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Cardinal Ohio Chapter

of the Appraisal Institute

June 2010

Cardinal Ohio Chapter Newsletter, as compiled by its officers and board members. Submissions and/or comments are appreciated.

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PRESIDENT'S MESSAGE



Members / Associate Members:

The year 2010, like 2009, has been a challenging year for all of us involved in the real estate business. Continued lack of comparable sales, increasing capitalization rates, lack of viable financing options, and more distressed assets on the market have made it more challenging than ever to formulate market values for properties.

In these difficult times, the Appraisal Institute offers various avenues to assist its members in rising to the challenges of these difficult times.

First, the Appraisal Institute offers the best real estate education for those individuals trying to distinguish themselves from the pack. Second, the Appraisal Institute offers excellent networking opportunities, which provide for peer consultation on difficult jobs, ascertaining comparable data, and referral work. Simply put, the Appraisal Institute offers many advantages to its members, which is why the Appraisal Institute is the premiere appraisal organization recognized by the market.

In 2010, the Cardinal Ohio Chapter was faced with several challenges. First, the passing of Sally Lawton as the Executive Director for 10+ years required many Cardinal Ohio Chapter members to step in and assist in the transition from Sally's executive directorship to DebbieLee Dougherty's executive directorship. I would like to thank all those individuals who volunteered their time in assisting in this transition.

Moving forward, the Cardinal Ohio Chapter plans to implement more classes scheduled over several years to help those individuals achieve their designations. This falls in line with our strategic plan that we outlined in 2009 during the meeting with the Appraisal Institute officials from Chicago. Also, in helping those officers, directors, and chairs manage their time more effectively, we have continued moving board meetings to various locations. In 2010, our first board meeting was held in Cincinnati, with the last board meeting to be held prior to the Economic Seminar in Columbus. The spring and summer board meetings were held via conference call with the intent of assisting the various officers, directors, and chairs in their time management. Ultimately, the conference call board meetings are hoped to have the effect of reducing significant travel time for those located hours from the board meeting locations and increasing participation.

I would like to tell all of you that it has been a pleasure to serve the members of the Cardinal Ohio Chapter of the Appraisal Institute. I have received numerous benefits which far exceed the time and cost associated with volunteering my time. I hope moving forward that you will consider, if you are not already involved in, being an officer, director, or chair so that you will realize the many benefits that I have received.

Sincerely,

James Burt, MAI
2010 Cardinal Ohio Chapter President

33rd Annual Real Estate Economic Seminar

The Cardinal Ohio Chapter's 33rd Annual Real Estate Economic Seminar will be held at the Embassy Suites Dublin on Friday, December 3, 2010. The cost is \$200 before November 25, 2010 and \$250 thereafter. The seminar is being submitted for 7 hours of Appraiser continuing education credit for Ohio, Michigan, West Virginia and Kentucky. Speakers and topics will include:



- **Dr. Paul Bishop, VP of Research, National Association of Realtors®**
Residential Real Estate Market Review & Outlook
- **Robert Bach, SVP, Chief Economist, Grubb & Ellis**
Commercial Real Estate Market Review & Outlook
- **Craig Kegg, VP, Grandbridge Real Estate Capital, LLC**
- **Maggie Hambleton, SRA, President, Hambleton, Inc., Panel Moderator**
Trends in the Residential Real Estate Market
Residential Sales Agent - **TBD**
Residential Builder - **TBD**
Residential Lender – **TBD**
- **Kristine Robbins, Ohio State University, Fisher College of Business**
Coaching & Mentoring
- **Ray Jackson, MAI, Integra Realty Resources – Cincinnati, Panel Moderator**
Covering the Commercial Real Estate Market
Retail - **Kevin James, Principal, VP, Cassidy Turley**
Apartment - **Dan Hogan, Red Capital**
Industrial – **TBD**
Office – **Robert White, Jr., President, The Daimler Group**

To register for the event, go to www.cardohio.org or contact DebbieLee Dougherty at edcardohio@cardohio.org. We hope to see you there.

Spotlight on a Chapter SRA: Bill Waltenbaugh



Earning the SRA designation is something I have desired to do for some time. It's very exciting as well as satisfying to have finally attained that goal.

I currently write a weekly blog called "For What It's Worth". This week I'm going to reflect a little about professional organizations and their designations. I'm also going to share some of my own experiences on obtaining the SRA designation. Below is a rough draft of what I will be posting later today. **Designations And Professional Organizations**

When I started in this business 20 years ago, I had every intention in joining a professional appraisal organization like the Society of Real Estate Appraisers or the American Institute of Real Estate Appraisers. It was an easy decision back then because most clients expected the principle owner of an appraisal shop to be part of an industry related organization. They also preferred the appraiser to hold some sort of professional designation as these were considered essential if you wanted to be taken seriously in the industry.

