




ANNUAL UPDATE

2019/2020



Appraisal Institute
of Canada

Institut canadien
des évaluateurs



MESSAGE FROM THE PRESIDENT



Thomas Fox,
AACI, P. App.

A YEAR TO REMEMBER




When I started my term as President of AIC in June of 2019 no one could have imagined the upheaval that 2020 would bring. Nonetheless, I embarked upon my Presidency with clear goals and objectives and a commitment to create value for members and for the Appraisal Profession as a whole.

While 2019 saw AIC renew its focus on the four pillars of its strategic plan; 1) a vibrant and engaged membership base, 2) Advocacy on behalf of the members and the profession, 3) Diversification of the members' value proposition, and 4) Recognition of AIC appraisers as professionals of choice, the external environment had other plans for us. More information regarding our progress against these objectives is provided in the CEO's report, farther in this document.

In early March, as I began thinking what I would write for this message, I was preparing to write a message of optimism about our profession, notwithstanding the challenges posed by disruptors like AVMs, AI, etc.. I was planning to state that we are evolving with market changes and with that comes opportunities. I was not going to provide a solution for everything we are facing within our industry, but my key messages were to be that: with unconventional thinking, by embracing what is going on in our world, and embracing technology, opportunities for all members will arise – BUT IT'S UP TO YOU, the individual members.

I had planned on spending some time discussing the Shaping the Future Task Force created by AIC with representatives from all sectors of valuation. The Task Force's purpose is to focus on the future of our profession and the AIC as an



organization. The task force will analyse our profession as it is today, it will then look to the future and identify opportunities and that will help our members be successful. My message was, and still is that:

- It's an exciting time to be in the world of valuation
- I don't know what the appraiser of the future looks like
- I know, we know, that it will be different from what we look like today

I was also going to talk about the AIC Principles:

- What we do is for the benefit of the members
- We operate in transparency and openness
- Our focus is always to generate results
- You, the member are at the core of what we do and it is your right to expect this

Just as I was preparing this text, the COVID-19 pandemic was upon us. Things changed rapidly – I'm sure you all experienced it; what was important at the beginning of that week in mid-March, or even the beginning of the day, was no longer relevant. We all became familiar with terms we might not have even heard before:

- Flattening the curve
- Force Majeure
- Social distancing
- Self-quarantine
- Zoom, and many more

Almost overnight, my role as your President changed dramatically – travel was cancelled, committee work was halted, and most priorities, including the annual conference, took a back seat to a new focus on the pandemic, its effect on our industry, and how we could support the membership during an unprecedented time. The important things we were working on no longer seemed important and I fully expect that our priorities as a Board and an organization will be somewhat different well into the future. No one knows what the future holds regarding the pandemic; will it “go away”, will there be a second or even third wave in the fall and winter?

I, and your Board, have been working closely with staff at AIC National as well as with the Provincial Affiliates. I can assure you that we have an exceptionally dedicated and committed volunteer corps and staff. The AIC staff and Executive have had to act quickly and effectively. We looked for unconventional ways to support our members. You've seen the results and should be proud of your professional organization. Our work

in the early days of the pandemic was almost frenetic as we struggled to keep up with ever-evolving guidance from Public Health Authorities and Governments regarding what constituted acceptable practices for our members.

We very quickly launched a dedicated COVID-19 section of the AIC website, with separate areas for the public and for members. As appraisal services became designated essential services in most parts of the country, our focus moved to providing guidance to our members that would allow them to continue their work (to the extent possible), while:

- Protecting the public
- Protecting members
- Ensuring high quality work
- Facilitating access to government support programs, and
- Ensuring that appraisers could continue their important work in helping Canada's financial and lending sectors manage risk

Vetting ideas and programs through committees was not a realistic option as we tried to keep up with daily changes to the situation. We didn't necessarily get everything right, but I can confidently say that we have been agile and effective.

