

The Appraisal Institute of Canada Annual Report 2003 – 2004



Professional Opinions • Trusted Values



Contents

Mission Statement & Code of Ethics	1
President’s Report.....	2
Chief Executive Officer’s Report.....	7
Communications Committee	14
Learning Advisory Committee.....	16
Professional Liability Insurance Program	18
Standards Committee.....	19
Investigating Committee.....	21
Adjudicating Committee	22
Appeal Committee	23
Advisory Committee for the New Horizons Initiative.....	24
Professional Qualifications And Competency	26
Governance Task Force.....	27
Best Practices for the Valuation of Specialized Federal Real Property	29
Residential Forms	31
IVSC/WAVO.....	33
AIC Membership Statistics	35
AIC Board Members & AIC Staff	39

Mission Statement & Code of Ethics



Our Mission

The Mission of the Appraisal Institute of Canada is to protect the public interest and support our members by ensuring high standards of professional real estate and related property advisory services.

Our Code of Ethics

Members of the Appraisal Institute of Canada shall commit themselves to principles that reflect high standards of professionalism.

Members shall engage in conduct that will enhance their professional status, the reputation of the Institute, the profession and the confidence and interest of the public.

This public interest will be served by members acting responsibly, impartially, objectively, and with independent judgment. Members shall provide quality services within their areas of competence, and in compliance with the Standards of the Institute.

Honesty, integrity, fairness and respect are cornerstones of confidence and trust. The Institute recognizes that compliance with our Ethical Standards is our contract with the public we serve.

President's Report

At the start of my term as President of the Appraisal Institute of Canada ("AIC"), I identified two key result areas that I would make fundamental priorities during the year. The first was to augment the recognition of the profession and the valuable role played by members of the Institute. The second was to work to strengthen and enhance the professionalism of AIC members.

As you may know, my term as President started on May 31, 2003. This transition date was prompted by the combined impact of the cancellation of the 2003 Toronto Conference due to Severe Acute Respiratory Syndrome ("SARS") and our then current Bylaws, which limit the President's term to one year. Notwithstanding an unusual start, I am



Brad Wagar, AAI, P.App

pleased to report a very productive year with good progress towards achievement of the Institute's goals.

The Institute's Annual General Meeting of Members was held in September, in Ottawa. A significant revision of the Bylaws was approved by the membership, paving the way for the establishment of a corporate governance model and implementation of a number of initiatives aimed at achieving our Strategic Plan objectives.

At that meeting, members asked the Institute to explore a number of governance issues including representation at the Board of Directors level. In this respect, a Task Force of Institute Past Presidents was established to review the current model and make recommendations to the Board. These recommendations will be reported to the membership at the 2004 AGM.

AIC Representations

Immediately following our AGM I attended the International Association of Assessing Officers ("IAAO") conference. Our relationship with the IAAO and the Canadian assessment community in general has been strengthened by our working together on a variety of initiatives

which expand the knowledge of, and future opportunities for, our collective membership.

I represented AIC at the International Right of Way Association (“IRWA”) annual conference in Kansas City in June. Our relationship with the IRWA continues to be strengthened, as evidenced by the signing of a Memorandum of Understanding (“MOU”) in September.

I attended the American Society of Appraisers (“ASA”) annual conference in Tampa. The high point was the signing of a Memorandum of Understanding by - the Appraisal Institute (“AI”), the Appraisal Institute of Canada (“AIC”), the American Society of Appraisers (“ASA”), the American Society of Farm Managers and Rural Appraisers (“ASFMRA”) and the International Association of Assessing Officers (“IAAO”) on July 14, 2003. This circumstance was a landmark occasion as it was the first time the predominant organizations making up the North American real property valuation profession agreed to work collaboratively on valuation issues impacting the profession and our members. Moreover, it paved the way for other strategic initiatives to include the Toronto Valuation Accord reported on later.

In August, I represented AIC at the International Property Tax Institute conference in Vancouver. This meeting served to underline that there are countless opportunities for our members internationally and in Canada, most

notably with the First Nation’s Bands, as they establish property taxation infrastructure as a revenue source.

At the end of October I attended the American Society of Farm Managers and Rural Appraisers (“ASFMRA”) conference in St. Louis.

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Provincial Liaison

I attended the British Columbia AGM at the end of September. Terry Kerslake is BC’s new President and Terry got off to a great start.

Georges Lozano and I participated in the Manitoba AGM near the end of October. Darrell Thorvaldson is Manitoba’s new President and his enthusiasm for the task is contagious.

Attending my own Alberta AGM as President of AIC was a unique experience. Craig Soderquist commenced the second year of his two-year term and is managing the transition to new licensing regulations in Alberta.

... The Valuation for Financial Reporting initiative with respect to Mark-to-Market issues will better position our members...

The Saskatchewan AGM in March achieved exceptional turnout by the membership. Saskatchewan's President, Tom Fox, joined me in recognizing Bev MacLeod, outgoing Executive Director, for her outstanding support and contribution to the recent national transition, including having served on the Learning Advisory Committee.

I travelled to the Nova Scotia AGM and participated in a joint meeting of the respective groups which make up the Nova Scotia Real Estate Appraisers Association. Paul Wade, Arthur Speed and Lorraine Porter were recognized for their long-standing commitment and contribution to the AIC. Steve Horswill assumes the role as NSREAA President.

The Ontario AGM provided an opportunity for their new President, Robert Robson and me to meet and reaffirm common goals and objectives for the forthcoming year. Alan Tucker, Immediate Past President is enjoying retirement from both the OAAIC and his work. Congratulations Alan and thanks for a job well done

At the time of writing of this President's Report, I have yet to attend the New Brunswick and Prince Edward Island AGMs, but I intend to represent AIC at both of these sessions.

Regrettably, due to a previous commitment, I was unable to attend the Newfoundland AGM. Paul Olscamp, Vice President attended in my absence and I understand his remarks were well received by those in attendance.

Strategic Partnerships

The Executive committee members attended the Financial Summit on Mark-to-Market hosted by the Canadian Institute of Chartered Accountants ("CICA") in Toronto on October 21. On that occasion, we hosted a meeting with Canadian and American valuation organizations and signed what has since been referred to as the Toronto Valuation Accord (TVA). In addition, these same organizations signed an MOU to advance and be proactive relative to the so-called Mark-to-Market thrust which stems from the European Union's decision to require public corporations to report their real property assets at market value. This is also referred to as "VFR" or Valuation for Financial Reporting. This initiative is being coordinated primarily by the Appraisal Institute (USA) with the establishment of both a Steering Committee and a White Paper Group to formulate strategies and disseminate information respecting

Mark-to-Market issues in order to better position our members, other professional organizations and the public.

Just prior to the Financial Summit we co-hosted with the Real Estate Institute of Canada (“REIC”) a gathering of various real estate sector organizations to explore interest in working together on the prospect of establishing a Sector Council for the real estate valuation and services sector. This meeting was very positive and there was a general commitment by the groups attending to maintain regular contact. This is but one of the initiatives we have been pursuing with the REIC since signing an MOU in July 2003.

The AIC Executive Committee met in Chicago in November. This opportunity for a Joint Executive session with the Appraisal Institute allowed not only information sharing, but also a chance for us to get to know their organization and officers a little better. The June 2004 joint conference in Toronto promises another opportunity for us to further this valued relationship.

In December, I attended the annual meeting of the Ordre des évaluateurs agréés in Montreal. The MOU between the AIC and the Ordre was re-signed on that occasion. I took this opportunity to meet with representatives from the Université du Québec à Montréal (UQAM) and McGill University to explore classroom delivery of our programs.

At the invitation of the Appraisal Institute (USA), I attended an impromptu meeting of their VFR Curriculum committee which is bringing forward recommendations to the AI on required changes to their education programs to ensure their members are VFR qualified and competent. The group was very interested in our education program and delivery system. Linkage between this group and our Learning Advisory Committee will serve both groups well.

International Liaison

I attended the North American Conference of Appraisal Organizations (“NACAO”) meetings, which were held immediately following The Appraisal Foundation (TAF) meeting in San Antonio. The CEOs, Presidents and Presidents-Elect of the various appraisal organizations in North America typically attend this meeting to gain a greater understanding of the issues they have in common and others they will face in the future.

