

Upstate NY Chapter of the Appraisal Institute

Newsletter

July 2013



President's Message



he summer is well under way. The tulips, trees, and lawns referred to in my last message have been inundated with rain in June. A couple of weeks ago, on my way to Albany, I witnessed the Thruway flooding, the Mohawk River rising to the level of the railroad bridges, and wondered when the lazy hazy days of summer would arrive. Now, in July, they're here. Record heat prevails. Technology permits us to forecast weather, but nothing can predict or protect us from the devastation seen in the Mohawk Valley flooding. Shades of the Southern Tier a few years ago. We wish those effected well.

2013 OFFICERS

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John Mako, MAI, SRA

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William Kimball, MAI

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Technology can be our friend. The residential component of the appraisal market has embraced this change, although it probably was at the urging of our clients, not necessarily by choice. Form-fill software has permitted the residential appraisal market to respond to clients needs and increasingly short delivery requirements. However, the commercial market segment has been slow to react to their client's needs in terms of standardized reporting formats, instantaneous access to data, and enjoying the benefits of data maintenance and management.

Few commercial valuers have truly been open to the steps forward required to continue in the 21st century. The national appraisal companies have led the way in terms of providing high level tools for data management and report writing. I've been lucky, based on my current employment with Cushman & Wakefield, Inc., to witness the time saving benefits of an integrated data management and report writing system. At our last chapter meeting and seminar, the Upstate Chapter was able to review a similar system through a presentation made to our members. Ross Phelps, from Narrative One, gave us a fine display of their company's package of integrated systems, illustrating the time savings possible with a system of related programs. This should open our minds towards managing our data and report organization in a more efficient manner. Thanks to Ross and Narrative One for the informative presentation.

Our seminar, Case Studies in Upstate New York Real Estate Valuation, was once again a success. Thanks so much to Nate Gabbert, who took over the presentation this year. As the

(Continued on page 2)

(Continued from page 1)

organizer and one of the presenters, he is to be commended for his support of the education needs of our chapter members and guests. Nate has served as a member of the Board of Directors for years, also as the By-Laws Committee Chairman. Nate, thanks for the years of service and for embracing this challenge. Can't wait to see what you come up with next year. Thanks to all the presenters.

In my last message, I mentioned how precious time is to all of us. Our chairman emeritus, G. Richard Kelley, is recovering from surgery at St.

Camillus Rehabilitation Center. Please take time from your schedule to drop him a note or pay him a visit. Dick is one of the past recipients of our Chapter Presidents' Award. This year, Susan Baldwin, MAI, will be chairing the committee for the Award. Please forward recommendations to Sue for consideration.

Enjoy the heat of July; look forward to a long and productive Summer.

John Mako, MAI, SRA
Chapter President

Chapter Installation Dinner October 24th

The Chapter's Annual Installation Dinner will be held on Thursday evening, October 24, 2013 at the Aqua Vino Restaurant on the Canal in North Utica. Save the date and plan on joining us to install next year's Officers and Directors. Reservation forms for the affair will follow soon.

2014 Chapter Officers and Directors

Congratulations to our 2014 Chapter Officers and Directors who were elected by the membership on June 7th. They are:

President – William Kimball, MAI, Syracuse
Vice-President – Mark Grant, East Greenbush
Secretary – Philip Coughlin, MAI, Syracuse
Treasurer – William Beyerbach, MAI, SRA, Rochester

Directors elected for a 2-year term on the Board expiring December 31, 2015:

Pamela Bukys, Rochester
Denise Rhoads, Syracuse

Get Well Soon Dick Kelley!!!

Good friend to just about everyone in the Chapter, G. Richard (Dick) Kelley, Syracuse, had an above the knee amputation following complications from surgery required because of blood clots in his right leg.

Dick is now in rehab at the St. Camillus Rehabilitation Center, 813 Fay Road, Syracuse, NY 13219. We're sure a card from his friends would speed up the rehab process.

Online Education:

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Upcoming Education Programs

- **Wednesday, September 18, 2013** – “Business Practices and Ethics”, Chapter office, Utica, NY. Instructor James L. Murrett, MAI, SRA, Buffalo.
- **Thursday, October 10, 2013** – “Appraising the Appraisal: Appraisal Review” (General & Residential), Hotel Utica, Utica, NY. Instructor Vincent M. Dowling, MAI, SRA, West Chester, PA.
- **Thursday, October 24, 2013** – “Valuation of Cell Towers” Hotel Utica, Utica, NY. Instructor Nathan Gabbert, SRA, Rochester (3.5 hours).
- **Thursday, October 24, 2013** – “Mineral Rights Valuation Part II”, Hotel Utica, Utica, NY, Instructor Michael Coles, Elmira (3.5 hours)
- **Friday, December 6, 2013** – “7-Hour USPAP Update Course”, Chapter office, Utica, NY. Instructor James L. Murrett, MAI, SRA, Buffalo.