Just as things started to settle into a new reality, economies have slowly started reopening and our challenge, once again, is to provide timely information and guidance to the membership as they return to a semblance of normalcy. Committees are becoming active again and volunteers are being engaged. We have struck a new Task Force whose focus is on COVID-19 and its impact on the membership and the public. It will take time to get committees and volunteers back into full engagement, but we are doing our best to move forward.

- Even as the situation inches back to “normal”, AIC management and the Executive continue their work:
- Meeting with stakeholder like AMCs and Lenders
- Maintaining the COVID web page
- Responding to member inquiries and concerns, and
- Focusing on identifying ways in which our members can continue to work responsibly, effectively, and safely

WHAT'S NEXT?

So, here we are. Even as the pandemic is beginning to wane slightly, we're still learning new ways to complete our work by finding solutions like:

- Virtual inspections
- Working from home
- Embracing technology
- Meeting virtually, and much more

For now, the lion's share of AIC's resources is currently devoted to COVID-19.

What will our profession and marketplace look like in 6 months? In 6 years? I wish I knew. I do expect the Shaping the Future Task Force, once it re-operationalizes, will help to identify the characteristics of that future and develop strategies for members to thrive as the external environment evolves.

I can confidently say that when this is all over: travel will resume, but it will not look the same as it has; restaurants will reopen, but, again, there will be significant changes; that retail strip mall that was once full of vibrant small businesses will probably have some vacancies, to name but a few. Certainly, business structures will change as some of the trends 'forced upon' us during the pandemic including new technologies and working remotely will probably continue to some degree. In many ways, however, our profession will not change in that we will still provide risk management solutions to the lending industry, planning and consulting services to all segments of the real property market, and service and advice to key government and regulatory agencies.

What we did and how we did it pre-COVID-19, WILL change.

I am cautiously optimistic – it might just be my nature, but I believe that it's during times like these that some of the biggest opportunities present themselves.

Real estate is not going anywhere, regardless of what transpires with the pandemic. I strongly urge you to learn new skills, think of new ways to operate and sharpen your existing skills and look for new opportunities to promote your existing skills. I believe that the use of AVMs will continue to be limited for the foreseeable future and that clients will be looking to experts like us for guidance. I am certain that once the pandemic is over, and it will be eventually, there will be a wealth of opportunities in the valuation space. These will include:

- Litigation work like divorce and foreclosure
- Consulting work (quantifying the effects and opportunities in the market both short- and long-term), and
- Financing work

Position yourselves as the go-to experts on these and other topics

Let me be clear – it is not the AIC's mandate or even its responsibility to find you work or define your business plan. However, it is the responsibility of AIC to provide opportunities through education and optimized relationships with stakeholders like lenders and AMCs, and to help ensure that members are competent and prepared to capitalize on opportunities as they arise.

Please make sure that you are engaged with AIC's communications, education opportunities, and, when the time comes, with the Shaping the Future Task Force. Watch for opportunities within your market and don't be afraid to take advantage of these opportunities – be the valuation expert that everyone seeks.

During my time on the AIC Executive and even more so during my Presidency, I have learned that while goal-setting is essential, adaptability is equally important. I sincerely want to thank the membership for the opportunity to be your President. It is a lot of work, but it is also a lot of fun. During my time on the national Board I have learned a great many things and met some life-long friends and colleagues that are like-minded. It has been an honour to lead the AIC over the past year and work alongside such a great team. Again, thank you for allowing me this opportunity.



Thomas Fox,
AACI, P.App President

AIC Board Members 2019-2020

EXECUTIVE

President

Thomas Fox, AACI, P.App (SK)

President Elect

Jan Wicherek, AACI, P. App (PEI)

Vice-President

Suzanne de Jong, AACI, P. App. (ON)

Vice-President

Adam Dickinson, AACI, P. App. (NB)

Immediate Past President

Peter McLean, AACI, P. App (ON)

DIRECTORS

Craig Barnsley, AACI, P.App (BC)

Carrie Russell, AACI, P.App (BC)

Brad Brewster, AACI, P.App (AB)

Dena Knopp, CRA, P.App (AB)

Laura Kemp, CRA, P.App (MB)

Ed Saxe, CRA, P.App (ON)

Louis Poirier, AACI, P.App (QC)

Michael Kirkland, AACI, P. App (NL)

Andre Pouliot, AACI, P.App (NS)

CHIEF EXECUTIVE OFFICER

Keith Lancaster, AACI (Hon.)



