

New Hampshire Chapter Appraisal Institute Newsletter

Upcoming Education

Values & Trends
in the Commercial
Real Estate
Investment Market

May 15, 2012
4 to 6 P.M.

The Red Blazer
Restaurant
72 Manchester Street
Concord, NH 03301

2 Hours C.E.

\$35 Members

\$40 Non-Members

Register today

Email:
ai.nhchapter@gmail.com

**See last page for more
details**

Rural Development Seminar

The New Hampshire Chapter sponsored a two hour seminar on the Rural Development financing program at the March meeting. Duke Simoneau, USRD Review Appraiser, traveled from Bangor, ME to give an informative and entertaining presentation on RD's programs and requirements. Attendees received two hours of state continuing education credit.

Some highlights from Duke's talk pertaining specifically to appraisals included: Rural Development follows the HUD FHA handbook for appraisal requirements. RD requires UAD compliant reports but they don't need a MISMO file, just the pdf. The income and cost

approaches are not required if they are clearly not applicable. Checking a highest and best use box and leaving it at that is not sufficient; there must be an explanation of the subject's highest and best use. A land value is required, along with supporting sales and a reconciliation. The remaining economic life is required. The neighborhood and market (note that they not necessarily the same) need to be delineated and explained. All lot dimensions must be given or put "see attached deed" in the dimension line. Dug wells might be acceptable but probably won't meet the required gallons per minute

level. Census tracks must contain the full 10-digit code. The lot can't be subdividable and secondary living units aren't accepted. Commercial or industrial uses are not acceptable but a home business may be. If a "streamline inspection" is required, it is not an appraisal with a value opinion but an inspection to certify that the property still meets HUD requirements.



Instructor Duke Simoneau



If you have questions about Rural Development appraisals, you can contact Duke at duke.simoneau@me.usda.gov or 207-722-3026 or Colleen Ladew, GSFH Program Specialist for RD, at colleen.ladew@nh.usda.gov or 603-223-6035.

2011 Chapter Officers

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Chapter Office

PO Box 1456

Rochester, NH 03866-1456

Welcome New AI Members
Kristen Eldridge & Cathy Capron

Kristen A. Eldridge

Kristen Eldridge Appraisals
P.O. Box 806
109 Main Street
Meredith, NH 03253
(603) 279-5568 office
(603) 279-8090 fax
keldridge@metrocast.net

Kristen is a certified residential appraiser who specializes in waterfront properties in the Lakes Region. She has been in the real estate business 32 years, starting off in a brokerage firm that concentrated on Winnepesaukee waterfront/access properties. In 1991, upon the birth of her daughter, she switched to real estate appraising. Kristen served on the New Hampshire Real Estate Appraiser Board from 2005 to 2011, acting as Grievance Officer for three of those years, and Chairman for one year.

Catherine J. Capron

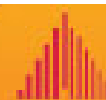
Capron Appraisal Services
P.O. Box 6590
Penacook, NH 03303-6590
(603) 753-9136 office
(603) 753-9136 fax
capronappraisal@comcast.net

Cathy has been appraising in New Hampshire for 25 years. She began her career as a residential appraiser and later pursued additional education and training to become a commercial appraiser, obtaining her Certified General license in 2007. Her mentors during her career were AI members George Boley, SRA during her early residential years and since 2004, Don Spring, MAI for her commercial career. Cathy has owned Capron Appraisal Services since 1991 and offers both residential and commercial appraisal services. Her specialties include unusual and complex residential properties in the greater Concord market area and a variety of commercial property types statewide. She particularly enjoys her work involving conservation easements, knowing that it has contributed to the preservation of open land for generations to come.



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**Appraisal
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Professionals Providing
Real Estate Solutions



**March 20 Seminar
USRD
New England Review Appraiser**

USRD lending and appraisal orders have increased significantly in the last few years due to the condition of the credit markets. Residential appraisers are seeing more USRD work than ever before.

Those who attended this seminar gained the knowledge and expertise in preparing residential appraisals for USRD.



These seminars provide excellent networking opportunities.

Attendees earned 2 continuing education credits.