Please note that the 7-hour USPAP Update Course was originally scheduled for November 8th and has now been rescheduled for December 6th due to the availability of Course Materials.

Reservation forms for all of the above programs are attached. Please adhere to details and reservation deadlines.

Employment Opportunities

T. Gschwender & Associates, Inc., 311 Montgomery St., Syracuse, NY 13202, a Credit Risk Management Company serving the Northeast, is currently seeking highly qualified licensed appraisers to perform commercial and/or residential appraisal review services for their clients (primarily banks and credit unions). If you would like to discuss this very flexible opportunity, either as an independent consultant or as someone interested in becoming an employee, please contact the Office Manager at (315) 701-1293 x 0.



6th Annual President's Award

Each year the Chapter recognizes, through its “President’s Award”, a chapter designated member, associate member, affiliate member or others associated with our Chapter who make a significant contribution to our Chapter, the appraisal profession or their local community.

The award committee is comprised of the three immediate past chapter Presidents who vote on the award winner and a committee chair who does not vote (Susan Baldwin, MAI, Syracuse).

A nomination form for this year’s award winner is enclosed. Please return it to the address shown by September 30, 2013. The winner will be recognized at our Annual Installation Dinner on October 24th.

Past recipients of the award are:
2008 – James L. Murrett, MAI, SRA, Buffalo
2009 – G. Richard Kelley, MAI, Syracuse
2010 – Kevin Bruckner, MAI, Rochester
2011 – Anthony A. Girasole, MAI, SRA, Niagara Falls
2012 – William Hafner, MAI, SRA, Albany

Real Estate Appraisers Optimistic About Future: Appraisal Institute Survey

CHICAGO (July 17, 2013) – More than three-fourths of U.S. real estate appraisers are very or somewhat positive about the demand for their services over the next one to two years, according to an Appraisal Institute survey released today.

Eighty percent of residential appraisers and 78 percent of commercial appraisers said they are upbeat about their future, according to the survey conducted in May-June by the nation's largest professional association of real estate appraisers.

"Appraisers have faced a challenging real estate market in recent years, and it's great to see that so many valuation professionals are feeling optimistic about the future," said Appraisal Institute President Richard L. Borges II, MAI, SRA.

According to the survey, 95 percent of residential appraisers and 49 percent of commercial appraisers said there is currently more demand for their services than a year ago.

Additional survey results include:

- Eighty-four percent of residential appraisers said their local residential real estate market is strong, and 46 percent of commercial appraisers had the same opinion about their local commercial markets.

- Eighty-six percent of residential appraisers and 55 percent of commercial appraisers said demand for their services is strong.

- Thirty-two percent of residential appraisers and 45 percent of commercial appraisers anticipate more demand for their services during the ensuing one to two years.

"Real estate trends are typically local in nature, and it's a positive sign for the nation's economy that appraisers around the country reported increased demand for their services," Borges said.

The online survey polled 591 real estate valuation professionals May 31-June 17. The survey had a margin of error of +/- 4 percent.

CoreLogic: Housing Affordability Better than Ever

Although mortgage rates rose in June, they still are low enough by historic standards to keep homes affordable and are unlikely to fuel another housing bubble, analytics firm CoreLogic reported July 16 in its latest MarketPulse Report.

CoreLogic suggested that the rise in mortgage rates is helping to slow down the pace of current appreciation, which actually is helping to prevent another housing bubble. The firm noted that mortgage rates would have to rise appreciably higher to cause a housing market downturn.

By market, the nation's housing affordability is at an all-time high. CoreLogic categorized nearly all states as affordable or as being near their peak levels of affordability — all except Hawaii and the District of Columbia.

In order for states to lose their affordability ranking and return to the high levels seen during the last bubble, prices would have to rise an additional 47 percent or interest rates would have to shoot up

6.75 percent.

"While the rational or irrational nature of buyers' expectations are not clear in housing today, CoreLogic believes there is still a long way to go before housing again becomes unaffordable," the reported stated.

The report revealed that since the recession, the nation's median household income has shown moderate growth while mortgage interest rates showed a steady decline — from a high of more than 8 percent in 2000 to a consistent 4 percent (or lower) through 2012.

CoreLogic measured changes in housing affordability through March 2013 by an index based on the ratio of median household income to the cost of qualifying for a mortgage on a median-priced home. In this report, the firm assumed a borrower's mortgage was a 30-year fixed-rate with a 20-percent down payment and the qualifying debt-to-income ratio was 25 percent.