



Appraisal Institute of Canada
Institut canadien des évaluateurs

2014/15 ANNUAL UPDATE

ABOUT AIC

The Appraisal Institute of Canada (AIC) is a leading real property valuation association with over 5,000 members across Canada and around the world. Established in 1938, the AIC works collaboratively with its 10 provincial affiliated associations to grant the distinguished Accredited Appraiser Canadian Institute (AACI™) and Canadian Residential Appraiser (CRA™) designations.

The AIC is a self-regulating organization that is guided by Bylaws, Regulations, Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), and a Code of Conduct to ensure that:

- the integrity of the profession is maintained;
- members engage in conduct that will instill confidence and protect the public interest;
- members provide quality services within their areas of competence; and,
- members commit themselves to principles that reflect high standards of professionalism.

AIC-Designated Members are highly qualified, respected professionals who undertake comprehensive curriculum, experience and examination requirements. They are committed to ongoing continuing professional development to maintain the highest level of competency within an evolving marketplace. Our members provide unbiased appraisal, review, consulting and reserve fund planning services, as defined under CUSPAP, on all types of properties within their areas of competence.

OUR MISSION

To promote and support our members in providing high quality property advisory services for the benefit of clients, employers, and the public.

DESIGNATIONS

AIC-designated appraisers hold one of the following designations.



ACCREDITED APPRAISER CANADIAN INSTITUTE (AACI™)

The AACI designation is granted to individuals who have completed the AACI program of studies and fulfilled all the professional requirements of the Appraisal Institute of Canada. AACI members are qualified to offer valuation and consulting services and expertise for all types of real property.

CANADIAN RESIDENTIAL APPRAISER (CRA™)

The CRA designation is granted to individuals who have completed the CRA program of studies and fulfilled all the professional requirements of the Appraisal Institute of Canada. CRA members are qualified to offer valuation and consulting services and expertise for individual, undeveloped residential dwelling sites and dwellings containing not more than four self-contained family housing units.

DID YOU KNOW

• AIC members completed approximately 884,624 third-party appraisals in 2014

• AIC members completed third-party appraisals that were valued at approximately \$754 Billion in 2014

**Based on the 2015 Insurance Renewal membership questionnaire.*

PRESIDENT'S MESSAGE



Scott Wilson, AAI, P.App

This past year has highlighted the importance of partnership and building stronger relationships with stakeholders to advance our profession. Whether it be meeting with key financial institutions, regulators, Appraisal Management Companies (AMCs) or other stakeholders, AIC has been able to represent the issues that matter to our members.

I've also been impressed at how our association is recognized as a gold standard among other international valuation associations. To me, this is a testament to the difficult decisions that have been made by AIC boards to ensure the quality and professionalism of our members. AIC's designations and professional practice standards have earned global recognition and respect from international organizations. There is no doubt in my mind that AIC members are recognized as Canada's professional real estate appraisers of choice!

Some of the most significant partnership highlights of 2014 include:

- A new educational partnership with the University of Laval to deliver the French AIC Program of Professional Studies to Candidate Members. Now, our members have the choice to complete their designation in their preferred language.

- An Agreement with the Real Estate Institute of Canada to offer new educational opportunities at discounted rates for AIC members. This agreement enables our members to diversify their practice by becoming certified for reserve fund planning or simply to learn more about other real estate topics such as finance, law, ethics, leasing, etc.
- The acknowledgement of AIC's comments on the Office of the Superintendent of Financial Institutions' (OSFI) *draft Guideline B-21 Residential Mortgage Insurance Underwriting Practices and Procedures* to ensure that on-site appraisals continue to be included as a sound risk-management strategy for mortgage-insurers.
- Invitations to meet and/or provide educational sessions to various AMCs, financial institutions and regulators.

- Participation as one of the first valuation professional organizations to support the International Valuation Standards Council's (IVSC) initiative to further the global standardization of professional standards.
- An invitation to present at the European Group of Valuers' Associations (TEGOVA), a European non-profit association composed of 61 valuers' associations from 33 countries representing more than 70,000 valuers in Europe.

Of course we will continue to build on these partnerships and to advocate for our members. I am thrilled to say that there seems to be a renewed excitement for the profession across the country. I am very proud of my designation and will continue to be a champion for AIC!