Just prior to the Financial Summit we co-hosted with the Real Estate Institute of Canada (“REIC”) a gathering of various real estate sector organizations to explore interest in working together on the prospect of establishing a Sector Council ...

The Centre of Advanced Property Economics (“CAPE”) was asked by TAF to develop a paper / document dealing with valuation definitions, terminology and methodology and the associated

... The collective leadership, energy and resources of the AIC’s members, volunteers and staff got us where we are. All the hard work is paying off! ...

application of same relative to Uniform Standard of Professional Appraisal Practice (“USPAP”). As a member of CAPE we were asked to select a representative for this project and Wayne Kipp, Chair of the AIC Standards Committee was our designated choice.

These are exciting and challenging times. The decisions we make are critical to our moving forward. In this respect, we have been revisiting our Strategic Plan, and reviewing our governance model, with the aim of better positioning ourselves in an ever changing, and increasingly demanding marketplace. Fortunately, we’re also in a good position to take on these challenges. The Executive

Committee, has been meeting between Board meetings and has been in constant communication to ensure concerted and consistent leadership of the AIC and responses to valuation issues. Our National Office is just now at full bench strength and the working relationships with Provincial staff and volunteers continue to grow stronger.

The collective leadership, energy and resources of the AIC’s members, volunteers and staff got us where we are. All the hard work is paying off! Declining membership has been turned around, enrolment in our education programs is up over 60% in the last twelve months and we will further define ourselves and the valuation profession in the coming months with our “New Horizons” initiative. These circumstances, while encouraging in and of themselves, pale by comparison to the increasing pride being exhibited by our members. All this bodes well for the future.

In closing, let me also say it has been an honour to serve the membership as President of the Appraisal Institute of Canada. The commitment I have witnessed by members and staff alike is surpassed only by the friendship that was extended to me. Thank you.

Brad Wagar, AACI, P.App
President

Chief Executive Officer's Report



During the past year, National Office staff has been working closely with AIC volunteers to achieve the goals set out in the Strategic Plan and fine progress has been made toward achieving the Institute's objectives. I would like to provide an overview of these in this report.

The AIC Strategic Plan with its Key Result Areas (KRAs), approved by the membership in 2001, became the foundation block for the programs and activities that have been launched in 2003-2004. From the Strategic Plan, an Operational Plan was developed to attach specific strategic initiatives and outcomes to the KRAs. During the year, the Operational Plan was reviewed regularly by staff and adjusted in accordance with progress being made towards achieving stated objectives.



Georges Lozano, MPA

In September, the Board of Directors held a special priorities and planning session to discuss the needs of the membership in light of the rapidly changing market for professional valuation services. Subsequently, the Board approved the undertaking of a study to develop a 'white paper' on the scope of practice of professional real estate valuers and the qualifications they need to meet the needs of the market. The study will provide the Institute with the information needed to develop policies, programs and services to help members expand their professional horizons and better take advantage of new business and career opportunities.

Representation

To raise the profile of the Institute and its members, meetings were held with a number of organizations. Among them, the Canada Deposit Insurance Corporation, where we met to share the Institute's concerns with respect to due diligence practices in the banking community. While the CDIC has taken a more hands off approach in recent years, it is valuable that it be reminded of the important role that appraisals play in ensuring the integrity of the real estate lending community.

Meetings were held with politicians and senior officials representing key government departments and central agencies including Public Works and Government Services Canada, to review the MOU between PWGSC and the Institute and to determine ways to make further progress.

... DND employs appraisers to value their property holdings, but they indicated that AIC members should play a more prominent role at DND ... in all aspects of real property management and consulting.

A meeting was held with the Department of National Defence Real Property division to apprise them of the Institute and the role its members play. DND employs appraisers to value their property holdings, but they indicated that AIC members should play a more prominent role at DND not only in the area of appraisals but in all aspects of real property management and consulting.

I met with representatives from the Office of the Auditor General to discuss a number of issues of mutual concern. The OAG is going through its five year planning exercise, and the representatives noted

that the meeting was very timely, and that the Institute would be consulted in the near future.

Meetings were also held with McGill University to discuss the possibility of offering selected professional development courses in a classroom setting. McGill formerly offered some Institute courses and indicated that with sufficient interest, CPD courses could be made available in English to AIC's Quebec members.

On the occasion of the re-signing of a reciprocal agreement, a meeting was held with the President and the Executive Director of the Ordre des évaluateurs agréés du Québec to discuss policies, programs, and possibilities for future collaboration. The Institute and the OEAQ are partners in the Best Practices Study sponsored by Public Works and in the future, other joint projects of a similar nature may be undertaken.

Several meetings were held with representatives from the Université du Québec à Montréal (UQAM). UQAM and the Institute signed an agreement a few years ago, similar to the one with UBC. A meeting was held with the Association des technologues du Québec. The Institute has recognized the educational background of the Association's members as equivalent to its CRA designation. With only 200 members, the Association is interested in improving its members' services and indicated interest in discussing how the Institute might provide assistance.

Strategic Partnerships

In accordance with the Strategic Plan's objective of developing strategic partnerships, several Memoranda of Understanding were signed including those with the Real Estate Institute of Canada, the Royal Institution of Chartered Surveyors, the Appraisal Foundation (USA), the Appraisal Institute (AI), the American Society of Appraisers (ASA), the American Society of Farm Managers and Rural Appraisers (ASFMRA), and the International Right of Way Association (IRWA). Subsequently, joint initiatives will be developed and discussions will take place to establish better methods of cooperation.

National Conference

Although the AIC national conference to be held in Toronto in June 2003 was postponed as a result of the SARS epidemic, a new deal was struck with the conference facilities management to move the event to 2004 without penalty to the Institute. Further, the Charlottetown conference was moved to 2006 with the Edmonton conference scheduled to take place in 2005.

Provincial Association Relations

The partnership between AIC National and Provincial was significantly strengthened with improved communications and collaboration on programs and activities. Accordingly, I attended the annual general meetings of a number of AIC provincial

associations. On these occasions, I had the privilege of meeting, and addressing the members and hearing their concerns, issues of interest, and success stories.

The Toronto Valuation Accord was signed in October with the Appraisal Institute, the Royal Institution of Chartered Surveyors, the American Society of Appraisers, and others. . . .

International Relations

Already an active member of the international valuation community, AIC developed an international strategic plan that focuses the Institute's resources to achieve specific objectives. As a result, participation in international organizations was reviewed, and membership retained in the following international bodies: International Valuation Standards Committee, the World Association of Valuation Organizations, and the Centre for Advanced Property Economics.

The Toronto Valuation Accord was signed in October with the Appraisal Institute, the Royal Institution of Chartered Surveyors, the American Society of Appraisers, and others. The Accord will enable better coordination of the efforts being made in Canada, the US and Europe to prepare the profession to undertake valuation

for financial reporting assignments in compliance with European legislation and forthcoming changes to North American accounting standards that will require corporations to record real property assets at market value.

In October, a joint meeting of the Executive Committees of the Appraisal Institute of Canada and the Appraisal Institute was held in Chicago. The meeting, in keeping with the close working relationship between the two organizations, allowed for a further exchange of ideas, and coordination of initiatives such as the June 2004 Toronto joint conference.

Reciprocity/Mutual Recognition

All existing agreements were reviewed to ensure their currency. In December, President Wagar and I signed a reciprocal agreement between the Institute and the Ordre des évaluateurs agréés du Québec. This agreement replaced the lapsed agreement that dated back to 1988 and will ensure that there is a mechanism for members of each body to be recognized and for the two organizations to better coordinate professional practice and similar activities. Similar meetings are planned with other professional bodies with the objective of achieving reciprocity where appropriate.

PIPEDA

At the start of 2004, the Personal Information Protection and Electronic Documents Act (PIPEDA) went into

effect nationwide. PIPEDA is aimed at providing Canadians with an added measure of privacy protection by setting out guidelines for the use of personal information. As a member service, AIC engaged the law firm of Miller Thomson to review the impact of PIPEDA on appraisers and to provide advice on how to ensure that AIC members comply with the Act. An information package was e-mailed to all members including guidelines, a model privacy act, and model consent forms for members' use. The information was subsequently posted to the Members Section of the AIC web site.