MESSAGE FROM THE CEO



Keith Lancaster,
CEO

FOCUSED BUT NIMBLE

2019-2020 (at least until March 2020) saw AIC continue its focus on our strategic plan. This is coming at a time when the demands on the profession are changing rapidly – and based on what stakeholders are saying, the pace of change is not going to slacken – this is to say nothing of the pandemic issues which have taken over our priorities for the past few months – these are addressed in the President's message above.

The AIC Board and staff continue to be focused on four areas intended to help AIC Members continue to compete in a dynamic marketplace.

PROMOTION OF MEMBERS

This pillar is aimed at promoting the diverse range of services you can provide to your clients.

We have focused our attention on the stakeholders that actually engage our Members – lenders, brokers, etc. We launched a new website in 2018 and we have taken a much more active role on social media to drive traffic to the site.

All of these efforts, combined with our comprehensive advertising campaign, produced nearly 30 million digital impressions in 2019/20. That is the number of times that the message "AACIs or CRAs are the professionals of choice" was seen and/or heard.

We also launched a new micro-site in 2019 – AppraisersKnow.ca. All our social media and advertising activity drive traffic to this simplified site which still allows access to the full AICanada.ca site.

DIVERSIFICATION OF THE PROFESSION

This is an area of which we are particularly proud – and this is the area that is perhaps most crucial to the future of the profession particularly in light of the COVID pandemic.

Over the past several years, the AIC has broadened the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) to include new standards for Reserve Fund Studies, for Machinery and Equipment, and for Mass Appraisal.

Each of these areas builds on the skills you have as appraisers and helps you to move beyond the traditional work that has been under so much pressure. Put another way, these standards present new business opportunities and areas where you can expand your practices.

It is AIC's responsibility to help identify opportunities for growth and diversification. But, it falls to each of you to decide how and when you will respond.

ADVOCACY

Over the past few years, AIC has made great strides in making its voice heard in the public policy arena. Increasingly, we are seen as trusted and credible advisors to the federal government.

Advocacy is about serving the public good and creating better alignment between AIC work/interests and public policy. Achieving this objective requires ongoing, persistent and consistent work over the long term. Decision-makers need to hear the same message, whether from the national office, provincial affiliates, or individual Members.

In February of 2020, AIC once again appeared before the House of Commons Standing Committee on Finance, worked with Provincial affiliates to make numerous submissions to government at both the federal and provincial level, and had scores of meetings with Parliamentarians and Provincial MLAs and MPPs. In our messaging, we again spoke out in favour of Canada's regulatory regime – not because it is good for us, but because it protects the market and Canadians. AIC messaging included advocating for prudent underwriting standards to be applied to all lenders, not only those regulated by OSFI. We also raised concerns about the need for registries of beneficial ownership to help our members

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INVESTMENT?**

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**Appraisal Institute
of Canada**

– and other stakeholders – better respond to concerns around money laundering and other issues. Finally, we requested that all levels of government work together to update flood maps across the country.

Most notably, AIC made a submission to the House of Commons Standing Committee on Finance’s Budget Consultations for the 2020 budget. AIC was pleased to see that all three of the recommendations it had made in its submission made their way into the Committee’s report to Parliament. The significance of this accomplishment cannot be overstated; the Standing Committee receives scores, if not hundreds of submissions for each budget consultation. Each of these submissions contain recommendations, most of which never see the light of day. The fact that all of our recommendations were advanced to the House reflects well on the AIC’s credibility and trust with the Federal Government. AIC has worked hard, and has succeeded, to position itself as an organization that has the public interest in mind, as opposed to the self-interest of the profession. We will continue to build upon and expand this important work.