Thank-you for the opportunity to represent AIC members over the past year – it has been a true honour and privilege.

LIST OF AIC BOARD MEMBERS 2014-2015

EXECUTIVE PRESIDENT

Scott Wilson, AAI, P.App (PE)

PRESIDENT ELECT

Daniel Doucet, AAI, P.App (NB)

VICE-PRESIDENTS

Dan Brewer, AAI, P.App (ON)

Rick Colbourne, AAI, P.App (NS)

IMMEDIATE PAST PRESIDENT

Dan Wilson, AAI, P.App, Fellow (BC)

DIRECTORS

Glen Power, AAI, P.App (NL)

Louis Poirier, AAI, P.App (QC)

Anne Helliker, AAI, P.App, Fellow (ON)*

Paula Malcolm-Schaller, CRA (ON)

Surinder Pal, AAI, P.App (MB)

Thomas Fox, AAI, P.App (SK)

John Manning, AAI, P.App (AB)

Ernie Paustian, AAI, P.App (AB)

Daniel Jones, AAI, P.App (BC)

CHIEF EXECUTIVE OFFICER
Keith Lancaster

*Anne Helliker, AAI, P.App passed away in April of 2015; she was named as a Fellow of the Appraisal Institute of Canada in October 2014.

CEO'S MESSAGE



Keith Lancaster, CEO

The Appraisal Institute of Canada (AIC) continues to focus its efforts on promoting AIC members as “real estate appraisers of choice”. I’m pleased to announce that this strategy is gathering momentum, and our members – and the services they provide - are gaining attention like never before.

Our website has received 33 per cent more visitors than in 2013, and our “Find an Appraiser” online search tool receives 6,500 – 7,000 visits every month. In fact, our partners and clients tell us that they now rely on this tool daily to find Designated Members with the right expertise, geographic location, and experience. Our social media channels are “buzzing” with more activity and more followers; and, our media relations efforts have helped us to become one of the trusted sources for national media seeking insight into real estate markets.

To ensure that AIC members continue to deliver on their brand promise of being the professionals “of choice”, the AIC board of directors, committee members, volunteers and staff are working diligently behind the scenes to educate and advocate. Our Professional Practice team delivers professional practice seminars that are more relevant and informative, and they are constantly reviewing professional standards and regulations to see if there are new opportunities for members to diversify their

practice. The Admission and Accreditation team continues to deliver one of the best programs of professional studies – now in both English and French - to ensure our Candidate Members are well prepared for their future careers. And, our Communication team is leading the charge for a truly national advocacy program that involves and empowers our provincial affiliates to stay on top of policies and regulations that affect our members at a provincial and federal level.

On behalf of the AIC team, I am pleased to present the 2014-2015 Annual Update which will provide more details on the key activities within each of the four strategic pillars as outlined in the 2011-2014 strategic plan, including:

- Building Relationships;
- Member Growth and Development;
- Governance & Management; and,
- Knowledge & Authority.

Membership at a Glance

	2011-2012	2012-2013	2013-2014	2014-2015
AACI	1,940	1,960	2,002	2,001
CRA	1,484	1,486	1,498	1,475
CANDIDATES	1,230	1,265	1,304	1,347
STUDENTS	80	118	150	184
TOTAL	4,734	4,829	4,954	5,007

Membership at a Glance – April 12, 2014 to April 13, 2015

AACI			AACI	CRA		CRA	Candidate		Candidate	Student	2014-2015 Grand Total	2013-2014
	Retired	Active	Total	Retired	Active	Total	Retired	Active	Total	Total	Total	
AB	54	270	324	37	196	233	31	190	221	16	794	784
BC	122	441	563	37	241	278	29	201	230	38	1,109	1,137
INT	16	15	31	1	4	5	1	0	1	1	38	36
MB	17	55	72	4	48	52	3	68	71	25	220	207
NB	12	49	61	2	39	41	6	47	53	2	157	149
NL	3	28	31	4	35	39	2	12	14	5	89	96
NS	15	64	79	12	78	90	5	37	42	3	214	218
NT	0	2	2	0	1	1	0	1	1	0	4	3
NU	0	0	0	0	0	0	0	0	0	0	0	0
ON	92	545	637	78	516	594	55	579	634	77	1,942	1,894
PE	2	16	18	3	20	23	3	9	12	1	54	53
QC	14	90	104	7	58	65	2	15	17	12	198	198
SK	19	59	78	5	46	51	2	47	49	4	182	175
YT	0	1	1	0	3	3	0	2	2	0	6	4
Total	366	1,635	2,001	190	1,285	1,475	139	1,208	1,347	184	5,007	4,954