Although just a greenhorn at the time and working under more experienced appraisers, I set my sights high and looked forward to the day when I too could wear the emblem of a professional designation. However, my ambitions, along with numerous others, quickly changed with the advent of state regulated licensing. It seemed as if most mortgage-related clients no longer cared if you belonged to an appraisal organization or held a designation. Their primary concern lay mostly with the status of your state license. I guess they held the opinion that; if the state feels you're qualified, we feel you're qualified.

In the early transition years, a few clients still recognized the importance of appraisal related organizations and their designations but they were few and far between. Eventually, even these clients began to change their tune. For appraisers, the thought of paying high dues and being held to yet another standard didn't seem worth the time and energy. It simply wasn't needed. Orders rolled in despite supplemental affiliations beyond licensing.

Flash forward 20 years and a mortgage crisis later, things are beginning to change. Most lenders' primary concern is still with licensing and certification, but more attention is also being contributed toward the benefit professional organizations have to offer. Let's face it, outside of setting up minimum standards and collecting annual renewal fees, the states haven't done a very good job of regulating the process. Until recently, many appraisers did what ever they wanted and it wasn't uncommon to see the client being the tail that wagged the dog.

It's funny how things change when the going gets tough. Lenders are now requiring appraisers to provide more detail and support; checking a box and moving on just doesn't cut it any more. If you put it in your report, you better be able to provide sound commentary, data and reason.

For many appraisers, this caught them off guard. They never did things this way and, even worse, no one ever taught them how. They met the bare minimum qualifications for licensing or certification and found the most inexpensive continuing education available to maintain it. In short, they had limited networking opportunities to find support for changing times. Even the Appraisal Foundation has recognized this void and recently acted to fill it with a new board, the Appraisal Practices Board (APB). *For more information on the APB see my previous blog entry titled, History In The Making.

The primary reason I decided to go back to my roots and pursue a professional designation stemmed from my desire to stand out as someone dedicated beyond the bare minimum. To be identified as going the extra mile to be the best professional I can. Truth be told, it wasn't an easy road. I had to start primarily from the beginning and, that was a difficult pill to swallow. I was a certified appraiser of 18 years, so why did I need to start so far back?

Simply put, most of the core education I took was over 10 years ago. If I wanted to become an SRA, I would need to retake most of the basic courses. As much as I grumbled and moaned, it wasn't so bad. Do you know what? I actually re-learned a few things I forgot. Things that make more sense with a little more experience and a broader understanding of how markets change.

On several occasions, over the past four months as Appraiser Loft's Chief Appraiser, I've been asked by several appraisers on our panel about my background. Some have even accused me as being a "bully pulpit" expletive that never hit a lick in the field. Just for the record, I have 20 years in the field and just four months in the so called "bully pulpit". Believe me, I know what an appraiser is going through and I say this because I want you to understand that my desire to become an SRA had everything to do with becoming a better appraiser and little to do with my new position. Being able to understand the process better and having a network of similar minded professionals for support was my driving motivation.

If you're not part of a professional appraisal organization, I highly recommend you become a member of one and start working toward their designation. In the end, I think you will find, like I did, that it is well worth the time, effort and money. I think your clients will as well. If you currently hold a designation or are part of a professional organization, please feel free to post your own thoughts. Let others know how it has made a difference in your own practice.

New Chapter MAI, Paul Watkins receives certificate.



2010 Chapter Meetings & Events

Date	Meeting/Event	Location	Time
9/16/10	Board of Directors Meeting	Conference call	10:00 am
12/3/10	Real Estate Economic Seminar Installation of Officers	Embassy Suites Dublin	7:45 am 12:00 pm
12/9/10	Board of Directors Meeting	Conference call	10:00 am

A Look Back at Our Chapter

By **Kenneth E. Wilson, MAI**

My history began when I got out of the Army in 1970 and came to Columbus to work for Gary Nash, MAI and Hank Halas, MAI. I was greener than grass and started taking the Appraisal Institute courses and going to the Institute programs. I remember how helpful the Members of our Chapter were in answering questions and providing guidance.