PEGGY GALLUS, RM

Peggy Gallus, RM, past president of the NH Chapter of AI, recently stepped down from the New Hampshire Real Estate Board after two terms of service. She was appointed to the NHREAB by Governor Lynch in 2006 and heard her last case in the spring of 2012. From 2006 to 2008, Peggy was an investigative review appraiser examining complaints that were brought to the board. In 2008, she became the Grievance Officer for the board and was responsible for handling the complaints filed against appraisers. Peggy brought organization to the board's complaint process by setting up a formal team of investigative review appraisers, something that didn't exist before, to review appraisals for possible USPAP violations. She was also able to use the resources and personnel of the Attorney General's office and set up a formal hearing procedure. Peggy has nothing but high praise for the investigative review appraisers that help the NHREAB. She said they are all very professional and unbiased in their review work.



During Peggy's tenure on the board, the number of grievances nearly tripled, largely due to the credit and housing crisis that was unfolding at the same time. Initially, many of the complaints were from unhappy property owners but the number of

complaints from lenders and AMCs has been steadily increasing. The "Dodd-Frank Wall Street Reform and Consumer Protection Act" now requires mortgage lenders and "any other person" involved in a real estate transaction involving an appraisal to report USPAP violations to state regulatory agencies.

Not surprisingly, a strong knowledge of USPAP is essential for a NHREAB member because USPAP compliance is the main focus for complaints to NHREAB. Regarding value complaints, the board can only look at whether the appraiser's value is supportable or not. Peggy benefited from attending various workshops around the country, sponsored by the Appraisal Foundation, specifically for state appraiser regulatory agency board members. Peggy said: "I initially looked at my time as a volunteer, giving back to

the profession, but actually it turned into an experience that I gained a lot from".

A resident of Berlin, NH, Peggy has been appraising since 1987 and holds the Residential Member designation from the Appraisal Institute. The NH Chapter of the Appraisal Institute is very proud of Peggy's service on the NHREAB and to the entire NH appraisal community.

EARNING AN SRA or MAI DESIGNATION

www.appraisalinstitute.org

Have you always thought about a designation? Never gotten around to it? Now is the time!

•Associate Members – go to the AI website, under the Education tab, search for Advanced Professional Development, select Education for MAI/SRA Designation, then select check your

Associate Status Report to see what requirements remain for your designation.

•Not a member yet? – follow above and select MAI Designation and SRA Designation Requirements (or click on Membership tab which will take you to the same listing).

•Need financial assistance? The Appraisal Institute Education Trust offers a variety of scholarships (under Education tab, Scholarships).

•Questions? Contact Katrina Hill, SRA 603-763-9973

House Bill 514 (Entry on Private Property) Moves Over to the NH Senate

HB 514 is a broadly written bill with the intent of strictly limiting government officials' access to private property. The bill outlines a procedure for officials (and anyone else) to gain access to private property which would include administrative warrants, or giving prior written notice to and obtaining prior written permission from the property owner. This aspect of the bill doesn't affect appraisers in a substantial way.

However, if it were passed as currently written, the bill would have a hugely negative effect on the ability of appraisers and Realtors to do their jobs because of one clause (I added underlining for emphasis):

Chapter 7-C:1, II. No information gathered by entering private property without permission or a lawfully issued warrant shall be recorded, made public, or used for studies or grants, including information gathered without property owner permission prior to enactment of this section.

Some municipal assessors interpreted this clause as a requirement to make assessing records such as property record cards and assessing files unavailable to the public as has been customary for many years. Just imagine

trying to confirm comparable sales data without it and you'll grasp the importance of the bill.

The NH House of Representatives passed the bill and sent it to the Senate. The Senate Judiciary Committee, chaired by Sen. Matthew Houde, D-Plainfield, held a hearing on HB 514 on March 29, 2012. The vast majority of the speakers and attendees at the hearing opposed it but the Judiciary Committee would study the bill and decide its fate. After a couple weeks, the state Senate amended the bill significantly to reduce it to its original purpose (before the House of Representatives greatly expanded it): "to set guidelines for entry by **conservation commissions or their designees** onto private property for data gathering and natural resource inventory purposes and for the publication of such data, and to ensure that property owners are informed of data gathering on their property". The Judiciary Committee voted 3-2 that the bill "ought to pass with amendment". The bill will now go back

to the House of Representatives to see if a compromise can be worked out. If none is reached, the bill will die for this session.

To read the revised bill in full and follow its progress through the legislature, go to: http://www.gencourt.state.nh.us/bill_status/ and type in HB514 in the "Quick Bill Search" section of the State Legislation Dash Board.