Governance Task Force

Pursuant to a motion made at the AGM and supported by the AIC Board of Directors, a committee of Past AIC Presidents was established to examine the governance of the Institute, including the working relationship between the National Office and the provincial associations. The Governance Task Force held a number of conference calls and conducted a member survey to obtain a better understanding of how the membership perceives the Institute and its provincial associations. The Task Force reported to the Board and offered a number of recommendations that will be reported to the members at the 2004 AGM.

Professional Practice

The Professional Practice Process was restructured to be more responsive to members' needs. In this respect, the

Counsellor, Professional Practice position was created and filled, on a contract basis, by Past Chair of the Appeal Committee, David Hildebrand.

Standards

The revised 2004 Standards were published electronically and a fully hyperlinked bilingual copy was posted to the AIC web site. The Institute's Standards are being promoted widely to all stakeholders who are being informed that AIC is the national standard-setter for real estate professional appraisal practice.

In accordance with the Board's instructions, the Appraisal Standards seminar was updated and enhanced with an examination for both the distance and classroom versions. The exam will be available on-line. Staff worked closely with the Learning Advisory Committee and the new Professional Qualifications and Competency Committee to develop criteria for the implementation of the new CPD guaranteed credits.

Best Practices Study

Five Best Practices Studies commissioned by Public Works and Government Services Canada were completed and exposure drafts made available for comment. The project, which is managed by the Institute, will result in the development of best practices for the valuation of five specialty property types and will be an important addition to the profession's body of knowledge. As owner of the intellectual

property, the Institute will make the information available to interested members and other stakeholders.

Surveys, Research & Development

The Home Renovation survey was re-designed and the questionnaire sent to the members electronically. The response rate was substantially greater than the previous survey in 1999, no doubt attributable to the ease of responding to an electronic survey. The results will be provided to members and the general public. In addition, the survey data will be used to create an interactive on-line resource aimed at promoting Institute members.

... the Appraisal Standards seminar was updated and enhanced with an examination for both the distance and classroom versions. ...

The Institute continued to conduct research into the real estate services industry sector in an effort to better understand how changes within it are impacting the membership and to identify opportunities for Appraisal Institute of Canada members. In this respect, a study of the real estate services and valuation sector undertaken by AIC in partnership with REIC, CIQS, Canadian Institute of Chartered Business Valuers, and CREA, and

funded by Human Resources and Skills Development Canada (HRSDC – formerly Human Resources Development Canada) was completed. The final report recognizes the sector as an important part of the Canadian economy and recommends that further research be undertaken to fully explore the challenges faced by the sector and identify solutions.

Market Opportunities

One of the key result areas is concerned with apprising members of career opportunities. In this respect, the Careers section of the AIC web site was enhanced to allow both, employers and those searching for employment opportunities to more easily connect.

The Institute's Advisory Council of stakeholders was re-established as a permanent body of private and public sector groups that the Institute will consult in order to better determine clients' needs. The annual meeting of the Advisory Council provided AIC with valuable input from Council members and offered an excellent opportunity for AIC to network with key stakeholders.

Recruitment

The past year was especially strong with respect to enrolment in AIC/UBC courses with enrolment up by 59% in January 2004 over the past two years.

Discussions were held with several post-secondary institutions about the possibility of delivering the AIC-UBC

courses across Canada. UBC is providing Institute staff with the necessary information such as cost, and course delivery requirements, to conclude agreements with these institutions. It is expected that agreements will be signed in the near future and expanded classroom delivery will take place before the end of 2004.

Education

The agreement between AIC and UBC for the development and delivery of the Program of Study was re-negotiated and signed for a further five years. The AIC program of professional studies was further enhanced and a new edition of *The Appraisal of Real Estate* was produced in partnership with UBC.

Continuing Professional Development (CPD)

Guidelines for the new CPD program were established. A self-administered web-based CPD credit management system was developed replacing the paper-based logs that required tallying by the provincial associations. The new on-line system allows members to post CPD credits and view their running tallies. A web-based CPD credit management system was developed for administrators to oversee the CPD program.

An Applied Learning workshop was held in Ottawa in September for all provincial association volunteers involved in the Admissions process. A video /

DVD presentation was developed and distributed to provincial associations to inform new Provincial Association Admissions Committee Examiners about the Applied Learning Program and the admissions process.

Communications

Promotional Material

An information kit was developed and sent to over 13,000 municipal government recipients in some 4,000 municipalities across Canada. The materials promote Appraisal Institute of Canada members and their services as well as careers in valuation.

Communiqué

The Communiqué was created as an on-line means of communicating with volunteers and the membership. This low-cost, effective communications vehicle was published 17 times during the year providing important information in a timely manner.

Magazine

The Canadian Appraiser was re-designed and repositioned to effectively support the Strategic Plan. Four issues of the magazine were published.

Annual report

The Annual Report was re-designed and published in both official languages.

Membership Directory

The member directory was printed and distributed to members and stakeholders. An on-line version was significantly enhanced providing more search capabilities than the print version. A CD-ROM based directory of designated members was produced and launched during the CIMBL Conference in Toronto. The CD-ROM, which was distributed to all AIC members, provides a search tool similar to the one on the AIC web site, and is an evergreen product since it can be updated via the Internet.

Web Re-Design

The AIC web site was completely re-designed and enhanced using current web technologies. Many enhancements were made in response to member requests. Moreover the entire site map was restructured to make navigation easier and more understandable. The AIC web site's On-line Library was enhanced and updated with links to the Appraisal Institute's LUM library.

Brochure

A promotional brochure was also developed and sent to target audience groups including Canadian municipalities, government departments, lenders and brokers, and the insurance industry to name but a few.

Georges Lozano, MPA
CEO



Communications Committee

When we reorganized the Institute and moved to the nation's capital, improved communications was one of the top priorities identified within the Strategic Plan. We recognized the contribution that effective communications would make to the growth of the valuation profession and although it is understood that this is a two-pronged initiative, our initial focus has been internal communications. We are confident that this area has been steadily improving from the ongoing feedback received from AIC members across the country. The timely communiqués, the directory of appraisers, a refocused Canadian Appraiser and a current and relevant web site are the vehicles we are using to support our focus on internal communications.

... With this in mind, your Communications Committee and professional staff have been laying the foundation to ensure that any external communications initiatives are effective and carry the desired impact. ...

The second area of focus -- external communications -- was a 2004 priority in our three-year Communication Plan. As we begin our work on this second element of our plan, it is proving to be more challenging. Most members have no problem knowing what being a member of AIC means to them; however, do we know what the AIC means to Canadians? More importantly, what do we want Canadians to think we are? Before we effectively communicate externally, we must reach consensus on this question.

With this in mind, your Communications Committee and professional staff have been laying the foundation to ensure that any external communications initiatives are effective and carry the desired impact. This area of external communications encompasses a broad range of activities such as polling the membership, the renovation survey, developing advertorials, media relations, advertising, representations at conferences, updating the AIC web site, producing new brochures for AIC and advocacy with government and other professional organizations. Work has begun and is ongoing in each of these areas.

Results obtained by polling the membership indicate that members believe a key issue for AIC is communications and advocacy. They want the Institute to have a higher profile in the community. In addition, they want AIC to offer them an opportunity to network with fellow members, and a program for keeping their skills up to date. To accomplish all of this, it is imperative national and provincial associations work together.

Ultimately the best communicators / advocates of the profession are you -- the membership. Opportunities to write an article or give a presentation are invaluable to you as a professional valuer and to the Institute as a whole. The Communications Committee and AIC's professional staff are resources for you -- please contact them to assist you with these types of projects.

The future will bring new opportunities and challenges. Understanding the needs of the client and fulfilling those needs must be the goal. With that in mind we all have to adapt to the demands of the marketplace. If we, as a professional body are to become more top of mind for Canadians making a real estate decision, we must raise our profile. The immediate target groups to help AIC achieve this objective are other professionals, government and the media.

The coming months and years will be exciting times for our profession as we embark on creating our public image. Members should consider this endeavour

as a partnership between themselves and the AIC. There are many ways to contribute. Of course, we always welcome volunteers. However, members can also contribute by incorporating AIC's message / logo / web address, etc., into their own marketing materials, participating in career days or speaking engagements, and especially by contributing ideas or observations to committee members.

