

Philadelphia Metropolitan Chapter

Volume 8 Issue 2

A Message from the President

Trip Lukens, MAI, SRA



In early June, the Appraisal Institute completed a joint meeting with the Appraisal Institute of Canada in the beautiful city of Ottawa in Ontario, Canada. The conference, titled “Valuation Beyond Borders,” attracted over 600 participants from 15 different countries. It was a wonderful time to network with the larger community of valuation professionals.

In addition to the networking opportunities, there were several presentations which were worthwhile. There was a panel discussion moderated by Appraisal Institute President Jim Amarin, MAI, SRA, AI-GRS. The panel included Ed Alegre, MAI of Colliers International, John Busi, MAI of Newmark Grubb Knight Frank, Colin Johnston AACI of Altus Group, and Paul Morrassutti, AACI of CBRE Limited. The group discussed a variety of topics including the overall state of the real estate markets, technology in valuation, and industry trends.

Another interesting speaker was Sir David Tweedie. Sir David is the chair of the International Valuation Standards Board of Trustees. He was an engaging speaker who offered a unique perspective on the role of valuation professionals in the international financial markets.

All and all, the conference proved worthwhile. In addition to the networking and speakers, there were several interesting continuing education courses and a great city to be explored.

Next year the conference returns to the United States and will be held in Nashville, Tennessee. I encourage you all to try and attend for what promises to be an informative and enjoyable conference experience.

Annual Picnic and Chapter Elections

The weather could not have been more perfect and temperate for this year’s annual Chapter Picnic on June 14, 2017. Over forty chapter members gathered to enjoy classic picnic fare and network while overlooking the beautiful golf course at Manufacturers’ Golf and Country Club.

The highlight of any chapter meeting is the presentation of certificates to the newly designated members. Congratulations to the following members who received their designations:

- Louis M. Iatarola, MAI
- Walter Krzywicki, MAI, AI-GRS
- David Curran, MAI, AI-GRS



Louis M. Iatarola accepts his MAI certificate from his father, Louis A. Iatarola.



Walter Krzywicki receives both his MAI and AI-GRS certificates from friend and mentor, Tony Salvitti, Jr.



David Curran receives his AI-GRS certificate from Jerry McNamara.

Also exciting, were the 2018 Chapter Elections. The Nominating Committee received interest from many qualified chapter members, and was able to present a fantastic slate for all of the open 2018 positions on the Board. The slate was unanimously approved.

Congratulations to the following newly elected Chapter Directors and Secretary. Their terms will begin on January 1, 2018.

Directors: Carlo Batts, MAI; Anna Daniels, MAI, AI-GRS; Tim Crann, SRA; and Chris Bourland, MAI (1 year term).

Secretary: Bob Myers, MAI

Noeline Fuller Scholarship

Region VI Noeline Fuller Scholarships are available for both Region VI candidates and affiliates working towards their state license and plan to be a candidate on the path to designation. Scholarship applications are due **August 15th**. The Noeline Fuller Scholarship can also be used for QE and AE courses outside of Region VI. If you would like complete information on the scholarship, including the full application please contact Tiffany Lewis at contact@aiphilametro.org.



If you are a Candidate in need of any courses, PLEASE consider taking the time to fill out the simple application!

Government Relations Update

Louise Jeffers, SRA

FTC and Louisiana Board: The FTC (Federal Trade Commission) sued the Louisiana State Board of Appraisers over their establishing customary and reasonable fees in their state for residential appraisals. To make a long story short, they did their market survey and then said that appraiser fees had to be the median or higher for each product type and they stated Dodd Frank gave them the right to do so. The FTC came in and said 'no that's price fixing.' The LA Board says they'll take it all the way to the Supreme Court but their first hearing isn't until January 2018 so this could take 3-5 years to resolve. In the meantime, PA was working on commissioning a fee study but after this happened they put the brakes on.

SB76 – (Argall, R-Schuylkill); Introduced in early June. As it did last session it eliminates school taxes but changes the state personal income tax from 3.07% to 4.95%; you'd still pay municipal and county RE taxes; Sales tax goes to 8% and expands to include clothes above \$50 and food, childcare and many professional services. Our local school board will lose control of funding and will have no taxing authority.

The Pennsylvania Association of Realtors (PAR), who was the biggest supporter of this bill during the last legislative session, has not evaluated it yet, as of this writing. It is a concern from a personal viewpoint for many people, because it will move control from our school boards to the state; good school districts stand to be weakened quickly and property values may fall soon after.