APPRAISAL INSTITUTE MEMBERS:

This is *your* newsletter - your suggestions and comments are welcomed. Do you have any personal or professional news that you'd like to share with your fellow AI-NH members and appraisers around the state? Have you recently joined the Appraisal Institute? Have you added a new specialty to your practice, been awarded an honor or upgraded your license? Have you got married, had a baby, or moved to another region? Looking for a job or have a job opening? Are there any topics or features that you'd like to see in this newsletter? Is there a topic on which you'd like to write an article?

To date, the newsletter has been published twice a year but with your help, it could be a quarterly publication. Please send your ideas, comments, and news to Karen Ryan at kdryanappraisals@comcast.net.

UPCOMING AI EDUCATION OFFERINGS IN NEW HAMPSHIRE

May 15th

Values and Trends in the Commercial Real Estate Investment Market

Robert Horvath, Director of the National Retail Group and Senior Associate of Marcus and Millichap Real Estate Investment Services and Terence Scott, Commercial Investment Multifamily Specialist with Apartment Realty Advisors, USA. This seminar will help commercial appraisers understand the current trends in the commercial marketplace as they apply to the valuation of various types of investment real estate. (2 hour seminar-NH Approved)

September & November Seminar topics to be announced.

All classes are at: The Red Blazer Restaurant, 72 Manchester Street, Concord, NH from 4-6 p.m.

Email ai-nhchapter@gmail.com to R.S.V.P. - Payment taken at the seminar.

Other AI Educational Offerings Around New England

Basic Appraisal Procedures, 5/9/12 – 5/12/12, Woburn, MA

Residential Applications: Using Technology to Measure and Support Assignment Results,
5/21/12, Warwick, RI

Advanced Market Analysis and Highest & Best Use, 6/11/12 – 6/15/12, Woburn, MA

Appraising the Appraisal: Appraisal Review – General, 6/27/12, Warwick, RI

Real Estate Finance, Statistics, and Valuation Modeling, 6/28/12 – 6/29/12, Woburn, MA

General Appraiser Market Analysis and Highest & Best Use, 7/18/12 – 7/21/12, Woburn, MA

Advanced Concepts & Case Studies, 8/20/12 – 8/25/12, Woburn, MA

Why Pursue an Appraisal Institute Designation?

1. **The MAI and SRA designations** have long been recognized by courts of law, government agencies, financial institutions and investors as **marks of excellence** in the field of real estate valuation and analysis
2. Obtaining a designation shows your clients that you have gone above and beyond the education and experience needed for state certification and demonstrated **professional knowledge, understanding and ability**
3. Designated members make a commitment to advanced education, defined ethical requirements and **higher expectations for the appraisal profession as a whole**

MAI and SRA DESIGNATIONS

The MAI designation is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions.

The SRA designation is held by appraisers who are experienced in the analysis and valuation of residential real property.

May 15, 2012 Seminar

Values and Trends in the Commercial Real Estate Investment Market



Robert Horvath, Director of the National Retail Group and Senior Associate of Marcus and Milichap Real Estate Investment Services.

Bob has been an active owner and manager of assets in New England for the past 18 years. He works with a number of real estate investment advisors, developers and institutions in the sale of single tenant and multi-tenant retail assets throughout the United States.



Terence Scott, Commercial Investment Multifamily Specialist with Apartment Realty Advisors, USA

Terry has executed over \$900 million in multifamily and commercial real estate sales. He is a senior marketing professional with over 20 years of experience in sales, marketing, asset management, development, consulting and appraisal.

This seminar will help commercial appraisers understand the current trends in the commercial marketplace as they apply to the valuation of various types of investment real estate. This is a must see seminar for every commercial appraiser or anyone looking to have a better understanding of the real estate investment market.

Due to seating constraints we ask that you R.S.V.P. by simply sending an email to ai-nhchapter@gmail.com.

Date: may 15, 2012
Time: 4-6 p.m.
Place: The Red Blazer Restaurant
72 Manchester Street
Concord, NH

Cost: \$35 AI members, \$40 non-members
CE Credits: 2 hours (NH REAB approval)

If you have any questions, please contact Mary Ellen Humphrey at 603-496-3237 or 603-335-1217.

Please visit our website: www.ai-nh.com