BUILDING RELATIONSHIPS

Over the last few years, building relationships has been a focal point for AIC. This focus has enabled us to achieve the following results within Canada and among our global partners.

Key highlights include:

- Being among the first professional valuation associations from around the world to sign a landmark Memorandum of Understanding (MOU) with the International Valuation Standards Council (IVSC) in support of the adoption of international valuation standards to ensure consistency in the valuation process across global markets;
- Developing a new partnership agreement with the Real Estate Institute of Canada (REIC), a leader in advanced education in the real estate industry, to provide AIC members with access to the REIC's courses and designation programs at a preferred rate;
- Co-hosting the 2014 IVSC annual meetings with the Canadian Institute of Chartered Business Valuators (CICBV) in Toronto;
- Meeting with Federally Regulated Financial Institutions (FRFIs) and conducting regular meetings with Appraisal Management Companies (AMCs) to learn more about their appraisal requirements and needs; sharing our members' concerns; and identifying ways that we can find solutions that address these concerns;
- Delivering presentations in English and French to national clients, industry stakeholders, and local and provincial AIC Chapters on:
 - The Fundamentals of Real Estate Valuation
 - Reading and understanding the appraisal report from the perspective of the intended user
- Ethics and Professionalism
- Effective Report Writing
- Valuation Fraud: Red Flags and Warning Signs
- Scope of Practice and Understanding the Assumptions and Limiting Conditions
- Appraisal Review
- The Appraisal Industry: Trends, Challenges and Opportunities
- Promoting AIC members at national events, including the 2014 CAAMP National Summit, the 2014 Real Property Institute Conference, the 2014 Commonwealth Heads of Valuation Agencies, and the Toronto Real Estate Forum;
- Advertising AIC Members' services to mortgage broker, legal, business and real estate industries within relevant print and online channels across Canada. Millions of impressions were also obtained on mainstream publications such as the Globe and Mail, The Toronto Star, Macleans, L'Acuité, and Le Droit;
- Offering financial support to provincial affiliates to promote AIC members at the local level, such as trade shows, business events, advertising within local publications, etc.; and,
- Continually working with our provincial affiliates, chapters and volunteers to deliver exceptional service and resources to members. This includes customizing ads for local markets, providing articles, and delivering AIC-branded resources.

MEMBER GROWTH AND DEVELOPMENT

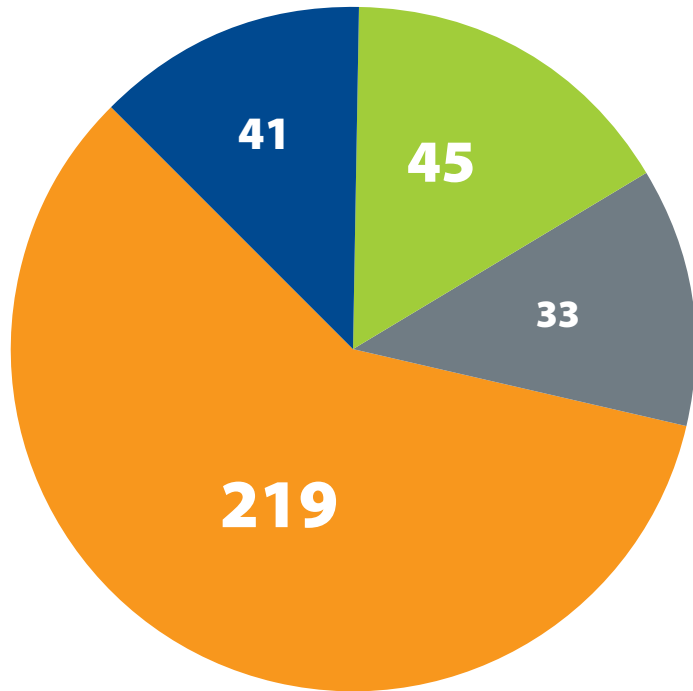
To maintain a high level of public trust in professional appraisal practice and to ensure that the Appraisal Institute of Canada's designations remain the most recognized and respected professional designations within the real estate industry, we continue to explore ways that our education program remains leading edge throughout the whole cycle of our membership – from obtaining an AIC designation to continuing professional development activities.