The proposed bill in its entirety is available on line. <https://legiscan.com/PA/bill/SB76/2017>. I urge you to read it, and speak to your legislators about the down side of this – it will not save money for many people, by the time you count the increases in personal income and sales taxes, and it takes a big risk with the loss of control over funding for our schools, impacting their quality and as a result, property values.

It's now in the Finance Committee.

HB863: Rep Rothman (R-Cumberland); Amended and passed out of the House in mid-June, it is now in the Senate's Professional Licensure Committee for review. This is the old BPO (Broker Price Opinion) bill from past sessions. Besides addressing the legality of a Broker Price Opinion in PA, it makes changes in educational requirements for agents and brokers. The bill has been negotiated and vetted by the Coalition of Pennsylvania Real Estate Appraisers, the Appraisal Institute and PAR.

The bill states BPOs cannot be done for origination of first mortgages, junior mortgages; or for estates, eminent domain, litigation, bankruptcy or divorce. A BPO must be signed by a broker or associate broker and cannot be done by sales people with less than 3 years' experience. Specific language is needed in a BPO and continuing education is required of sales people and brokers. The bill passed the House on 6/14/17 and is now in the Senate in the Consumer Protection and Professional Licensure Committee.

Here is the link to the latest version:

<https://legiscan.com/PA/text/HB863/2017>

House Bill 1213 (Kamph, R- Chester County) and SB 586 (Argall, R-Schuylkill) –Introduced in April. These bills seek to eliminate proactive appeals by taxing districts. The bills do allow for proactive appeals within a year of a county wide reassessment, breaking up of land, change in the productive use of the land or through alteration or additions that modify the use of the property or parcel. A taxing district may NOT appeal the assessment of property based on purchase or sale of the property – or Updating/improving – or refinance – transfer of title. The bills prohibit appeals based on leasing up of vacant space or capital improvements to real estate.



The bill came about because owners of apartment complexes and other commercial property owners which were significantly undervalued for tax purposes were having their assessments appealed by school districts. After introducing the bill, others came forward and asked for amendments to state that all appraisals for commercial properties be completed in a 'fee simple' estate subject only to the four powers of the state (Police, Eminent Domain, Taxation, Escheat). This was shouted down by the School Board Associations and the bill has reverted to its original form.

Background: Owners of many apartments approached Rep. Kamph about spot appeals on their apartment complexes that they wanted stopped. Rep Kamph

introduced the bill and then was approached by some other big business interests who asked him to amend it to state that properties should be appraised in 'fee simple' as though vacant which lowers the opined values and is not how the products trade in the marketplace. The school board association came out in force and pushed the bill back to its original state.

Candidate Guidance Update

Ed Falkowski, SRA

On the heels of the Philadelphia chapter's very successful presentation before the Fox School of Business at Temple University, we have made substantial progress with two other area universities. This effort is our attempt to bring the appraisal profession to the next generation of appraisers and to help them understand what the Appraisal Institute is all about. We are very encouraged by our progress to date!

Lehigh University – Did you know that Lehigh University is the only fully accredited program through the AQB in the Northeast and, upon successful completion of Lehigh's ire@I (Integrated Real Estate at Lehigh) program, students will have successfully completed 275 out of the 300 required hours for a certified general appraiser's license? If you didn't know then don't be surprised... neither did I! After several conversations with Professor Stephen Thode, the Director of the ire@I program and the Murray H. Goodman Center for Real Estate Studies, he is very excited (as are we!) to have the Candidate Guidance committee speak to the Lehigh students in the fall. In addition, Professor Thode sat on The Appraisal Foundation's Board of Trustees for six years and has worked closely with appraisers during his tenure. We are optimistic that this will be the beginning of a long-standing relationship between the Philadelphia chapter and Lehigh University!



University of Delaware – UD has multiple real estate finance classes which spur the interest of the students into the real estate field. After discussions with Jill Pante, M.Ed., a Director in the Lerner Career Services Center for the Alfred Lerner College of Business & Economics at UD, she said that UD is also excited about a visit from the Candidate Guidance Committee in the fall. UD has and has had relationships with appraisers who frequent their classes as guest lecturers to expose the students to that side of the real estate world. Such instructors have included the Philadelphia Chapter's Erick Mazzoni, MAI, MRICS and the Delaware Chapter's Jay White, MAI, CRE. However, Mrs. Pante wants us to come and introduce the Appraisal Institute and to help the students understand the benefits of the Institute in the world of real estate. We look forward to enhancing this existing relationship!