The June 2004 conference in Toronto presents us with an opportunity to raise our profile nationally and internationally. It is a chance to network and improve our professional skills and renew old friendships. Many of the Communications Committee members will be manning the AIC information booth from time to time throughout the conference, which will give Communications Committee members an opportunity to dialogue with other AIC members and our clients. This forum will assist us in raising our awareness of issues and concerns on the minds of our members and the industry in general – information which we can use as we continue to shape our communications strategies.

Jerry Kirkland, AACI, P.App, Fellow (NL) – Chair

Mike Garcelon, AACI, P.App (SK)

Craig Soderquist, AACI, P.App (AB)

Ron Duda, AACI, P.App (ON)

Gord Tomiuk, AACI, P.App (MB)

Joanne Charlebois,

Director, Communications (ex-officio)



Learning Advisory Committee

Forward planning and consolidation of past work have been the focus of the Learning Advisory Committee. ("LAC") The goal of our learning process is, and should be, to grow the value of AIC designations and enhance the professional image of members. Current and future Appraisal Institute of Canada members expect a designation that is based on wide recognition, and one that is portable throughout Canada and the world. We must be competitive in a world-class setting, and consistent common core education and continuing learning are key required elements.

The LAC has worked on consolidating two core areas -- Applied Experience and Continuing Education. During September 2003, a group of about 40 examiners met for a training session on the Applied

AIC members are already a diverse group and future evolution of the real estate marketplace will demand that we be increasingly client focused in broader work areas. . . .

Experience oral exam. This was a start, and the examiners will continue to collaborate on what makes the best exam process, and how to determine that applicants for designation have the necessary applied experience in their area of practice. AIC members are already a diverse group, and future evolution of the real estate marketplace will demand that we be increasingly client focused in broader work areas. Examiners are facing the challenge of testing candidates working in increasingly broad practice specialties.

Continuing education is also key to member success, and in order to assist everyone, particularly those in smaller centres across the country, the LAC is working with the University of British Columbia in developing short courses that will have an optional distance learning format. In Quebec, French language courses are available through the Université du Québec à Montréal (UQAM). The Institute has an agreement with UQAM similar to the one with UBC. Further, as a result of recent discussions with McGill University it will be possible to offer certain courses to English speaking members in the region under the banner of continuing education.

For our Candidates, the LAC has just completed the single-family companion to the Income Property Guided Case Study. This new product follows the same format and provides the student with the opportunity of being tutored through the process as opposed to the historical take-home exam option. To read about this new case study, go to the Careers section of the AIC web site and follow the link to the UBC web site.

In parallel with the research being undertaken by AIC's Advisory Committee for the New Horizons Initiative on the scope of practice and qualifications of professional valuers, the LAC, in discussion with the Standards, Professional Liability Insurance, and Professional Practice Committees is developing the terms of reference for a proposed study on Best Practices for the Direct Comparison Approach. This study would generate a methodology on reasonable appraisal practice in many valuation circumstances and would give members better guidance and comfort in knowing that their type of practice meets both market and professional requirements.

The LAC, is currently in the final stages of completing course development that started in 1998 – only a single course awaits finalization. Once that is accomplished, the Committee looks forward to the next generation of study. Flowing from the New Horizons project

scheduled for completion during the next few months, the Institute's future professional direction will be clarified. From this, the LAC will start the process of course review. In accordance with the eight-year work plan established by the LAC, this next phase of course review and implementation should take approximately seven years.

This study . . . would give members better guidance and comfort in knowing that their type of practice meets both market and professional requirements.

John Clark, AACI, P.App, Fellow (ON) – Chair

David Highfield, AACI, P.App (BC)

Beverly MacLeod, Executive Director (SK)

Beverley Girvan, AACI, P.App (NS)

Leacy O'Callaghan-O'Brien, Senior Advisor,
Professional Development and Member Services

Andre Gravelle, Real Estate Division,
Sauder School of Business, UBC

John Bridal, Real Estate Division,
Sauder School of Business, UBC



Professional Liability Insurance Program

2003 was an active year for the Professional Liability Insurance Committee as it reviewed its program structure to assist in meeting the objectives of the AIC Strategic Plan. One objective of the Strategic Plan is the provision of an Insurance Program that has the flexibility to respond to changing needs of our profession while limiting the AIC financial exposure and gaining greater access to insurance markets.

As the AIC moves to develop new and diverse professional opportunities the Committee is responding by continuing to evaluate the best vehicle for delivery of the insurance program both in terms of providing the insurance coverage for our members and their increasingly complex areas of practice and ensuring that AIC

One objective of the Strategic Plan is the provision of a Professional Liability Insurance Program that has the flexibility to respond to changing needs of our profession

...

and its directors continue to be severed from liability with respect to any insurance claims against individual members.

In terms of program operation, the current strong real estate market spurred on by low interest rates and associated property inflation have combined to result in a 30 percent reduction in expected liability claims against our members during 2003. This resulted in a significant growth in our rate stabilization fund that will serve our members well when, and if, the real estate market corrects itself and conventional liability claim rates result.

The Committee expects 2004 will bring new challenges in terms of availability of insurance coverage and combating the ever rising insurance costs, however the Professional Liability Insurance Program is in solid financial shape and well able to deal with these challenges.

John Sheldrake, AACI, P.App (BC)

Bill Balsom, AACI, P.App (NL)

Brian Duncan, AACI, P.App (ON)

Brian Varner, AACI, P.App (ON)

Bob Thompson, AACI, P.App (AB)

Gerry McCoombs, AACI, P.App (NB)

Standards Committee



It seems that standards are undergoing major changes in appraisal organizations around the world. A number of years ago, the Appraisal Institute of Canada had the foresight to be a leader in creating standards that were comprehensive and fair but “manageable” in that they were easy to follow and understand.

Over the past year, the Standards Committee has been busy, first with the update of our Standards for 2004 (the third update to the original document) and then with related activities, as directed by the AIC Board, users of our members’ services and the membership.

The 2004 edition of the Canadian Uniform Standards of Professional Appraisal Practice will be the last version in the current print format. It has been determined that the document requires special formatting to support the links, both for paper and web site publication and the transition to the new format is currently under way. Visually, the document should appear similar to its current form.

One of the major endeavours of the Committee in 2003 was the creation of a stand-alone Code of Ethics. This code does not replace the Ethics Standard in

our Standards. It serves as a reminder to our members and to those who use our members’ services that AIC members adhere to only the highest ethical principles. Copies of the Code were distributed to members in the latter part of 2003.

One of the major endeavours of the Committee in 2003 was the creation of a stand-alone Code of Ethics. . . .

Changes have been made regarding the Standards Seminar, which is mandatory for Candidate and designated members pursuant to the CPD program. The Standards portion of the seminar material was completely updated. In a February 2004 workshop, the Standards Committee certified 14 instructors for the standards portion of the seminar. Of course, the major change has been the inauguration of the open-book examination for attendees at the two day Standards Seminar. A written exam has always been

a component of the course for those taking the seminar by distance learning. Now classroom students have the same requirement. The official start date for classroom examinations was April 1, 2004. An examination policy has been drafted and will be finalized in the near future.

A new, abbreviated version of the Standards Seminar is in the development stages for presentation to individuals considering real property valuation as a career. This new product will be a part of a presentation that serves as an introduction to AIC.

In the coming year, the Committee will continue to enhance the Standards to reflect ongoing improvements ...

In the coming year, the Committee will continue to enhance the Standards to reflect ongoing improvements to the International Valuation Standards (IVSC) and USPAP (The Appraisal Foundation), the two major sets of standards currently in use around the globe. Each of those organizations is working on major changes and the Committee continually monitors such changes and assesses them for relevance to our Standards.

As always, the Committee is available to address the concerns of members and users of appraisers' services. Members of the Committee handle a great many inquiries each year and they are pleased to see the interest and professional attitudes of members.

