

May 2020 Newsletter

PRESIDENT'S MESSAGE



First and foremost, I hope all of our members are safe and healthy. The events of the past month have been trying times for all of us and have dramatically altered the landscape of our profession. While it is clear that we are standing at the precipice of a shift in our markets, the degree to which the induced coma that our national and global economies are in will impact our real estate market is anything but clear.

If you missed the recent AI Webinar on the Market Impacts of COVID-19, I highly recommend every member check it out. The webinar included great insights on the potential impacts of the COVID crisis on a wide array of property types. A recording of the full 2-hour webinar is available on [YouTube](#). The [presentation material](#) can be downloaded for future reference as well. The Institute has also gathered many other resources that can be found online at the [Appraisal Institute Coronavirus \(COVID-19\) Updates page](#).

The webinar reminded me that in active and appreciating markets it can be easy for appraisers to broaden their horizons, work into other markets, and expand into new property types; however, with the unprecedented market challenges ahead of us it is more important than ever to understand the economic drivers for your local markets and the key property types of your practice. While empirical data demonstrating market changes may be scarce, appraisers are encouraged to communicate with buyers, sellers, brokers, and other market participants to best understand those economic forces and perspectives that are driving changes in property values. Also, now is a great time to be gathering pre-COVID data for properties so that you are best positioned to track changes in marketing times and asking prices. As we have seen in previous times, appraising in the midst and wake of economic change can be tricky and I urge members to document the data and methodologies they are using in their workfile.

Last week, the federal banking agencies issued an interim final rule to allow for a [120-day deferral](#) of required real estate-related appraisals and evaluations. The ruling defers the requirement to obtain an appraisal for certain residential and commercial real estate transactions (excluding acquisition, development, and construction) for up to 120 days following the closing of a transaction. While this may seem ominous at first glance, the practical application of this will be challenging and, now more than ever, lenders will need experts to understand the impact of this market crisis on specific properties. Remember, you are those experts! The Institute hosted a [live panel discussion on Facebook](#) which is another great resource.

Locally, the Chapter had to postpone the 2020 San Diego Market Symposium to September 10th. This event should be invaluable as you will hear from experts from many different markets, so please put it on your calendar now.

For updates please check our [website](#) and follow the San Diego Chapter on [Facebook](#), [LinkedIn](#), and [Twitter](#).

Best wishes,

Jeremy Darner, MAI, SRA, AI-GRS
2020 Chapter President

**MARKET CONDITIONS ADVICE FROM
STEPHANIE COLEMAN, MAI, SRA, AI-GRS, AI-RRS,
APPRAISAL INSTITUTE'S DIRECTOR OF SCREENING**

"The best we can do is talk to market participants - buyers, sellers, brokers. What's happening with active escrows? Are buyers backing out? Are sellers holding off on listing properties? Reducing prices? Offering concessions? What's happening with days on market? What are brokers hearing? Are tenants renewing leases? Are businesses closing and vacating? Are vacant spaces getting leased? Are developers going ahead with development plans, or have they put them on hold?"

"The answers to these kinds of questions provide clues. The appraisal report should include a discussion of them as part of the market analysis."

"Finally, the appraisal report should address the uncertainty in the market caused by the COVID-19 crisis, **not as a limiting condition, extraordinary assumption, or disclaimer**, but rather as part of the discussion of market conditions. While the crisis is still unfolding, it might also be a good idea to highlight key points relating to COVID-19 as a significant factor in the letter of transmittal."

JOB AVAILABLE

Well-established, boutique commercial appraisal firm in San Diego looking for experienced commercial appraiser (2+ years), AR/AG license preferred. Please send qualifications and/or resume in PDF format to sdappraiserjobopening@gmail.com.

REMINDER TO VOTE

To all San Diego Chapter members: Please reply to the email sent out last week, and cast your vote to elect 2021 San Diego Chapter officers, directors, and regional representatives.

RESCHEDULED SUMMER EDUCATIONAL EVENT AT THE UNIVERSITY OF SAN DIEGO

Due to the COVID-19 pandemic, all of the classes previously scheduled for June have been postponed. The educational event now includes:

Advanced Market Analysis and Highest & Best Use - July 6-10
Instructor: Larry Wright, MAI, SRA, AI-GRS
For more information, see [Advanced Market Analysis](#)

Advanced Income Capitalization - July 27-31
Instructor: Steve Roach, MAI, SRA, AI-GRS
For more information, see [Adv Income Cap](#)

General Appraiser Income Approach/Part 1 - July 20-23
Instructor: Eric Schneider, MAI, SRA, AI-GRS
For more information, see [General Income Part 1](#)

General Appraiser Income Approach/Part 2 - July 24-28
Instructor: Dave Lennhoff, MAI, SRA, AI-GRS
For more information, see [General Income Part 2](#)

General Appraiser Sales Comparison Approach - August 4-7
Instructor: Kerry Jorgensen, MAI
For more information, see [General Sales Comp](#)

General Appraiser Site Valuation and Cost Approach - August 10-13
Instructor: Rob Moorman, MAI, SRA, AI-GRS
For more information, see [General Site Valuation](#)

General Appraiser Market Analysis and Highest & Best Use - August 14-18
Instructor: Wayne Foss, MAI
For more information, see [General Market Analysis](#)

General Appraiser Report Writing and Case Studies - August 19-22
Instructor: Dan Swango, PhD, MAI, SRA
For more information, see [General Report Writing](#)

National USPAP 7-Hour Update - July 20
Instructor: Tony Wren, MAI, SRA
For more information, see [USPAP Update](#)

Business Practices and Ethics - July 21
Instructor: Tony Wren, MAI, SRA
For more information, see [Business Practices](#)

Condemnation Appraising: Principles and Applications - July 22-24
Instructor: Steve Roach, MAI, SRA, AI-GRS
For more information, see [Condemnation](#)

Basic Appraisal Principles - August 7-11
Instructor: Deanne Recht, MAI
For more information, see [Principles](#)

Basic Appraisal Procedures - August 12-15

Instructor: Lance Dore, MAI

For more information, see [Procedures](#)

National USPAP 15-Hour - August 17-18

Instructor: Mike Mason, MAI, SRA

For more information, see [15 Hour USPAP](#)

LEADERSHIP RESOURCES REGISTRY

It's that time of year to think about committee service for 2021. President-Elect Rodman Schley is now considering names for the 2021 National committee appointments.

If you are interested in serving on a National committee in 2021, please complete the Leadership Resource Registry no later than 5:00 pm CT, August 1, 2020. To be considered for national committees, panels, the Appraisal Institute Insurance Trust, or the Appraisal Institute Education & Relief Foundation, you must express your interests within the Registry. To access the Registry, logon to the AI Website and click on the link <https://www.appraisalinstitute.org/about/ai-volunteer-opportunities>.

Even if you submitted your interests last year in the Registry and there are no changes to your preferences, you will need to log back into the Registry.

The National organization thanks you in advance for indicating your preferences in the Registry. We look forward to a strong response, which will help to broaden the base of participation in the organization and serve as a source of new ideas and growth.

If you have questions or need assistance completing the Registry, please contact Rachael Georges at rgeorges@appraisalinstitute.org.

CHAPTER LEADERSHIP

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