We have been more active on the advocacy front in 2019/20 than ever before, and we are increasingly at the right tables, having the right conversations with the right people.

VIBRANT AND ENGAGED MEMBERSHIP

AIC membership numbers have remained relatively stable at a time when many organizations in our space are shrinking. Despite retirements and attrition, we are bringing in new members and holding steady.

However, we know we cannot take this for granted and that is why we are focused on the ‘membership experience.’ In other words, how we deal with you, and how we deliver on our services.

We continue to explore ways to deliver value to our Members to ensure they remain engaged. AIC also continues to recruit new Members to ensure the sustainability of the Institute and the Profession.

Key activities to attract, engage and retain AIC Members includes:

- Facilitating Candidate Members’ progress by continuing to implement and enhance the Work Product Review program to help new Members learn how to adhere to CUSPAP guidelines in a “hands-on” way. Since the program has been introduced, AIC is seeing improving Applied Experience exam results and Professional Competency interview results.
- Offering additional resources to assist our Candidate Members through their designation process – including Candidate Member Handbooks and the availability of two AACI Members on the national staff to facilitate the Work Product Review process as well as to answer Member questions;
- Proactively targeting young professionals to the appraisal profession through advertising on social media channels, including Facebook, YouTube, LinkedIn. This strategy has worked, and in 2019/20, AIC had 616 participants in the AIC 101- Introduction to the Appraisal Profession webinar;
- Exploring more effective examination and interview methods to make sure AIC can truly assess the competency and skills needed to be a successful Designated Member;
- Selected the fourth annual Top Appraiser Under 40 awards to recognize AIC’s young talent and to promote volunteerism and leadership among the new generation of appraisers;
- Engaging more than 300 volunteers across the country in various committees, events and national initiatives;
- Providing monthly e-newsletters to update Members on professional practice issues, events and other valuation news;
- Providing a news clippings service (contact paulh@aicanada.ca to subscribe);
- Providing a quarterly publication, the Canadian Property Valuation, that shares Members’ expertise and technical experience;

WHAT IS THE REAL VALUE OF A HOME?



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- Engaging the membership in the 6th annual “Canada Day Photo Contest” and developing the AIC 2019 calendar to reinforce the contribution our Members have to communities across Canada; and
- 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.

We have worked to improve the insurance program, and, while many Members see insurance as a necessary evil, we are confident that we have a first-class program that is there to protect you, and your family, in the event you face a claim.

There is a myth out there that ‘bad’ appraisers doing ‘bad’ work are the only ones that get sued. This could not be further from the truth; all appraisers, including the most professional and diligent, may at some point in their career face a claim. The claim may not succeed but when litigation arises, the AIC Professional Liability Insurance Program is there to aggressively defend the action in order to keep costs down.

Changes to our program in recent years have increased our access to reliable aggregate data on the causes of claims as well as on strategies to reduce the risks and costs of claims. This data is helping AIC to develop programs and policies that will further enhance the AIC Professional Liability Insurance Program.

Improved data is giving us better insight into claims and that has translated into very stable premiums at a time when markets across the country have been quite volatile.

And, we have continued to make changes in an effort to reduce your liability exposure; the most recent changes being to the mandatory 0518 forms. The latest version of the forms and accompanying limiting conditions include a number of measures aimed at protecting Members and limiting exposure, while enabling quality work that responds to client needs.

Over the past several years, AIC has taken a number of steps to strengthen its insurance program.

It was because of the steps the AIC has taken, and the strength of the program that the AIC was able to





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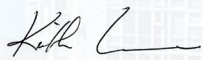




work with our insurance partners to provide the membership with a 25% rebate on their insurance premium as a means of alleviating the financial impact of the COVID-19 pandemic. The fact that our insurance program is healthy and robust allowed us to extend this benefit to the membership, without compromising the integrity of the program. We were all very pleased that we were able to provide some real and tangible support to our members during these unprecedented times.