Key highlights include:

- Developing a new partnership with Université Laval to deliver a French AIC Program of Professional Studies in Real Estate Valuation. This program will offer classroom and distance learning courses through FSA ULaval's regular undergraduate certificate program in real estate, the *Programme de Certificat en Gestion urbaine et immobilière*, for the AACI professional designation and its microprogram in real estate, the *Microprogramme en Gestion urbaine et immobilière* for the CRA professional designation;
- Implementing the 2014 CUSPAP which includes an extended scope of practice to conduct reserve fund planning for AIC members with a CRA designation;
- Hosting one-day Professional Practice Seminars via webinar to provide greater flexibility to members to complete their mandatory credits;
- Publishing quarterly articles under the Professional Practice Matters column in the Canadian Property Valuation (CPV) Magazine and regular professional practice communiqués advising members on best practices on a number of topics, including but not limited to:
 - Letters (reliance, engagement, transmittal, of opinion);
 - Reports (form, drafts);
 - Market rent analyses;
 - Cosignature and the mandatory requirement for registration in the Candidate Co-signing Registry to ensure insurance coverage.
- Recognizing new members through the "Future is Bright" column in the Canadian Property Valuation (CPV) to share the diversity of career paths open to AIC members;
- Developing an on-line CPV library comprised of all the technical articles written since 2008 to facilitate convenient access of research material for AIC members and the public;
- Developing a new introductory session *AIC-101: Introduction to the Appraisal Profession* to better inform individuals about a career in the appraisal profession and to help them clearly understand the important steps to achieving a designation. This session was hosted via webinar to provide an opportunity for participants to ask questions and interact with the instructors;

MEMBER GROWTH AND DEVELOPMENT (CNTD)

- Offering members an affinity program with UPS to receive discounts for couriered packages.
- Hosting more than 300 AIC members at the annual AIC Conference in Halifax with a full program of educational discussions for member development;
- Assisting 113 Candidate Members in 2014 to meet their requirements under the Work Product Review Program and providing them with an opportunity to receive feedback on their work product from experienced Designated Members;
- Facilitating enriching Continuous Professional Development (CPD) opportunities through webinar technology and promoting the opportunities via communiqués, website and social media; and,
- Advertising on mainstream on-line sites such as Facebook, YouTube and Kijiji as well as job-search sites such as Monster, Workopolis and Career Builder. This exposure provided 17 million impressions and enabled the aicanada.ca/become-an-appraiser page to be one of the top visited pages on the AIC website.



Member Growth and Development

NEW STUDENTS
 NEW AACI DESIGNATIONS
 NEW CRA DESIGNATIONS
 NEW CANDIDATES

	New AACI Designations	New CRA Designations	New Candidates	New Students
AB	4	8	33	3
BC	12	4	29	6
MB	1	1	12	11
NB	3	0	7	0
NL	1	2	2	0
NS	1	0	7	0
NT	1	0	1	0
NU	0	0	0	0
ON	15	16	110	18
PE	0	0	2	0
QC	5	0	6	3
SK	1	2	9	0
YT	0	0	1	0
INT	1	0	0	0
Grand Total	45	33	219	41

