



NH-VT Chapter of the Appraisal Institute 2021/2022

Education 2021-2022

2021/2022 Chapter Meetings & 2-Hour Seminars & Continuing Education

**4-6 PM - 2 hours CE
Virtual Zoom Seminars**

We hope to go back to in-person seminars at the Ichiban Steak House in Concord in 2022. More information to follow if these seminars will be held in person in 2022.

January 18, 2022

4-6 PM - 2 hours NH CE *pending*

Topic: Conservation Easement Appraisals

Presenter: Roger Larochelle

March 15, 2022

4-6 PM - 2 hours NH CE *pending*

Topic: TBD

Presenter: TBD

May 17, 2022

4-6 PM - 2 hours CE

Topic: Housing Market Data Sources

Presenter: NH Housing Finance Authority

**December 6, 2021
Burlington, VT**

USPAP Update 2022-2023

More Information on Page 5

**December 7, 2021
Concord, NH**

USPAP Update 2022-2023

More Information on Page 6

NH-VT Chapter Summer Social Outing



On a beautiful summer night on July 22, the New Hampshire/Vermont Chapter of the Appraisal Institute held a social function at a New Hampshire Fisher Cats' baseball game at the Northeast Delta Dental Stadium in Manchester, New Hampshire. This fully sponsored outing was made possible by several sponsors including Sargeant Appraisal Service (Major Sponsor), Bergeron Commercial Appraisal, Chet Rogers, MAI, Cowall Appraisal & Consulting, Goodwin, Prophet & Frank, Inc., RMA Risk Management Associates, Stone Brook Appraisals, LLC and White Appraisal. Three skyboxes, an adjacent party patio area and seating for everyone were reserved. There was a total of 85 people in attendance that included appraisers, assessors, bank review appraisers, real estate brokers, developers, property managers, builders, family members and invited guests. A free cookout was included along with soft drinks and adult beverages were close by. The game ended with a Fisher Cats' walk-off and fireworks. A great time was had by all. We are hoping to hold a similar social outing at a Fisher Cats' game in 2022, so stay tuned.

*****STAY TUNED*****

TWO FUTURE CLASS OFFERINGS

April 2022 (Exact Dates TBD)

7 Hours Each (One Day)

Rutland, Vermont

Concord, NH

Class: TBD

Presenter: Mark Smeltzer

2021-2022 OFFICERS, DIRECTORS AND BOARD MEMBERS



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Distinguished Service Award – Joe Fremeau



The Distinguished Service Award is awarded by the Board of Directors on a periodic basis to individuals who have provided the Chapter with exceptional leadership and/or service. This summer the NH/VT Chapter Board of Directors awarded Joseph G. Fremeau, MAI, SRA this award. Joe served the chapter for several years on the Board of Directors and he served as the Chapter President in 1988 and 1989. Joe operated Fremeau Appraisal in Manchester, New Hampshire for several decades. Joe has been instrumental in training and mentoring numerous commercial appraisers over the years and his legacy will live on. Congratulations to Joe for setting the bar high for commercial appraisers and service to the Chapter! The other individuals that have been awarded the Distinguished Service Award are Chick Thompson, Andrew Lemay, John Crafts, Paula Clemente, Duane Cowall and Vern Gardner.

UPDATE ON THE CAUSES OF INFLATION

This article was previously posted a prior edition of the New England Real Estate Journal

What is inflation? What does it mean to real estate investors? When does it start? When does it end? How is it measured? Unless you've been living under a rock, benefiting from a trust fund, or are simply oblivious to day to day life...it seems that almost everything is more expensive in the post Covid-19 world. The essence of inflation tends to be tied to the prices that we pay for things (food, transportation, housing etc.). Over time, most prices tend to increase, but generally we don't notice because it happens slowly over extended periods. An example is the daily increase in fuel prices that don't make of a difference for most commuters' weekly transportation costs. The relationship for the prices for goods and services and the changes in these prices over time are tracked through a metric we know as *inflation*. Here's a simple definition of inflation...it's when things cost more than they used to. This isn't necessarily a bad thing, but it can have a very real impact on your money/purchasing power. No matter how you look at inflation, it has very real impact(s) on what you do with your money. This translates to how we spend it, save it, or invest it. Each presents very different implications for an investor's future. There are many different causes for inflation...but most center around increased costs (supply chain challenges) and increases in demand (consumers willing to pay more for a limited supply of goods and services). Both impact most sectors of the real estate markets with varying underlying factors (supply chain, tariffs, shipping delays, material shortages) contributing each. So what does this mean to real estate investors? How does this affect the many different classes of real estate and ultimately how does it impact buyer/sellers? Here are a few things that are reflective of an inflationary environment.