One of our marketing planks is based, in part, on the excellence of our education process. This is an area where we are global leaders through our ongoing partnerships with two leading universities: UBC and ULaVal. We remain committed to providing the best service we can, because we believe that it is the key to ensuring a thriving and vibrant appraisal profession in Canada.

Over the past few years, we have achieved a lot, but there is much more that we need to do, and that you have asked us to do. Standing pat is not an option; change is here and we must respond.



Keith Lancaster,
CEO, AACI (Hon.)

AIC Membership - April 1, 2019 to April 1, 2020

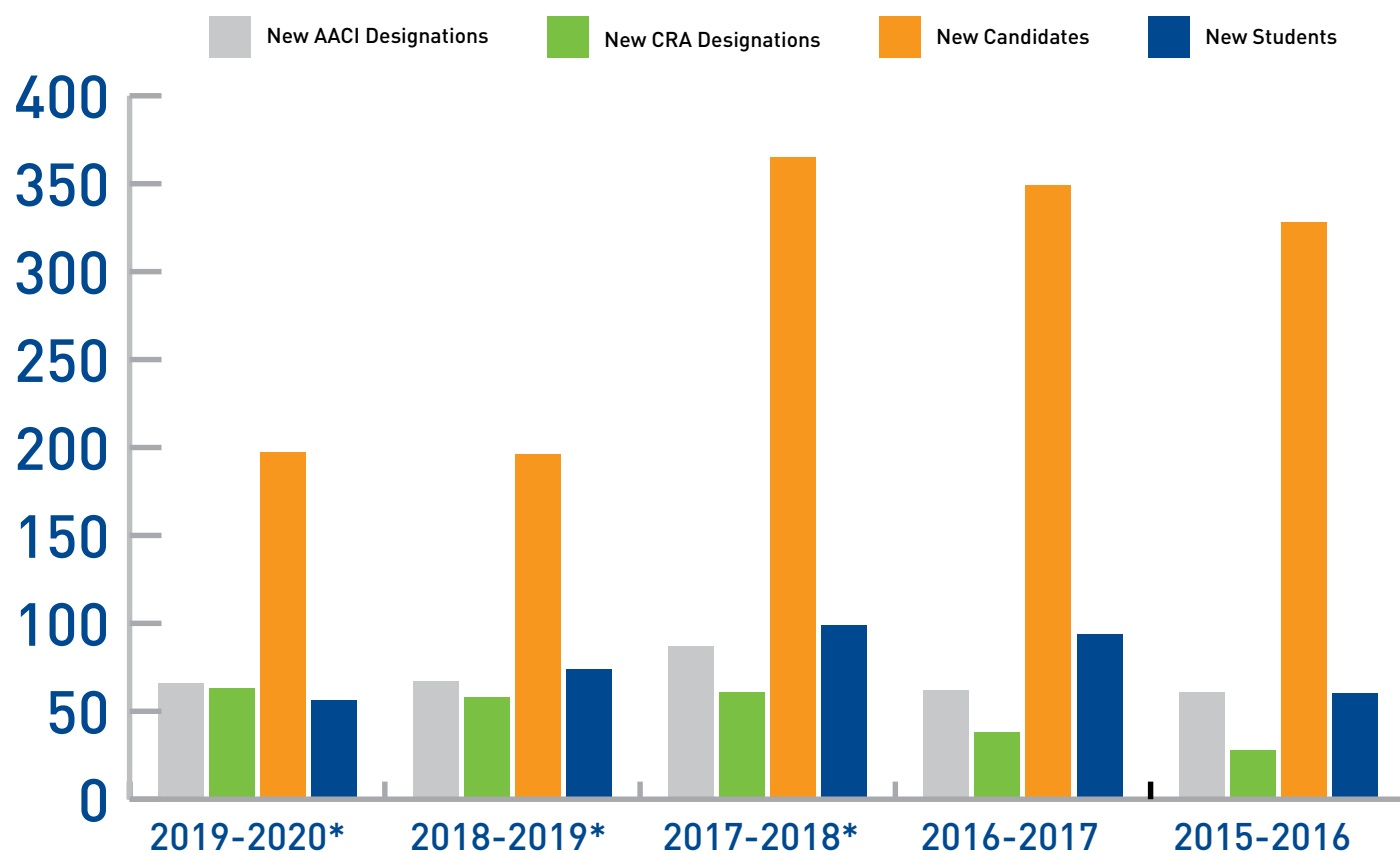
AACI			AACI	CRA		CRA	Candidate		Candidate	Student	2019/2020 Grand Total	Total 2018/2019
	Retired	Active	Total	Retired	Active	Total	Retired	Active	Total	Total	Total	
AB	76	238	314	37	169	206	32	155	187	41	748	765
BC	141	419	560	43	219	262	41	280	321	71	1,214	1229
INT	14	13	27	2	4	6	1	7	8	1	42	46
MB	10	62	72	7	46	53	4	59	63	35	223	225
NB	16	37	53	8	43	51	5	22	27	1	132	138
NL	6	27	33	5	30	35	2	6	8	4	80	85
NS	20	58	78	17	69	86	3	50	53	3	220	221
NT	0	2	2	0	0	0	0	1	1	0	3	3
ON	117	570	687	96	541	637	72	764	836	190	2,350	2358
PE	4	12	16	4	21	25	2	13	15	4	60	57
QC	22	80	102	9	46	55	4	36	40	24	221	226
SK	17	56	73	6	52	58	6	27	33	11	175	178
YT	0	1	1	1	3	4	1	1	2	0	7	7
Total	443	1,575	2,018	235	1,243	1,478	173	1,421	1,594	385	5,475	5,538