The Chapter Meetings were usually quite lively, as debate was encouraged. One of the liveliest debaters was Bob Jackson, MAI of Cincinnati. Our meetings, in those days, were generally a full day, which included Committee Meetings, Board of Director's Meetings, General Membership Meetings, Seminars, Lunches and sometimes Dinners. Each Standing Committee had an MAI as the Chair. The Chair would then select Candidates to work on the Committee. This integrated the Candidates (that's what we were called in those days) with the Membership and provided continuity for the Standing Committees.

The AIREA was a part of the National Association of Realtors. Therefore, one of our Quarterly Meetings was always with the Ohio Association of Realtors. This was one of the highlights of the year, as these were very large Conventions held in the major cities of Cleveland, Cincinnati, Columbus. As you may know, some of our Members were former Presidents of the Ohio Association of Realtors.

During this time, we were also proud to have one of our Members as the National President of the AIREA. This was Mr. John Remick, MAI of Dayton. If you didn't know him, he was a special guy.

As others have mentioned, the Economic Seminar and our Year End Meeting and Dinner were special in those days. Many of our Members would bring their spouses and, in some cases, their children. Many of the spouses would spend their day, while were at the Economic Seminar, doing the family Christmas shopping.

The Appraisers have always been drilled with the Principle of Change. The major change that affected our organization occurred about the same time. This was the Savings and Loan bailout bill requirement that Appraisers be licensed and certified. Concurrently, we merged the American Institute of Real Estate Appraisers with the Society of Real Estate Appraisers. It is interesting that many of the Appraisers in Columbus were Members of both organizations. At that time it was nice to be able to attend the monthly Luncheons that the Society was known for, as well as the AIREA Quarterly Meetings which included Members from all over the State.

Change can create some difficulties and this was certainly true with the licensing and certification process, as well as unification. One of the most positive things that came out of unification was the expansion of our friendships with Members in Toledo, Cincinnati and Dayton. It has been inspiring to see many of these Members work in the Chapter and become our Officers.

We have a lot of people to thank over the years, but none more so than our Executive Secretaries. This includes Missy Weiler, Marge Wilson and our Sally Lawton. As those that have served as Officers or Committee Chairs know, these jobs could not have been completed without their guidance and assistance.

History is always helpful in showing us where we've been and maybe providing some guidance for the future.

**History is who we are
and why we are the way
we are.**

- David McCullough

2010-11 Course/Seminar Schedule

Date	Course/Seminar	Location	Hours
7/6 – 7/9/10	Basic Appraisal Procedures	Columbus	30
7/20 – 7/23/10	General Appraisal Income Approach, Part 1	Columbus	30
8/17 – 8/20/10	General Appraisal Income Approach, Part 2	Columbus	30
8/27/10	Commercial Engagement and Review Seminar	Maumee	7
9/23 – 9/24/10	Real Estate Finance, Statistics, Valuation Modeling	Columbus	15
10/29/10	2010 National USPAP Update Course	Maumee	7
10/8/10	2010 National USPAP Update Course	Columbus	7
12/3/2010	33 rd Annual Real Estate Economic Seminar	Dublin	7
3/21/2011	Appraisal Curriculum Overview - Residential	Cincinnati	7
3/21 – 3/22/2011	Appraisal Curriculum Overview - General	Cincinnati	15
3/23/2011	2010 National USPAP Update Course	Cincinnati	7
4/11 – 4/14/2011	General Appraiser Sales Comparison Approach	Columbus	30
5/16 - 5/19/2011	General Appraiser Site Valuation and Cost Approach	Columbus	30
6/20 – 6/25/2011	Advanced Applications	Columbus	40
7/18 – 7/19/2011	2010 National USPAP Course	Columbus	15
7/20/2011	2010 National USPAP Update Course	Columbus	7
8/15 – 8/19/2011	Advanced Income Capitalization	Columbus	35
9/19 – 9/22/2011	General Appraiser Report Writing and Case Studies	Columbus	30
10/17 – 10/21/2011	Advanced Market Analysis & Highest and Best Use	Columbus	35
11/4/2011	2010 National USPAP Update Course	Maumee	7

Note: Schedule is subject to change

To learn more or to register for courses and seminars, visit the Chapter website at www.cardohio.org or contact DebbieLee Dougherty, Executive Director, at edcardohio@cardohio.org.



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**Cardinal Ohio
Chapter**

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Executive Director

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We're on the Web!
www.cardohio.org

Information's pretty thin
stuff unless mixed with
experience.
- Clarence Day

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Questions or Comments

We welcome submissions and suggestions for future newsletters. Questions and comments can be submitted through the Cardinal Ohio Chapter Office.