Growth and Development

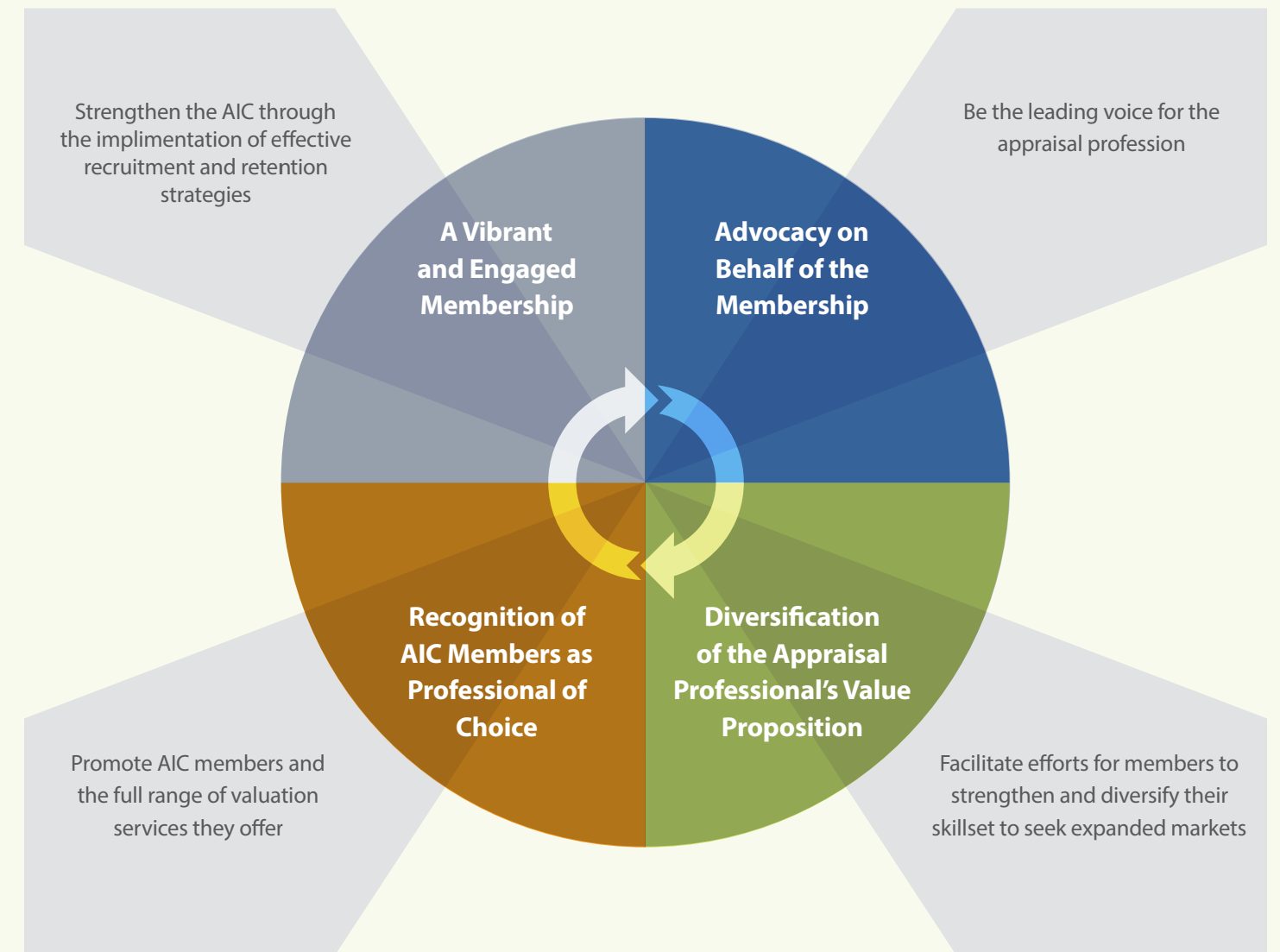
GOVERNANCE & MANAGEMENT

The AIC continues to monitor and update its policies, Board and Committee processes and strategies to ensure that AIC remains efficient and cost effective.

Key highlights include:

- Implementing the 2015-2018 Strategic Plan; (see diagram on page 13)
- Renewing the affiliation agreements for all ten provinces;
- Continuing to enhance the Professional Liability Insurance Program by expanding risk based premium setting to ensure that the program continues to provide comprehensive protection to AIC members at a reasonable cost. The 2015 renewal saw a decrease in the base rates for all membership categories;
- Implementing a Membership Service Survey to obtain feedback from members on services that AIC is delivering;
- Updating the AIC Reinstatement Policies to ensure they are reasonable, equitable, and efficiently implemented in each province;
- Offering electronic voting and access to the 2014 Annual General Meeting via web link to ensure that all members have an opportunity to participate;
- Hosting regular teleconferences with Provincial Presidents and Executive Directors after Board of Director meetings to inform them of new motions and national initiatives;
- Hosting regular teleconferences and meetings with AIC committees to report on annual progress and develop strategies for the upcoming year; and
- Distributing a request for Volunteer Expressions of Interest from the membership for various committees with vacant positions. In 2014, over 25 qualified applicants volunteered to fill vacancies on several committees.