Membership at a Glance

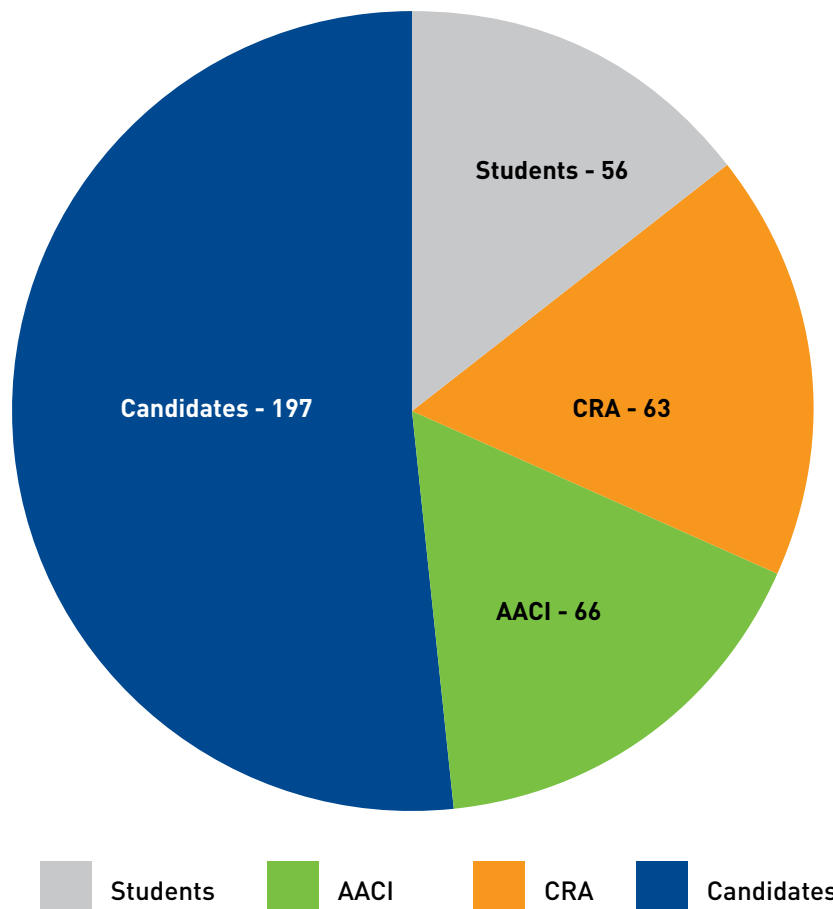
AIC Membership – April 1, 2019 to April 1, 2020