- 1) Inflation generally leads to higher asset (real estate) prices - As this price of things increases with inflation, so too does real estate. Generally speaking, when inflation increases then housing and other real estate asset prices follow suit.
- 2) Inflation causes building (soft and hard) costs to rise – Because all things increase in price with inflation, the cost of materials used in construction will also rise. Inflation increases wages, machinery costs, and building materials. It also puts increased stress on developers and investors as cost-overruns become much more possible. Sometimes, the perception of inflation delays project timing and results in further cost increases with sub-contractors and general contractors attempting to hedge anticipated increases for specific projects.
- 3) Residential housing outperforms other asset classes during inflationary periods – This is evident in almost every major housing market in the country with double digit appreciation being reported since the outbreak of Covid-19. This has a two-fold impact on most homeowners as the market value of their home increases so do the alternative costs to replace it (buying a new home) and generally so do related ownership (occupancy) costs. Inflation also makes construction more expensive, which benefits property owners because they can expect less competition from new buildings.”
- 4) Inflation reduces relative value of outstanding debt by decreasing its cost as interest rates rise. This is portrayed by the impact of rising interest rates on almost any market value of a fixed rate financial instrument. Bankers call this interest rate risk. As rates rise, the relative value of debt goes down. It's actually an inverse risk for them (bankers) because their assets (loans) do not reprice as quickly as their costs of funds (deposits/checking accounts).
- 5) Real estate serves as a hedge in an inflationary period. This is attributed to the impact of rising rents in most property types, increased appreciation/market values (rising construction costs and higher demand) and relatively lower debt values. It's almost like a “perfect storm” of positive factors that leads to unparalleled growth in market values.
- 6) Inflation generally leads to higher interest rates. As inflation increases, most central banks (US – The Federal Reserve Bank) increases interest rates to slow spending and increasing savings.

Without a doubt, it appears that many of the above forces are at work, locally and nationally. In northern New England, these forces are all in place with unprecedented levels of appreciation in all sectors of the residential home markets. Most appraisers/brokers believe that the current trend will continue into 2022 and possibly longer. Until the availability of housing improves (more listings & new home construction) or demand subsides (fewer people seeking housing), there is no reason(s) to expect it to change.

Robert P. Concannon, MAI

Past President of the New Hampshire/Vermont Chapter of the Appraisal Institute

NEW HAMPSHIRE-VERMONT CHAPTER

NOTICE OF UPCOMING CLASS OFFERING

7-HOUR NATIONAL USPAP UPDATE COURSE (2022-2023)

BURLINGTON, VERMONT

DECEMBER 6, 2021

8:30 AM to 4:30 PM (registration is from 8:00 to 8:30 AM)

Location: Delta Hotels Marriott Burlington, 1117 Williston Road, South Burlington, VT

Instructor: Steven G. Elliott, SRA

Seminar Topic: This one-day course, copyrighted by The Appraisal Foundation, focuses on recent changes to USPAP requirements for ethical behavior and competent performance by appraisers. The course, which clarified several commonly misunderstood aspects of USPAP, will aid participants in all areas of appraisal practice seeking updated competency in USPAP, including those subjects to state licensing or certification and continuing education requirements imposed by professional organizations, client groups, or employers. Note: Appraisers must successfully complete the 7-hour USPAP Update Course every two years to meet the USPAP continuing education requirement.

Required: Participants must bring their own copy of the most current USPAP edition to class (currently the 2020-2021 edition), either in digital format or a hard-printed copy (NOT INCLUDED WITH THE COURSE). To order, go to The Appraisal Foundation's website at www.appraisalfoundation.org. For those of you who already have the 2020-2021 edition, you need not re-purchase it - just bring it to class with you.

A Student Manual/2022-2023 Course Handbook and 2022-2023 Reference Manual will automatically download to your AI account upon registering (or be mailed to you if you selected and paid for that option). See your Registration Confirmation email from AI for information on where your electronic manuals are available for download.

Prerequisites: National Uniform Standards of Professional Appraisal Practice (USPAP) Course 15-hours.

Price: Includes Coffee/Tea/Beverages in the morning and Lunch.

\$220.00 Member AI

\$250.00 Non-Member

Continuing Education Credits: AI CE Credits – 35 points; State* CE Credits – 7 hours *Not yet approved for CE in all states. Check with your state's licensing board to ensure CE credits are approved. VT approved. NH pending approval.

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NEW HAMPSHIRE-VERMONT CHAPTER

NOTICE OF UPCOMING CLASS OFFERING

7-HOUR NATIONAL USPAP UPDATE COURSE (2022-2023)

CONCORD, NEW HAMPSHIRE

DECEMBER 7, 2021

8:30 AM to 4:30 PM (registration is from 8:00 to 8:30 AM)

Location: The Holiday Inn, 172 North Main St, Concord, NH, (603) 224-9534

Instructor: Steven G. Elliott, SRA

Seminar Topic: This one-day course, copyrighted by The Appraisal Foundation, focuses on recent changes to USPAP requirements for ethical behavior and competent performance by appraisers. The course, which clarified several commonly misunderstood aspects of USPAP, will aid participants in all areas of appraisal practice seeking updated competency in USPAP, including those subjects to state licensing or certification and continuing education requirements imposed by professional organizations, client groups, or employers. Note: Appraisers must successfully complete the 7-hour USPAP Update Course every two years to meet the USPAP continuing education requirement.

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Want to become more involved?
Our chapter is always looking
for people interested in helping
the NH/VT Chapter.

Please contact Leitha if interested in helping. ai.nhchapter@gmail.com