2015 — 2018 STRATEGIC PLAN KEY RESULTS AREAS



KNOWLEDGE & AUTHORITY

The AIC made significant strides in profiling AIC members as the “Professionals of Choice” as well as positioning AIC as the authority on real estate valuation both nationally and internationally.

Key highlights include:

- Publishing the “Guideline to Estimating the Market Rent of Parking Spaces” as a joint effort with AIC and l’Ordre des évaluateurs agréés du Québec (OEAQ). Commissioned by Public Works and Government Services Canada (PWGSC), the Guideline outlines best practices for estimating the market for parking spaces to improve the consistency in appraisal reporting across Canada, ensure opinions for parking rents are objective and well supported, and provide guidance to practitioners on an industry-wide basis. The findings of this report were presented to the leadership of the international assessment community at the Commonwealth Heads of Valuation Agencies (CHOVA) conference held in Toronto.
- Participating in a strategic organizational review of the International Valuation Standards Council (IVSC), including an assessment of current processes, structures and resources to ensure the organization is positioned to fulfil its mission of generating high quality valuation standards that serve the public interest;
- Commenting on the Office of the Superintendent of Financial Institutions (OSFI) draft Guideline B-21 Residential Mortgage Insurance Underwriting Practices and Procedures. These Guidelines were later implemented to complement those governing mortgage lenders (Guideline B-20) by outlining the principles for effective governance and internal risk management within federally-regulated mortgage insurers;
- Conducting outreach to federal departments responsible for Finance, Housing, Infrastructure, and Public property to inform them about key issues within the valuation industry;
- Raising the awareness of valuation fraud during Fraud Prevention Month. AIC reminded Canadian consumers, lenders, mortgage brokers, lawyers, appraisers and anyone else relying on an appraisal, to be diligent about potential valuation fraud that may occur during the mortgage financing process;
- Conducting proactive media relations activity to assist the public in understanding the role of real estate valuation within the economy. Over 63 million impressions were earned through media relations activities within Canada in 2014;
- Working closely with the Appraisal Institute (US) to share best practices and ways to help our members explore opportunities within North America;
- Participating in the Canadian Association of Accredited Mortgage Professionals (CAAMP) Regional Symposiums in Toronto, Montreal, Saskatoon, Winnipeg and Calgary to educate mortgage brokers about valuation and the important elements of an appraisal report; and,
- Presenting AIC and the important role our members play within the mortgage process to the Mortgage Broker Regulator Council of Canada (MBRCC) annual meeting in Montreal.

A SNAPSHOT OF AIC ACTIVITIES



441 participants completed the AIC-101:
Introduction to the Appraisal Profession



Increase of 33.63% in total visitors to the AIC website; 28.9% increase in unique visitors; and, 23.5% increase in page views



Over 80 hours of the one-day Professional Practice Seminar delivered in webinar format reaching more than 240 Designated and Candidate Members from coast-to-coast and around the world.



Approximately 30 million impressions were earned through online and print advertisements within targeted publications/sites to promote AIC members and the AIC-designated appraiser career



25 presentations delivered to national clients and industry stakeholders, in English and French, on the fundamentals of real estate valuation and the added value AIC members bring to the profession



More than 63 million impressions were earned nationally and internationally with media relations activity



More than 4300 calls to AIC's toll-free line from members, lenders, and the public



Increase in activity within social media channels including 23% increase in Facebook likes; 32% increase in Twitter followers; and, 18% increase in Linked in.



Average of 6,750 searches per month on the 'Find an Appraiser' tool on AIC's website



Over 25,000 copies of Canadian Property Valuator (CPV) distributed annually to members, clients and industry stakeholders



Average of 50 jobs posted/month by various employers across the country in the "career opportunity" section of the AIC website