Wayne Kipp, AACI, P.App (AB) – Chair

Allan Beatty, AACI, P.App, Fellow (SK)

Ray Bower, AACI, P.App (ON)

Mike Grover, AACI, P.App (BC)

Stephanie Anglehart, CRA (NB)

Paul Olscamp, AACI, P.App (PE)



Annual General Meeting - 2003, Ottawa

Investigating Committee



One of the objectives emerging from the AIC Strategic Plan was that the Investigating process be streamlined from both the administrative and investigating sides. In this respect, a Counsellor of Professional Practice was appointed in 2003 to help achieve this. As a result, many complaint files have been reviewed and closed without the necessity of referring them to the Investigating Committee. While the process was somewhat slow in its initial implementation it is now working in the manner intended.

The files that require investigation have now been assigned to members of the Committee who are currently processing approximately 85 files; a reduction of 30% from two years ago. However, the files referred to Committee members by the Counsellor generally involve more complex issues. As such, the Committee's workload has not yet diminished to the desired levels. Going forward, this will be dealt with, and the Committee will need to investigate only the relatively small number of complaints that are of a serious nature.

The Committee currently consists of 10 volunteer members; who meet in person twice a year; usually in Toronto and Vancouver. As part of the new streamlined process some of the more straightforward files are considered by teleconferences that take place two or three times a year depending on workload and demand.

These measures assist in accelerating the investigative procedures because decisions are made without waiting for face to face meetings.

One challenge facing the Committee this past year was the implementation of revised Regulations. The Committee identified some further areas for improvement and has now completed a full review of the current Professional Practice Regulations with recommended changes that will assist in further streamlining of the system.

In the coming year, the Committee's major goal will be to move files forward and conclude investigations as quickly as possible in accordance with directions from the Board of Directors. However the challenge in focusing on the efficient processing of files, will be to ensure members under investigation continue to have every opportunity to explain and defend their actions. In addition to taking these two sometimes-conflicting demands into account, we must continue to maintain the Institute's professional image with the public and the complainant.

Gordon Brewer, AACI, P.App (NL) – Chair
Eric Bjornson, AACI, P.App (AB)
Diane Delves, AACI, P.App (BC)
Jacob Ellens, AACI, P.App (ON)
David Gabruch, AACI, P.App (SK)
Anne Helliker-Foster, AACI, P.App (ON)
Deana Halladay, CRA (MB)
Michael Mendela, AACI, P.App (ON)
Mark Freeze, AACI, P.App (ON)



Adjudicating Committee

In keeping with the Appraisal Institute of Canada's Strategic Plan and Mission Statement, the Adjudicating Committee has striven to protect the public interest and support our members by providing an effective means for hearing cases involving professional misconduct.

Although the primary role of the Committee is the protection of the public, the education of our members is also of paramount concern.

The Adjudicating Committee is comprised of six members of the Institute who volunteer their time for a task that is vitally important to any professional organization – adjudication of professional practice misconduct cases.

... it will be the goal of the Adjudicating Committee to continue to find innovative and more efficient ways of delivering this vital service ...

Each member of the Committee is charged with the responsibility of attending professional practice misconduct hearings for AIC members, considering and weighing the evidence presented at the trials and deliberating and reaching a final decision.

During the past year, the Adjudicating Committee has dealt with a number of complex and challenging hearings in various locations across the country. In an effort to streamline the process, the Committee has made use of teleconference services and a more flexible hearing format while reducing its size from eight members to six.

In the coming year, it will be the goal of the Adjudicating Committee to continue to find innovative and more efficient ways of delivering this vital service to the public and AIC members.

David D. Babineau, AACI, P.App (NB) - Chair

David Aberdeen, AACI, P.App (BC)

Alasdair Gordon, AACI, P.App (BC)

John Hutchinson, AACI, P.App (MB)

Peter Lawrek, AACI, P.App (SK)

Paul Stewart, AACI, P.App (ON)

Appeal Committee



The Appeal Committee is constituted to hear appeals of decisions arising from the findings of the Adjudication Committee. Appeals can originate from the member or the Investigating Committee. The Appeal Committee also hears appeals from members with respect to the Continuing Professional Development Program and Admissions. Appellants can appear before the Committee in person or arrange for their hearings to be conducted via teleconference.

The Appeal Committee meets only on an as required basis and as a result of decreased number of appeals resulting from the effectiveness of the work done at the Investigating and Adjudicating levels, the Committee has been relatively inactive during the 2003/2004 period. The Committee met once during this time in Toronto in October of 2003 and four appeals from members were heard.

This committee plays an essential role in dealing with those issues that cannot meet resolution at any of the three preceding stages of the Professional Practice program -- the Counsellor, Professional Practice; the Investigating Committee; or the Adjudicating Committee. The relatively small number of matters being brought before the Appeal Committee attests to the effectiveness

with which these other levels of the program handle files presented to them. Nevertheless, despite the decreasing need for this Committee to sit, it still forms an integral part of the multi-level Professional Practice program and assists AIC with its focus on serving both its members and the Canadian public.

This committee plays an essential role in dealing with those issues that cannot meet resolution at any of the three preceding stages of the Professional Practice program...

At the writing of this report the Committee has no outstanding appeals and it is anticipated that there may be no further meetings during 2004.

The Appeal Committee is currently comprised of four members who have volunteered their time and experience to assist AIC with this component of the Professional Practice program.

Brian Gaffney, AACI, P.App (SK) – Chair
Candace Watson, AACI, P.App (BC)
Greg Wilkinson, AACI, P.App (MB)
Charles Abromaitis, AACI, P.App (ON)



Advisory Committee for the New Horizons Initiative

In line with the vision and goals set in the Institute's Strategic Plan, which was approved by the membership in 2001, and further to the findings of the September 2003 Priorities and Planning session which identified the need to study the professional scope of practice for real estate valuers, in January 2004, the AIC Board of Directors approved an initiative to produce a White Paper on the scope of practice and qualifications of the professional valuer. AIC is commencing this initiative which is intended to be a cornerstone of many future activities and decisions undertaken by the Institute.

The work of the professional must be defined in relation to technical and other work that supports valuation and related professional services. . . .

Well before the end of 2004 we will have defined the "Professional Scope of Practice and Qualifications" of the members of the Appraisal Institute of Canada. We have retained a consultant and established a Steering Committee with a well defined mandate and set of objectives.

The mandate for this steering committee is defining the scope of practice of professional real estate valuers. The work of the professional must be defined in relation to technical and other work that supports valuation and related professional services. Further, the scope of practice in the real estate valuation field is expanding and the new definition must cover both the traditional appraisal work, and the new areas of work that have valuation as their foundation. Identifying and documenting the knowledge and skill set that professional valuers require to perform their work is an additional requirement.

The objectives are to:

1. Develop a taxonomy of services performed by the Institute's members;
2. Identify new and emerging areas of real estate valuation and consulting practice;
3. Develop a detailed description of all the key functions undertaken by Institute members in the course of delivering services to their clients;
4. Develop definitions of professional valuation work and technical work and link these to the work being performed by Institute members;
5. Identify and describe the qualifications required of professional valuers so that they can perform the identified professional services; and

6. Identify and describe the qualifications required of technicians so that they can perform the identified technical services.

The results of this initiative will guide the future actions of AIC relative to a variety of issues such as, education, professional development, standards, qualifications, insurance, advocacy and member support.

David Highfield, AACI, P.App (BC) – Chair

David Atlin, AACI, P.App (ON)

Deana Halladay, CRA (MB)

Dallas Maynard, AACI, P.App (AB)

David Babineau, AACI, P.App (NB)

Ken Gordon, CRA (QC)

George Canning, AACI, P.App (ON)

Sheila Botting, Executive VP,
Royal LePage Advisors Inc. (ON)



Annual General Meeting - 2003, Ottawa



Professional Qualifications And Competency

Professional qualifications and competencies underlie all the goals of the Institute's Strategic Plan. It is important for the Institute to define, monitor and promote the unique body of knowledge that distinguishes our members from other real estate professionals.

The Professional Qualifications and Competency Committee was formed in 2003 to address the issues around the definitions of qualifications and competencies. In response to this mandate the Committee is working toward establishing and documenting the professional qualifications, skills and abilities required of the Institute's designated members.

The challenges the Committee faces in defining the qualifications and competencies revolve around the diversity of the Institute's membership ...

