

Massachusetts Chapter Newsletter

March 2012



**Appraisal
Institute®**
Professionals Providing
Real Estate Solutions

Upcoming Education

General Income Approach, Part 2

April 4, 5, 6, 7, 2012
Best Western New Englander,
One Rainin Road, Woburn

Appraising the Appraisal: Appraisal Review - General

April 9, 2012
Sheraton Needham Hotel,
100 Cabot Street, Needham

[Register Now!](#)

Upcoming Online Education

Apartment Appraisal: Concepts and Applications

[Learn More](#)

Upcoming Meetings & Events

AI Town Hall Meeting

April 9, 2012
Sheraton Needham Hotel
Needham, MA

5:00 pm – Cocktails
followed by a presentation by
Rick Borges, MAI
Incoming National President

\$15 per person

The Election of 2013 Officers,
Directors and Regional Reps will
take place at this meeting.

[Register Now!](#)

Economic Outlook and RE Trends

by Karen K. Hanlon, MAI, Vice President and Programs Committee Chair

The Massachusetts Chapter of the Appraisal Institute held its annual Economic Outlook and Real Estate Trends program at the Federal Reserve Boston in January. Like previous years' events, this annual panel discussion was sold out as industry colleagues from Greater Boston's appraisal, government sector, lending, and brokerage communities attended to learn the latest on market conditions, the update on the activity and investment criteria of market participants, and the market outlook for 2012.

The news was cautiously optimistic for most sectors of the commercial real estate market. The financial markets are providing increased liquidity over time, with some recovery in the CMBS market and increasing funding from life companies, banks, and other institutional sources. Increasing liquidity is breathing new life into market transactions. Boston remains a desirable investment target for most commercial property types by domestic and foreign investors.

We extend our special thanks and appreciation to the market leaders who shared their knowledge and respective sector insights with us: Jim Koury, Executive Vice President and Partner of CB Richard Ellis' Retail Capital Markets Group summarized retail trends and transactions; Simon Butler, Executive Vice President and Partner of CB Richard Ellis' Multi-Housing Investment Sales Group discussed the multi-family market; John Barry, a Managing Partner of Richards Barry Joyce focused on the Downtown Boston office market; and Chris Tosti, Executive Vice President and Partner of CB Richard Ellis' Suburban Brokerage Group discussed the Suburban Office Market. We also extend thanks and gratitude to Lianne Andreucci, Chapter Executive Director, and Kara DeMichele of CB for their contributions to a successful program.

Thank you to our members and colleagues for looking to the Massachusetts Chapter of the Appraisal Institute for the latest, up-to-date informational and educational needs. On behalf of our President, Barrie Gaman and the Board, we look forward to seeing you at the next meeting!



Pictured from left to right: Barrie Gaman, MAI, Karen K. Hanlon, MAI, James Koury, Christopher Tosti, Simon Butler, and John Barry.

2012 Officers & Directors

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Welcome New Members

In 2012, the Chapter is pleased to welcome these new members.

Benjamin Chokshi-Fox
Uxbridge, MA

Eamon D. Moran
Boston, MA

John Torvi
Needham, MA

Unee M. Washington
Brighton, MA

News from the Public Relations Committee

2012 MASSACHUSETTS CHAPTER SPONSORSHIP PROGRAM

by John Davis, Public Relation Chair

Why should I sponsor the Massachusetts Chapter of the Appraisal Institute if I am already a member?

This is the question I get when I talk to members about chapter sponsorship. The members point out that they pay dues, pay for courses, seminars, books, and other educational material. All of which is true. I point out that the chapter leadership is an all "volunteer" crew of dedicated appraisers who have managed to keep the financial ship on an even keel for a very long time.

The chapter surplus has dwindled since the boom years of the early 1990's when Kent Kopke, MAI, SRA, Jim Marotta, MAI and others led the charge into education. Michael Tarello in 2011 and Barrie Gaman in 2012 as president have worked hard to make ends meet to provide all of the services members have come to expect.

It is through the Herculean efforts of members like Ed Bowler who puts forth a complete and meaningful education offering year after year that keeps the front door to the Appraisal Institute open here in Massachusetts and the Northeast Region to new associates and affiliate members. There is a dedicated crew of members who keep the Massachusetts Chapter functioning at a high level with limited resources.

My answer to those who ask why they should contribute as a sponsor to the Massachusetts Chapter of the Appraisal Institute is this: If you value the infrastructure and benefits provided by our organization and are not able to support it through your time and effort you should seriously consider having your organization become a sponsor to help keep the chapter strong.



Appraisal Institute Member Benefit Spotlight

AI Communities of Practice. Experience AI Communities today! The AI Communities of Practice is a new member benefit available to all Appraisal Institute members. The AI Communities serve as a convenient, online meeting place for AI members with shared interests. As long as you have Internet access, you can login from any computer and:

- Exchange news and share information with your colleagues.
- Check the AI Communities' calendar to stay abreast of upcoming events.
- Participate in online discussion boards.
- Suggest a poll to your community facilitator.
- Chat online - in real time - with other members of your Community!

