t have to manually transcribe data.

3. Passed a resolution to the Board of Directors to elect Anne Johnson as the 2008 Vice President of the Appraisal Institute.

4. Announced the scheduled Joint Regional Meeting in Austin Texas in June, 2008, and the Fall Region II meeting in Kansas City.
Challenges Facing the Appraisal Profession and BOREA (continued)

2. The ASC goal for “complaint resolution” is: investigations to be completed within six months of filing; and resolution of cases within one year. We are getting close to that standard but are not yet there.

3. The implementation of the new AQB Qualifications criteria will likely create unintended consequences in course approvals and BOREA staff reviews of education. I am not expecting anything specific, but such major changes always result in unexpected complications.

4. We are now reviewing experience for license upgrades (Licensed to Certified). This is more than an experience log. We are selecting files for scrutiny to be sure that the claimed experience meets the expected standard of practice.

5. Continuing education is an ongoing issue. The issues include lack of compliance by licensees and the need for responsive approvals of CE offerings.

6. The profession seems to be moving to specialty “certifications.” The current obvious example relates to Conservation Easement appraisals. It can also be applied to other appraisal specialties. BOREA will have to respond to these trends with appropriate policies and possible Rule Making.

7. These issues create pressure on staffing and funding. I will not even start with the political issues of getting more funds from our State Legislature. But is similar to a basic economic principle: infinite demand or need – but limited resources.

Thomas L. Fellows, MAI has extensive experience in many areas of real estate appraising and counseling. He is recognized as an expert in litigation and forensic appraisal issue. He is active in the Colorado Springs Community, and is a Past President of the Colorado Chapter of the AIREA.

Colorado Appraisers

According to Mike Beery, Appraiser Program Administrator, in September 2007 there were 5,224 accredited appraisers in the state of Colorado categorized as follows:

- Active Registered ......................1,390
- Active Licensed .........................976
- Active Certified Residential ........1,565
- Active Certified General .............1,156
- Inactive ..................................133

ENROLLMENT Form — No Phone Reservations! Please

Economic Update — State of Colorado

Mail or Fax (303-757-0158) no later than January 14, 2008 to:

Appraisal Institute, 1540 South Holly Street, #5, Denver, CO 80222
OR FAX (303.757.0158) this with your VISA, MasterCard, or American Express number and expiration date

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