To date, the Committee has researched other organizations, and discussed the process through which their candidates become designated members. There are many issues and considerations impacting

the candidate process. In defining and recommending a viable candidate process, the Committee must strive to balance the needs of both candidates and employers, while taking into consideration the education and experience required to demonstrate professional qualifications and competencies.

The challenges the Committee faces in defining the qualifications and competencies revolve around the diversity of the Institute's membership and the Committee's relatively small numbers.

In addition to this work being undertaken by the Committee, the Institute has contracted a consultant to prepare a White Paper on the scope of practice and qualifications of the professional valuer.

The Committee looks forward to discussing these issues further, and will provide updates in the Canadian Appraiser Magazine.

The Committee thanks all Institute members who have commented on our work.

Sheila Young, AACI, P.App (AB) – Chair

Paul Hare, AACI, P.App (NS)

Anna Meckling, CRA (NT)

Chris Chornohos, Candidate (AB)

Robert Tipple, AACI, P.App (NL)

Governance Task Force



The Task Force on Governance was formed in accordance with a motion from the floor of the 2003 AGM. A “motion of direction” was passed to complete a cost / benefit analysis of the size and structure of the National Board of Directors.

Size and structure of the Board is not an issue that can be looked at in isolation from Board effectiveness. Early in the discussion it was suggested this group also consider the larger question of division of responsibilities between the National body and Provincial jurisdictions. With the approval of the Executive Committee to expand the original terms of reference, the Task Force set about its work.

The first step was to identify where this work fit within the AIC Strategic Plan. It clearly falls under Key Results Area #1 – Institute Performance and #2 – Institute Resources. The decision of the Task Force was to explore both the question of Governance and Roles and Responsibilities on a parallel basis due to the close linkage between them. Four activities were completed to assist in the discussions:

- A matrix of alternative representation models was assembled.
- A poll of like organizations was conducted to determine their Board size and representation model .

- A survey of AIC members was circulated to establish members’ perceived importance of key services now being provided, those they feel are important and their opinions on the size of the Board.
- A poll of the Provincial Associations was conducted to determine which services they currently provide as well as how they ranked the importance of those services.

The decision of the Task Force was to explore both the question of Governance and Roles and Responsibilities on a parallel basis due to the close linkage between them. ...

Governance

Alternative Models

Four alternative representation models were developed, including the status quo, a regional model, a national model and a Provincial / National model -- each was weighed in terms of the effectiveness of the Board selection / election process

and how the process could be structured to achieve a Board size from as few as 9 members, to the status quo of 13.

Survey of Like Organizations

The second step was a survey of eight other Canadian not-for-profit organizations.

Survey of Membership

The AIC membership was surveyed on how members felt about the current governance model. On the question of representation, 67% responded that the current Board structure gave fair representation to their Province. On the question of whether each Province should be represented, 84% of members said yes.

Roles And Responsibilities

Examining the effectiveness and efficiency of the use of Institute Resources and Institute Performance led to the expansion of the terms of reference for this Task Force. In this respect an examination was undertaken to determine whether there

is a more optimal model to ensure that members get consistent delivery of basic services, information, and application of various policies. The member survey was expanded to determine what services were important to members and how they felt about the level of effectiveness of service delivery. Provincial Associations were also polled to find out what services they are currently providing and how they viewed the importance of them. It is hoped that this work will form the foundation for a broader study of these issues. However, there is some question of whether this Task Force is the appropriate vehicle for the examination of these issues. At the date of this writing, final recommendations are being formulated and will be presented to the Board before the June 2004 AGM.

Allan Beatty, AACI, P.App, Fellow (SK) - Chair

Doug Rundell, AACI, P.App, Fellow (BC)

Harold Moore, AACI, P.App, Fellow (NB)

Peter Clark, AACI, P.App, Fellow (BC)

Jerry Kirkland, AACI, P.App, Fellow (NL)

Georges Lozano, CEO (ex-officio)

Best Practices for the Valuation of Specialized Federal Real Property



In the Fall of 2001, the Appraisal Institute of Canada (AIC), in collaboration with the Ordre des Évaluateurs Agréés du Québec (OEAQ), undertook to manage an initiative aimed at the development of “best practices” for the valuation of specialized federal real property for assessment purposes. While exempt from local taxation, the federal government pays in excess of \$400 million dollars annually to municipalities across Canada. Under the authority of the Payments in Lieu of Taxes (PILT) Act 2000, it voluntarily makes these payments in the municipalities where it owns property.

Valuation for PILT purposes should be based on established valuation principles, and consistent with local valuation practices used for other similar properties. However, this is complicated by the fact that many government special purpose properties have no true equivalent elsewhere in terms of their essential characteristics which makes valuation difficult, contentious and subject to dispute. The AIC/OEAQ initiative, funded by Public Works and Government Services Canada (PWGSC), focuses on five categories of specialized federal real property: ports, historic sites, national park wilderness areas, military bases and

penitentiaries. The best practices that will result from this study will state the principles and methodologies to guide the valuation of each category of specialized federal real property.

An impressive amount of work has been accomplished to date on this initiative, under the direction of the Steering Committee, assisted by Goss Gilroy Incorporated, as project manager. The first step was a background study, undertaken by Professor James McKellar of the York University School of Business. This study examined provincial assessment legislation and related jurisprudence with respect to the identified specialized properties, and now serves as a key reference document. Subsequently, the Altus Group was selected by the

... this is complicated by the fact that many government special purpose properties have no true equivalent elsewhere in terms of their essential characteristics ...

Steering Committee to develop draft best practices for each of the five categories of specialized real property. The first three drafts, for ports, historic sites and national park wilderness areas, were completed in May 2003, and were distributed to industry stakeholders for review and comment. The last two, for military bases and penitentiaries, were completed in March 2004, and were released for stakeholder consultation in the spring of 2004.

An extensive, open and fair stakeholder consultation process has been a particularly important part of developing the best practices...

An extensive, open and fair stakeholder consultation process has been a particularly important part of developing the best practice documents. The value and perceptiveness of the comments that have been received from stakeholders has been outstanding, and will better

position the best practices to serve as an authoritative standard for the valuation of special purpose properties.

The final stage in the process is to test the best practices through case studies that apply the best practice guidelines in a representative situation for each of the categories of specialized real property.

Following the completion of the case studies, the best practice documents will be revised to reflect lessons learned and submitted to the AIC and OEAQ for their final approval. Best practices that embody “world class standards” in the field of property valuation, emphasizing solid research, the application of valid appraisal approaches, and extensive consultation with all stakeholders will then be published. This will mark the completion of this important and challenging initiative for the Appraisal Institute of Canada, the Ordre des Évaluateurs Agréés du Québec, and for the Steering Committee

Wayne Crawford, AACI, P.App (ON) – Chair

Doug Rundell, AACI, P.App, Fellow (BC)

Jean-Pierre Gagnon, AACI, P.App (QC)

Richard Lahaye, AACI, P.App (QC)

James Racine, AACI, P.App (QC)

Residential Forms



In the fall of 2002, the Board of Directors of the Appraisal Institute of Canada established a sub-committee of the Standards Committee to create, review and maintain residential appraisal forms in consultation with the membership, consumers of appraisal services and the Standards Committee. The Residential Forms Sub-Committee consists of members that contribute a wide range of knowledge and experience from across the country.

The goal of the committee was to meld the best of the old and new forms – forms from other jurisdictions and some custom forms designed by AIC members. The forms@aicanada.ca e-mail address was created to give the membership direct access to the committee to express opinions and suggestions. Numerous draft forms were produced and posted on the Members Forum of the AIC web site. Excellent feedback was received from a variety of users and many suggestions were incorporated. While the committee needed to come to terms with a wide variety of opinions, its objective was to end with forms that would be widely and willingly used by our members.

The goal of the committee was to meld the best of the old and new forms – forms from other jurisdictions and some custom forms designed by AIC members.

Once the final draft forms were completed, they were submitted to legal counsel, the Professional Liability Insurance Program, Leonard French & Co. and The Standards Committee for review. Another round of modifications was incorporated and the forms were presented to the Board of Directors at the September 2003 meeting. They were approved in principle conditional upon input from stakeholders and by the end of 2003 that process was complete. Additional changes encompassing issues pertaining to PIPEDA (Personal Information Protection and Electronic Documents Act) and mould were also integrated.