We also have communications out to Villanova University and have other universities that we are exploring relationships with. If you know of an area college or university where a relationship with the Philadelphia Chapter could be mutually beneficial, please reach out to Ed Falkowski at 215-963-4121 (office), 302-293-8683 (cell) or ed.falkowski@cushwake.com. If you also have contact information for someone at the school involved in the real estate/finance/accounting/etc. departments then that would be helpful as well.

Also, we want to remind the current Candidates for Designation that the Candidate Guidance committee is there if you have questions (or ideas, complaints, etc.) regarding the

Candidate Program. While we always encourage the candidates to use their advisors as well, we want to let you all know that we are here if you need assistance. Any and all feedback is welcome! The four of us on the committee have all navigated the program and know both how difficult yet how rewarding it is!

Finally, I would be remiss if I did not give full and proper credit to the other members of the Candidate Guidance committee – Christin Phillips, MAI, MBA, Walt Krzywicki, MAI, AI-GRS and Beau Cantera, MAI. Their ideas, energy and willingness to participate and enhance our presentations to these Universities will be so critical to the chapter's success in this endeavor and I can't thank them enough for their help! Together, we are trying our best to ensure that our current candidates manage the program well and that we are fostering the development of new/potential candidates.

Upcoming Education

Delaware State Rules and Regulations:

September 19, 2017 at 5 pm

Business Practices and Ethics:

October 11, 2017 at 8:30 am

Registration for these seminars is available at the link below: <http://www.myappraisalinstitute.org/education/PhiladelphiaMetro/>

Qualifying Education: Unfortunately, we have not been meeting the bare minimum attendance for our Qualifying Education courses. If enough people show interest in a particular class we, we would be happy to put it on. To request a course, please do so at the following link: <http://aiphilametro.org/education-inquiry/>



Employment Opportunities

To post opportunities on the website or in the newsletter, contact Tiffany Lewis with information about the position you have available (contact@aiphilametro.org). We are happy to post on our site.



Staff Appraiser Wanted: Capital Valuation Partners has an opening in their Doylestown, PA office for a staff appraiser. The ideal candidate will have a PA Certified General Appraiser license and three plus years of valuation experience. In addition, the ideal candidate will be detail oriented with strong writing skills and the ability to work independently. Candidates that are close to obtaining their PA Certified General Appraiser license will also be considered.

We are seeking highly motivated individuals that wish to maximize their income potential. We offer fee split compensation with a competitive benefit package.

Capital Valuation Partners is a regional commercial real estate appraisal and consulting company performing appraisal services in PA, NJ and DE. Headquartered in Doylestown, PA,

we also have offices in the Lehigh Valley and Southern NJ. Each office is operated by a principal of the firm and each principal has an MAI designation. Please visit our website at www.capvalpartners.com. Qualified candidates can email their resume to John Crognale at jcrognale@capvalpartners.com.

Commercial Appraiser: Mid-Atlantic Valuation Group, Inc., a leading commercial appraisal firm with five MAIs on staff, has a position available for an experienced commercial real estate appraiser in our Wayne, PA office. If not already certified, a four-year college degree is required. Competitive compensation is offered, based on experience. Strong math, writing, organizational and problem-solving skills are required. Email resumes to mmignogna@mvginc.com.

2017 Officers and Directors

Our Chapter's success is dependent upon our leadership each year and this year's group managed to accomplish a great deal in an ever-changing AI environment. As always, please feel free to contact the Board with any questions, comments or concerns.

President	Reaves C. "Trip" Lukens, MAI, SRA tlukens@valbridge.com
Vice President	Craig Gleason, MAI gleason17@verizon.net
Treasurer	Robert Lagreca, SRA Rlagreca@Lqres.com
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Cathy Donley, MAI
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Robert Myers, MAI
Christin Phillips, MAI

Immediate Past President:

Paul Quinn, MAI, AI-GRS

Committee Chairs

Richard Wolf, MAI - Education
Ed Falkowski, III, SRA - Candidate Guidance
Susanne Curran, MAI, AI-GRS – Publicity
Louise Jeffers, SRA – Government Relations
John Crognale, MAI- Bylaws
Robert Lagreca, SRA - Finance
Lou Iatarola, MAI – Harrison Winder Award