

Philadelphia Metropolitan Chapter

Volume 11 Issue 1

A Message from the President

John Crognale, MAI



John Crognale (L) with National
President Jefferson Sherman (R)

The first few weeks of 2020 were relatively quiet for the Philadelphia Chapter and real estate appraisers in general. The winter started with mild weather which is always beneficial to appraisers as we spend many hours on the road with property inspections.

As a chapter, we had a very successful USPAP class held in Fort Washington with the instructor being one of our members, Suzanne Curran, MAI, AI-GRS. As always, Suzanne did a tremendous job teaching the class and it was well attended. We also had some other interesting events scheduled for the first half of 2020 such as our always popular Real Estate Trends seminar at Villanova organized by Rick Hideck, MAI. The seminar is always our most popular event and Rick's dedication to organizing it is very much appreciated by the Chapter. Once again, Rick had great speakers scheduled for this event. In addition, we had our 2nd Quarter General Membership meeting and summer picnic scheduled for June 2020.

However, as the COVID-19 pandemic reached our area at the end of February, our lives and industry have been greatly impacted. On March 23, 2020 Governor Wolf ordered a "Shelter-In-Place" for our area and we officially entered the "red" phase. This order greatly changed the way we were allowed to conduct appraisal services in our region. The situation was very fluid and chapter leadership worked closely with the Council of Pennsylvania Real Estate Appraisers (CPREA) to provide guidance to our members as new directives were issued by the state. We also had to either cancel or postpone upcoming chapter events and classes for the first half of 2020.

As we slowly move through the "yellow phase", the situation remains very fluid. Chapter leadership will continue to work with the CPREA to provide updates to our members as changes continue to unfold in our industry. We are also working to reschedule chapter in-person classes as our area reopens for business. Please watch for the upcoming emails from the chapter regarding updates on COVID-19, new classes and events. Please do not hesitate to contact the chapter with any questions or concerns regarding industry changes as a result of the pandemic. Finally, we wish everyone and their families to be safe through this difficult time.

Education 2020

Rick Hideck, MAI

We are feeling fortunate to have been able to offer Advanced Market Analysis and HBU and the 7 Hour USPAP Update courses before COVID-19 closed just about everything down.

We had some excellent speakers lined up for our annual Real Estate Trends seminar at Villanova University. Many of our speakers will be returning, albeit with much different data and presentations. We have rescheduled this event for October 9, 2020. At this time, we do not believe there is any way to safely hold this event in person. We plan on hosting this event virtually on that date so please save the date on your calendar. More details will follow as the date gets closer and we secure all of the necessary virtual approvals.

As a reminder, we will be offering in-person classes this Fall. We will have two general education classes 1) Site Valuation and Cost Approach and 2) Real Estate Finance, Statistics and Valuation Modeling. These classes tend to be smaller in size and we have secured a large enough room to ensure social distancing is possible without masks for the entire class. Of course, we will be doing everything possible with safety of all parties as the priority. Please reach out to me or Tiffany if you have any questions.

During this challenging time, the message of supporting small and local operations has permeated all areas of our lives. We are extremely grateful for members who have opted to stay enrolled in courses as we have postponed them to the fall!

Both classes are currently open for registration here:

<https://aiphilametro.org/education/course-listings/>

I am thankful that I attended courses in person and met colleagues in my classes, many of which I remain in contact with today! If you need these either of these classes, please take the opportunity to support our local chapter and meet some of your peers. I am looking forward to getting out of the house and seeing everyone in person. First, I need a haircut!

We look forward to seeing everyone soon.



2020 Education Schedule

Qualifying Education

General Appraiser Site Valuation and Cost Approach:
September 1-4, 2020; Giant Community Center, Willow Grove

Real Estate Finance, Statistics and Valuation Modeling:
November 9-10, 2020; 1650 Arch, Philadelphia

Registration is open for all QE classes!

<https://aiphilametro.org/education/course-listings/>

Continuing Education

6th Annual Real Estate Trends: October 9, 2020; VIRTUAL!
Please be on the look out for updates on registration later this summer!

Government Relations

Chris Bourland, MAI

It is an understatement to say that Covid-19 has caused a major disruption in our lives. For many Philadelphia Metropolitan Chapter members, the Commonwealth's orders in response to Covid-19 caused an interruption to business as well as some confusion about what business activities were permitted. This Chapter is fortunate to have concerned leadership and the Coalition of Pennsylvania Real Estate Appraisers (CPREA) working behind the scenes to advance our interests in a responsible fashion.

As you recall, all non-life sustaining businesses were ordered closed and Pennsylvanians were required to "stay-at-home" in mid-March. In person real estate related activities were prohibited. Upon becoming aware of the orders, the CPREA initiated contact with the Board of Certified Real Estate Appraisers (BCREA) and the Department of State (DOS) for clarity as to what services appraisers were permitted to perform. In addition, the CPREA and staff from the Appraisal Institute's Washington, D.C. office, were in regular contact with the Pennsylvania Association of Realtors (PAR) and the Pennsylvania Bankers' Association. On April 10th, the DOS released new guidance which made it clear that residential, exterior-only appraisals were permitted and allowed some limited residential interior inspections.