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
AACI	2,011	2,002	2,008	2,032	2,018
CRA	1,469	1,461	1,440	1,472	1,478
Candidates	1,520	1,660	1,697	1,670	1,594
Students	221	281	300	364	385
Total	5,221	5,404	5,445	5,538	5,475

New Designations & Candidate & Student Members



*April 1, 2019 to April 1, 2020



	# OF RESIDENTIAL APPRAISALS *	Y/Y	# OF COMMERCIAL APPRAISALS*	Y/Y
2019	805,222	-5.9%	194,858	1.8%
2018	855,678	-16.4%	191,322	-6%
2017	1,022,629	0.24%	203,391	0.01%
2016	1,020,206	0.05%	201,435	-4.7%

	\$ VALUE RESIDENTIAL APPRAISALS	Y/Y	# OF COMMERCIAL APPRAISALS*	Y/Y
2019	\$595,043,968,800	0.75%	\$874,454,371,200	50%
2018	\$590,620,702,200	-16.2%	\$581,305,597,800	0.1%
2017	\$704,568,864,300	6%	\$577,172,375,700	5.9%
2016	\$664,440,632,100	16.9%	\$544,923,937,900	2.8%
2015	\$568,062,230,400		\$529,923,937,900	

*Based on the 2019 Insurance Renewal membership questionnaire.

AIC 2019 IN REVIEW

Held second annual **Parliament Hill Day**

Developed and Implemented
Federal Election Strategy

Meetings with **Federal Finance Minister**
and **CMHC CEO**

Over **25** Meetings with federal government officials
and Members of Parliament

Secured **elected officials** to attend
and speak at conference

Completed **466**
Work Product Reviews

Undertook **review of**
Consolidated Regulations in preparation
for revisions for 2020

AIC **forms licensing agreements**
with all software providers signed for 2020

Granted **63 CRA** and **66 AACI** designations

Made Pre-Budget submissions to
House of Commons Finance Committee

Developed **CUSPAP 2020**

Developed **new Professional Practice Seminar**

Developed presentation on
the **Mass Appraisal Standard**

Revised/Revised **Professional Assistance**
component of CUSPAP

Responded to over **1600** member inquiries

Over **33 Million** Media Impressions

Launched **member discussion forum**

AIC Website:

407,000 sessions **202,000** users

152,000 visits to Find an Appraiser

7282 followers on Social Media

Administered approximately **70** complaint files

Responded to over **540** consumer inquiries

Representing members' concerns regarding
forms, Service Level Agreements, and
Terms of Reference to stakeholders including
compliance with CUSPAP

Administered **1389** members in seminars

Successful **2019 conference** with
over **450 attendees**

Stable Membership at **5,475**

More than **300 volunteers** across the country

616 participants in AIC 101: Introduction to the
Appraisal Profession

Over **340** completions to the Introduction to
Professional Practice webinar

168 PCI Interviews

Average **50 jobs posted/month**

We've got lots planned for 2020/21...stay tuned!

The Appraisal Institute of Canada

The Appraisal Institute of Canada (AIC) is a leading real property valuation association with over 5,400 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.

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 the highest 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 real property appraisal, review, consulting reserve fund planning services, machinery and equipment valuation and mass appraisal services as defined under CUSPAP.

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 single, undeveloped residential dwelling sites and dwellings containing not more than four self-contained family housing units.





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