In late February 2004, the forms were submitted to the software vendors. During programming, a number of technical issues arose around design and layout. Working closely with the software engineers these issues were resolved. It is the intention that by the time this report is read, the forms will have been released and made available to AIC members.

Although the AIC recommends that the membership use the new forms, members are free to use any form they choose. Many members have chosen to design their own forms. Form reports are only a tool that may be used to summarize an appraisal report. Ultimately, it is the responsibility of appraisers to verify that their appraisal reports meet the Appraisal Institute of Canada standards of professional

Ideas, suggestions and feedback from members of the AIC and consumers of appraisal services have assisted the committee in producing this first round of forms....

appraisal practice. The forms designed by the Residential Forms Sub-Committee were created in line with the Institute's standards but it is the appraiser and the appraisal that must conform to the standards, and not the form.

Ideas, suggestions and feedback from members of the AIC and consumers of appraisal services have assisted the committee in producing this first round of forms. The committee members extend thanks to everyone for their valued contribution.

It is the committee's vision that the forms will continue to be a "work in progress" to be modified and improved as necessary. The committee has already started work on a Progress Inspection Form that may incorporate a spreadsheet analysis component. Future initiatives include specific forms that address specific types of properties and the scope of work required for the type of assignment (i.e., condominium, vacant land, multi-family, etc.).

Garry Doucette, AACI, P.App (BC) - Co-Chair

Deana Halladay, CRA (MB) - Co-Chair

Michael Mendela, AACI, P.App (ON)

Kim Tucker, CRA (NB)

IVSC/WAVO

Both the International Valuation Standards Committee (“IVSC”) and the World Association of Valuation Organizations (“WAVO”) completed the process of incorporation during the last six months. Some have questioned the need for two separate organizations to represent the valuation profession and have suggested one management structure would appear to make more economical sense. Both of these organizations receive a large portion of their financial support from just a few of the leading international and national appraisal and valuation organizations. To address this issue, a joint working group was formed in October to explore the possibility of working under one structure. The working group concluded that due to the high volume of work necessary to increase awareness of the valuation profession world wide, continuing as separate entities but working in partnership makes the most sense in the medium term.

IVSC has just finished three years of major work that culminated in IVS 2003, a Standard that has gained considerable reputation and adoption around the world

and not just by valuation organizations. The People’s Republic of China which has begun promulgating national valuation standards in accordance with International Valuation Standards, is one of the many governments and financial and audit oversight agencies now referring to the IVS. A critical part of the future work is linkages with both the International

Both of these organizations receive a large portion of their financial support from just a few of the leading international and national appraisal and valuation organizations. ...

Accounting Standards Board (“IASB”) and the International Federation of Accountants (“IFAC”), particularly as a result of the convergence of financial reporting standards and the move towards the recognition of market value as the fairest value for the consistent reporting of property assets.

The IVSC has authorized its Standards Board to develop a guideline for the valuation of Heritage and Historic properties. A member of AIC will be playing a major role as the chair of the expert group tasked to complete a draft guideline that will then be exposed for comment later this year.

The participation by leading valuation organizations is important when supporting the education, training, regulations and enforcement of the profession. . . .

WAVO continues to grow and although starting 20 years after the IVSC, is demonstrating the importance of adding competency and regulations as the second and third pillars of the profession in support of standards. WAVO differs in one major way from the IVSC in that it is an organization of organizations and not countries. This participation by leading valuation organizations is important when supporting the education, training, regulations and enforcement of the profession. Work has already commenced

on producing base educational curricula for organizations to adopt and a basic set of principles or ethics is in final form.

The WAVO admissions process started in February, and by early April, fifteen organizations from twelve countries had been admitted as either fully qualified members or as nominee members working towards full membership. Although not quite as high as the membership numbers of the IVSC, which represents nearly 60 countries in various categories of membership, the expectation of WAVO adding another 30 member organizations by the end of 2004 seems realistic.

Of paramount importance to both organizations is the need to increase membership from developing countries to ensure that these emerging economies build a strong local valuation profession so critical to attracting foreign investment. A strong real estate economy supported by a competent valuation profession together with sound governance and strong financial institutions in all countries is an objective of both IVSC and WAVO.

Peter Clark, AACI, P.App, Fellow
IVSC/WAVO Representative

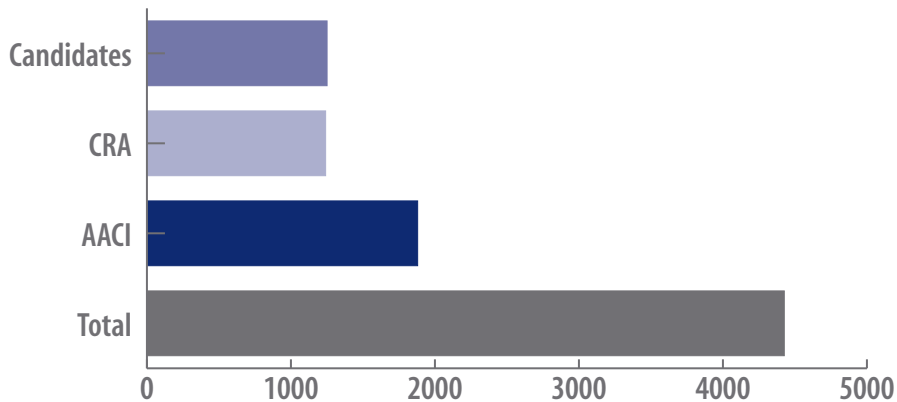
AIC Membership Statistics



April 30, 2003 - 2004 – AIC Membership

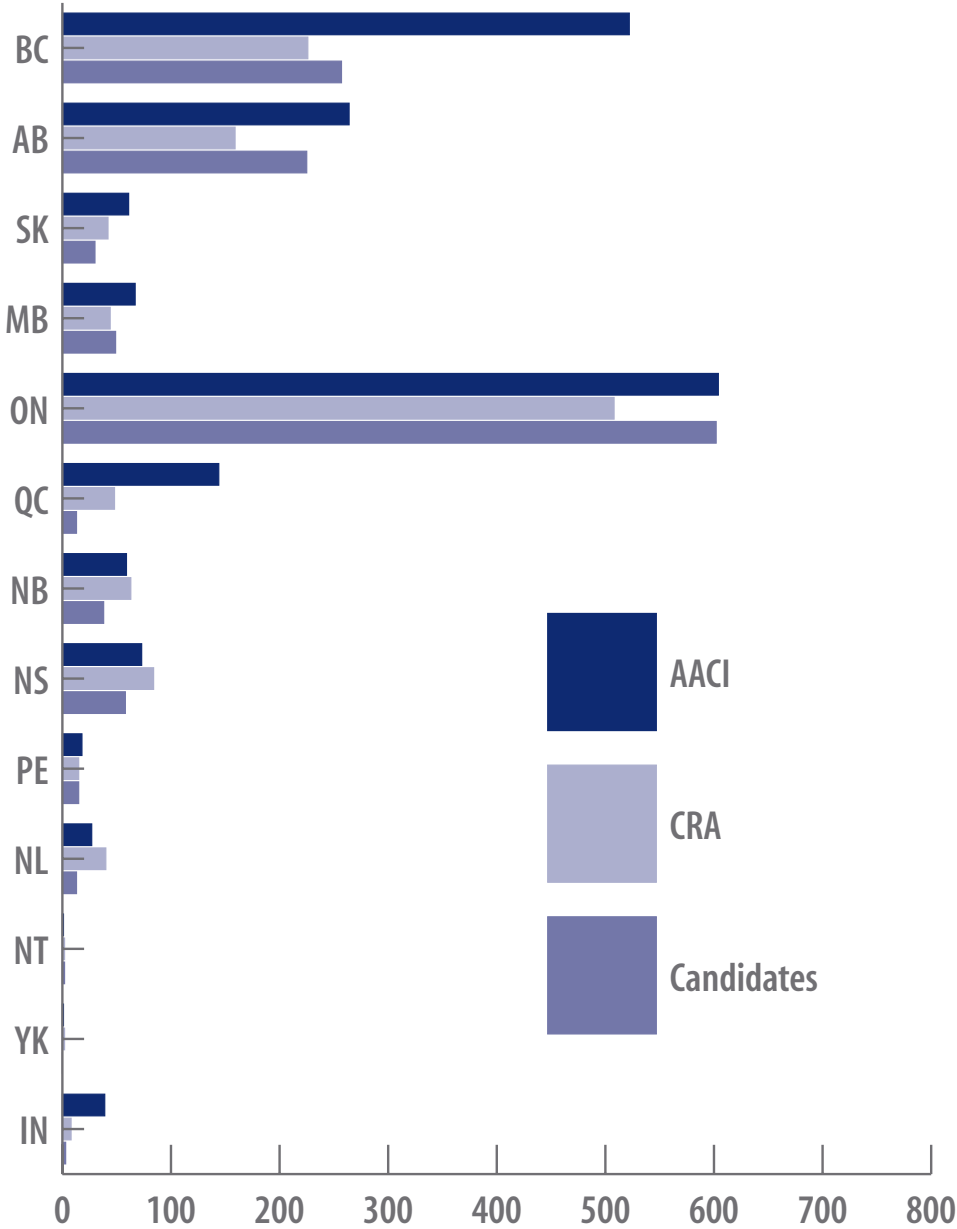
	AACI		AACI Total	CRA		CRA Total	Candidates		Candidate Total	Grand Total
	Retired	Active		Retired	Active		Retired	Active		
BC	75	447	522	28	198	226	11	246	257	1,005
AB	38	226	264	7	152	159	7	218	225	648
SK	5	56	61	3	39	42	4	26	30	133
MB	5	62	67	2	42	44	4	45	49	160
ON	91	513	604	52	456	508	19	583	602	1,714
QC	12	132	144	0	48	48	1	12	13	205
NB	5	54	59	7	56	63	2	36	38	160
NS	17	56	73	5	79	84	3	55	58	215
PE	4	14	18	0	15	15	0	15	15	48
NL	2	25	27	5	35	40	0	13	13	80
NT	0	1	1	0	2	2	1	1	2	5
YT	0	1	1	0	2	2	0	0	0	3
IN	13	26	39	1	7	8	2	1	3	50
Grand Total	267	1,613	1,880	110	1,131	1,241	54	1,251	1,305	4,426