On April 16, Representative Todd Polinchock introduced House Bill 2412 on behalf of the Pennsylvania Realtors. As introduced, HB 2412 would have required the Department of Community and Economic Development (DECD) to issue a waiver to the Governor's Orders allowing some activities of real estate brokers, salespersons, and home inspectors to resume. Appraisers were not expressly mentioned in the introduced HB 2412. While in consideration in the House, the CPREA was in frequent



contact with Rep. Greg Rothman, MAI and other members of the House on both sides of the aisle. Rep. Rothman's insight and political knowledge were invaluable in CPREA's efforts. HB 2412 passed the House on April 28 concurrently with new guidance issued by DOS allowing residential interior inspections to be performed for financing related purposes in counties that were in the "Yellow Phase" of reopening.

As HB 2412 was being considered by the Senate, the CPREA had several conversations with key Senators regarding the need to address the residential and commercial interior inspections that were still not permitted under the Governor's Orders and DOS guidance. When HB 2412 was considered in the Senate CERD Committee, an amendment was offered by Senator Thomas Killion, in collaboration with Senator Lisa Boscola to clarify that the "providers of residential and commercial real estate services" included real estate appraisers. HB 2412 was passed by a bi-partisan majority in the Senate.

On Sunday May 17th, Senator Jay Costa and Rep. Frank Dermody, the Democratic leaders of the Senate and the House, wrote to the Governor and encouraged the Governor to meet the real estate industry somewhere in the middle between the April 28th guidance and HB 2412 thus negating the necessity for a veto override vote.

The Governor vetoed HB 2412 and contemporaneously released the "Guidance for Business in the Real Estate Industry" which allows real estate appraisers to get back to business. Had the CPREA and other key leaders not worked during the consideration of HB 2412 to highlight the need for appraisers (particularly commercial property appraisers) to be included as part of any permitted real estate activities, it is possible that we would not have been written into the Governor's guidance.

Thank you to the following key leaders for their support.

Scott Hartman, SRA

Representative Rothman, MAI

Senator Killion

Senator Boscola

Senator Costa

Senator Dermody

David Crouse, MAI, SRA, AI-RRS of AI Northwest Chapter,

Bob Owen, SRA of the Pittsburgh Metro Chapter

Bill Stoerrie, SRA, AI-RRS of the Keystone Chapter

John Crognale, MAI of the Philadelphia Metro Chapter

Louise Jeffers, SRA, AI-RRS

Michael Mignogna, MAI, AI-GRS

Justin Reis, MAI, SRA

Richard Wolf, MAI, SRA, AI-GRS

Thank you to all the other leaders who are not mentioned above who supported the initiatives undertaken in support of real estate appraisers.

If you have an interest in learning more about government relations issues, or if you would like to bring an issue to the chapter's attention, please email Chris Bourland, MAI at chris@jbvaluation.com

Candidate Guidance Update

Ed Falkowski III, MAI, SRA

COVID-19 has had a substantial dampening effect on many things... real estate, appraisal volume and general global health conditions, but the one thing that it hasn't negatively impacted is the spirit of the Candidate Guidance Committee! While we were unable to make any spring semester visits to local universities/colleges as a result of the pandemic, we have begun laying the ground work for a successful Fall 2020 with some new and established university relationships!



As I've written about before, our longest standing relationship is with Temple University. Temple and their real estate club (TREC – or Temple Real Estate Organization) has been a very big supporter of the Philadelphia Metro Chapter of the Appraisal Institute. They have routinely reached out to us to come back to the Fox School of business to give our semi-annual presentations and have engaged us as judges in a homegrown real estate valuation competition. This year brings new and exciting news to Temple! Through the work of Professor David Wilk, MAI, CRE, FRICS, the Appraisal Qualifications Board (AQB) has accredited Temple's undergraduate real estate program! This endeavor was made possible by the formidable tag team of Professor Wilk and our very own Joe Pasquarella, MAI, CRE, FRICS. This accreditation means that graduating seniors will have appraisal licensing credits for the following hours: 258 (Certified General), 185 (Certified Residential), 135 (Licensed Residential) and 60 (Appraiser Trainee). Therefore, for the first time (based on my working knowledge), the immediate Philadelphia area will have an AQB-approved real estate program. That is very exciting news for both Temple and the Philadelphia appraisal industry! Professor Wilk has been a huge proponent of having us back to campus (both with visits to TREC as well as giving guest lectures to his class). We envision a long and fruitful relationship with Temple!