[Click Here to Enter AI Communities](#)

USPAP REQUIREMENTS AND OTHER CHANGES

The 2012-2013 Uniform Standards of Professional Appraisal Practice (USPAP) went into effect on January 1, 2012.

An article written by Gregory Accetta, MAI, in the Appraisal Institute's **Valuation Magazine** 2011 Fourth Quarter entitled **Be Prepared** highlights the recent changes. If you haven't had a chance to attend one of the new USPAP Update courses being offered by the Chapter, we suggest you take a few minutes to read Greg's article.

The article outlines some of the changes that affect application including record keeping responsibilities and definitions for the terms client, extraordinary assumption, and hypothetical conditions. The article in its entirety can be found at: [:http://www.valuation-digital.com/valuation/20114thQ#pg14](http://www.valuation-digital.com/valuation/20114thQ#pg14)

Are you looking to attend a 7 Hour USPAP? The Massachusetts Chapter has offerings planned for May 31st, September 27th, and December 7th at the Best Western in Woburn.

The Massachusetts Chapter is including a copy of the 2012-2013 version of USPAP (while supplies last) in the tuition fee. Don't be left out of the opportunity to fulfill your USPAP requirement and receive a copy of USPAP. Cost is \$200 for members and \$250 for non-members. The cost to purchase a copy of USPAP alone is \$75.

A reminder that at this time all licensees remain obligated to complete a USPAP Update course with each new edition of USPAP. [Click Here for the full text from the Commonwealth of Massachusetts website.](#)

[Register Now!](#)

APPRAISAL INSTITUTE GUIDE NOTES 11 and 12

The Appraisal Institute has published **Guide Note 11: Comparable Selection in a Declining Market** to help appraisers know when and how to use distressed sales as comparables. A declining market is generally characterized by few transactions and falling values. Declining markets present valuation challenges because there are fewer transactions available to analyze as comparables ("comps") in the sales comparison approach or to support an estimate of external obsolescence in the cost approach. This guide note informs Members about standard practices as regards comparable selection, using distressed sales as comparables, disposition value and liquidation value. [Click here](#) to download Guide Note 11.

The Appraisal Institute's Board of Directors has voted to provide **Guide Note 12, Analyzing Market Trends**, to members for feedback. You can email your comments to guidenote12@appraisalinstitute.org. Members' comments will be compiled for distribution to the AI Board of Directors. The deadline to submit comments is March 30.

These two publications are also available to all Appraisal Institute members by logging into your "My Appraisal Institute" account.

2012 Premier Sponsors

Thank you to the following companies who have already taken advantage of the opportunity to become a PREMIER SPONSOR of the Massachusetts Chapter.

Their support of the Massachusetts Chapter of the Appraisal Institute is recognized and appreciated.

Contact [John Davis](#) to find out how you can get your corporate logo here!

The logo for CBRE, consisting of the letters "CBRE" in a bold, green, sans-serif font.

News from the Emerging Leaders Group by Gregory Curtis, Chair

The Massachusetts Chapter of the Appraisal Institute's Emerging Leaders Group was formed in early 2008 as a platform for young appraisers and real estate professionals to get involved with educational and networking events in Boston. It holds a number of events and activities which are open to all Chapter members including the very well attended AI After Hours events! These functions are designed for Emerging Leaders to network not only among other appraisers, but provide the opportunity to meet young real estate professionals in Massachusetts including brokers, designers, consultants, project managers, developers, owners, investors, attorneys and bankers.

On Tuesday, March 13th the Emerging Leaders hosted its most recent AI After Hours event at *Scholars American Bistro & Cocktail Lounge* in downtown Boston. The event was open to the entire chapter and included a turnout larger than expected. Guests enjoyed a selection of wide selection of several local micro brews and free appetizers. This event was the first of a series of social gatherings that will occur over the year. The next event will be the annual outing at Boston's Institute of Contemporary Art. Date will be announced soon.



Shown Above: AI After Hours at the Institute of Contemporary Art in July 2011



On Friday, March 23rd the MA Chapter held the fourth annual Jay Zeiger Service Day at the Greater Boston Food Bank. Volunteers worked along the conveyor belts at the Food Bank's state-of-the-art facility and sorted 10,000 pounds worth of food. Through their hard work, volunteers were able to organize the various boxes and cans of food to make 6,000 meals made possible to those in need. This event is organized each year by the Emerging Leaders Group.

Thank you to those who participated: (left to right) Karen Hanlon, MAI, Bob Skinner, MAI, Jeff Klein, Bruce Wiley, MAI, Barrie Gaman, MAI, Patrick Cavanagh, MAI, Bernadette Quillinan, Greg Curtis, Emerging Leaders Chair, Holly Lynch, Thomas Jensen, MAI, Brian Harris, Ken DeCosta, Stefan Sargent, MAI, Randy Harwood, MAI, Eamon Moran, Dave Cary, Jr, MAI.

If you are new to the Massachusetts Chapter and would like to learn more about the Emerging Leaders Group, contact Greg Curtis at gcurtis@irr.com