AIC Membership - Totals



AIC Membership Statistics

AIC Membership – Breakdown by Province



AIC Membership Statistics

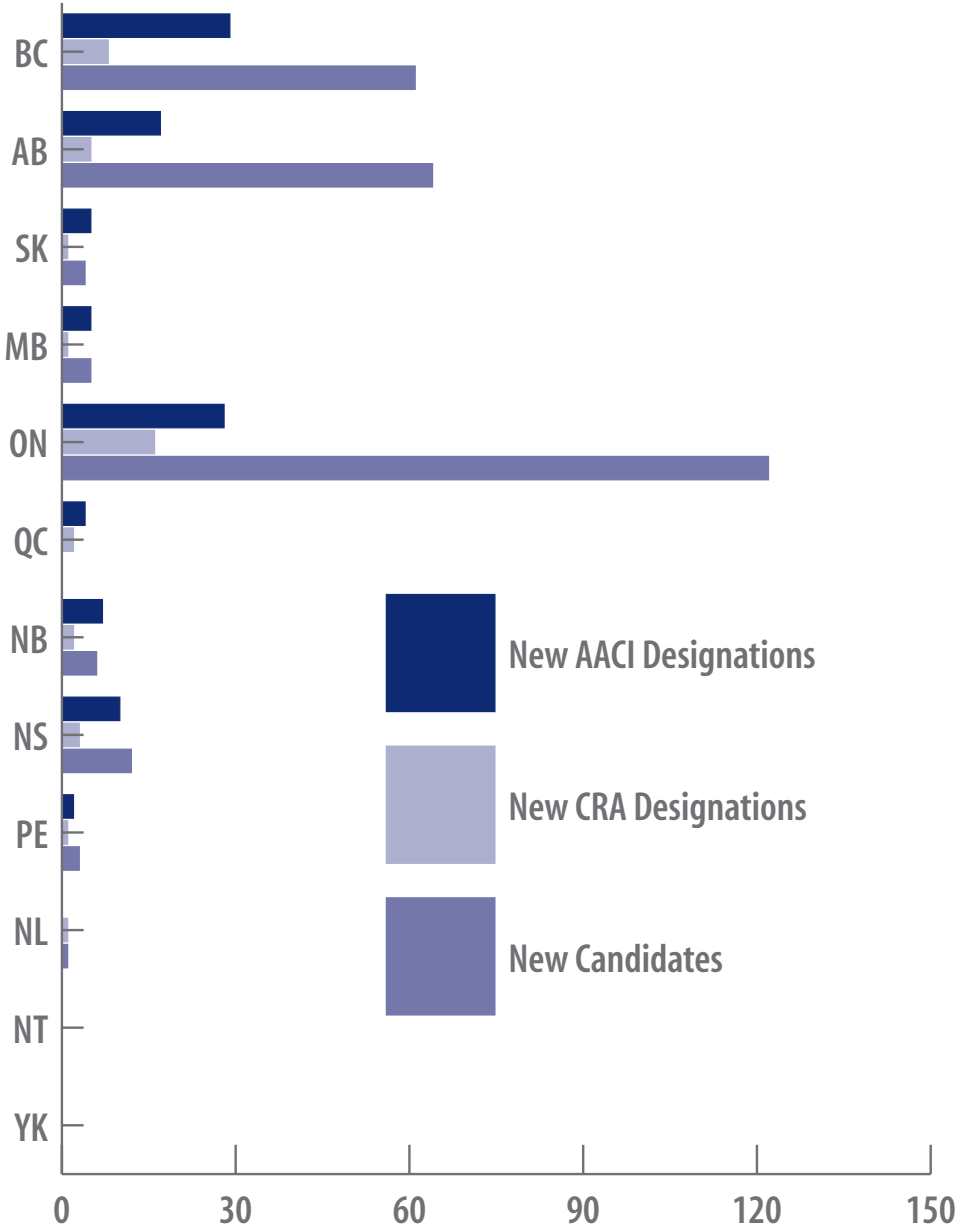


April 30, 2003 - 2004 – New Designations & Candidate Members

	New AACI Designations	New CRA Designations	New Candidates
BC	29	8	61
AB	17	5	64
SK	5	1	4
MB	5	1	5
ON	28	16	122
PQ	4	2	0
NB	7	2	6
NS	10	3	12
PE	2	1	3
NL	0	1	1
NT	0	0	0
YT	0	0	0
Other	0	1	0
Grand Total	107	41	278

AIC Membership Statistics

New Designations & Candidate Members – Breakdown by Province



AIC Board Members & AIC Staff



Board Members

Front Row (Left to Right)

David C. Highfield, AACI, P.App Vice President (BC)
Keith Goodwin, AACI, P.App, Fellow Past President (BC)
Georges Lozano, MPA, Chief Executive Officer
Brad F. Wagar, AACI, P.App President (AB)
Brian P. Duncan, AACI, P.App President Elect (ON)

Back Row (Left to Right)

Paul J Olscamp, AACI, P.App Vice President (PEI)
Gerald W. McCoombs, AACI, P.App (NB)
Laurent Brosseau, AACI, P.App (QC)
Robert H. Tipple, AACI, P.App (NL)
Gerry Hupp, AACI, P.App (SK)
Beverley D. Girvan, AACI, P.App (NS)
Gordon J. Tomiuk, AACI, P.App (MB)
Roland Mayr, AACI, P.App (ON)
George R. Canning, AACI, P.App (ON)

AIC Staff

Georges Lozano, Chief Executive Officer
Joanne Charlebois, Director, Communications
Leacy O'Callaghan-O'Brien, Senior Advisor, Professional
Development and Member Services
David Hildebrand, Counsellor, Professional Practice

Lynn Galvin, Manager, Finance & Administration
Diane Arruda, Membership and
Professional Practice Coordinator
Mary-Jane Erickson,
Communications Coordinator
Gail Cooke, Administrative Coordinator



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