The relationship with Drexel took a new and exciting turn as I was hired to be an Adjunct Professor in Drexel's burgeoning Real Estate and Management Development (REMD) program. I was tasked with taking an existing senior-level class and remolding it into more of a valuation-centric class. As final exams are wrapping up as of the writing of this newsletter, I can honestly say that it was a fantastic experience and that Drexel has more than just a few terrific candidates to be future appraisers! While it was only my first semester as an adjunct faculty member, I look forward to seeing how we can further grow the program and involve the Appraisal Institute more in the curriculum (through both an introduction of AI published material/books, other guest speakers, etc.).



We have been successful in rebooting our relationship with Lehigh University who, as of 2019, had a change in the leadership of their real estate program. Due to that transition, we were only

nominally present during 2019 (where I was a judge at their annual Collins Family Scholarship Practicum/Capstone competition) and Walt Krzywicki, MAI, AI-GRS was a mentor during the preparation for the final competition. In discussions with Lehigh, they want to have us present at the beginning of the semester to a large audience of both returning and incoming students to their real estate program (dubbed Integrated Real Estate at Lehigh or IRE@L). Originally, Lehigh was the only school in the northeast who was accredited by the AQB (273 hours for Certified General, 185 hours for Certified Residential, 135 hours for Licensed and 60 hours for Trainee). In early 2019, I sent a communication to the new director of Lehigh's Murray Goodman Center for Real Estate letting them know that their accreditation was due to expire in the middle of 2019 and that letting that expiration occur would be an unfortunate loss of a valuable resource for Lehigh. While I believe that the accreditation temporarily lapsed, it was reapproved in May of 2020! Therefore, that means that we have TWO schools in Pennsylvania accredited by the AQB!

Wait a minute... did I say two schools? There are actually THREE now. In April of 2020, the Smeal College of Business at Penn State University was also granted accreditation by the AQB! They have the exact same number of approval hours as Temple (258/185/135/60) but now the Appraisal Industry has "coverage" in the middle of the Commonwealth. In addition, through a connection sourced by our very own Mike Mignogna, MAI, AI-GRS (Appraisal Institute Region VI Chair), I have been in discussions with Penn State to have the Candidate Guidance Committee present at their "Real Estate Boot Camp" in the fall at their Main Campus. Our contact at PSU is very excited about this development especially given their recent AQB accreditation and the efforts by the Appraisal Institute to help promote the benefits of such an accreditation. What this means is that Pennsylvania appraisal firms will now have a much wider and deeper pool of students who have a material part of their licensure education credits completed upon graduation. They will be ready for some great real-world experience to supplement that education!



As I wrote about before, our efforts at the University level have resulted in a noticeable increase in Student Affiliate memberships, even when compared to the total number of Student Affiliates on a regional level. To that end, the Candidate Guidance committee is spearheading an initiative to pair these students with "mentors" so that can get something more "tangibly intangible" out of their Student Affiliate experience. Please understand that this initiative is very malleable in the way that a mentor/mentee approaches it. It can be anything from exchanging some e-mails/phone calls, meeting for lunch/coffee, having the mentee visit your office or even a consideration of hiring the mentee to assist on appraisal work. Whatever the end results are, it will be a product of what you and the mentee make of it! To date, we currently have a need for two mentors and it is open to everyone in the chapter. If you are interested, please let me know!! It may be a more fruitful experience than you would anticipate!

Finally, the Appraisal Institute has elevated the former national University Relations Panel to a full "Committee" status, chaired by Ryan Zink, MAI of Florida. I had previously served on the panel for the last two years and am honored to have been appointed to serve on this newly formed committee. We are embarking on our first meeting and planning sessions with the new committee and I am very excited to see how this will dovetail with the Candidate Guidance Committee's efforts over the last six years. I will say that the panel is a veritable "who's who" of former LDAC participants, including a former LDAC chair, several discussion leaders (DLs), a former Appraisal Institute National President and a former Ted Anglyn award winner. To say that I am in awesome company is a major understatement! For those who have never been to or even considered going to LDAC (the AI's Leadership, Development and Advisory Council)... not only can you make a difference by having direct, in-person discussions with federal lawmakers as well as appraisers from every corner of the US (while spending time in our nation's capital), you can also make relationships with many people who strive to make the appraisal business better and do so via Appraisal Institute national leadership positions. Like I told the University Relations Committee... the power of LDAC is REAL!

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.

Licensed/Certified Appraiser Wanted!

Valucentric is a fast-growing appraisal firm owned by appraisers with W2 staff in 20+ states with an opportunity for Certified/Licensed/Trainee Residential Appraisers.

The Valucentric TEAM works collaboratively, providing industry-leading technology for efficient research and analytics vital for our high standards of quality reporting. The superior resources we offer, along with extreme respect for all TEAM members, make Valucentric an extraordinary working environment!

Send your resume to acarroll@valucentric.com
Visit us @ www.Valucentric.com

Officers and Directors

Our Chapter's success is dependent upon our leadership each year and this year's team may be facing the most challenging set of circumstances yet! As always, please feel free to contact the Board with any questions, comments or concerns.

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