

Sierra Leone

Canadian  
valuation  
expertise  
in world's  
poorest country

- ▶ **Going 'green'**
- ▶ **Expropriation and the partial taking appraisal**

# The Premier Appraisal Software

## CRAL2009™ **\$495\***

### Package Includes

Limited Time Offer

- › One CRAL Install including:  
Appraisal Forms Library, Order Tracking,  
Photo Management, and Comps Database
- › **New!** ACI Sketch™
- › Digital Signature (One)
- › MapPoint (One Year)
- › Free PDF Creator
- › Premier Plus Service (One Year)  
Includes Support & Updates
- › Desk-to-Door™ Service

Visit [AppraisersChoice.com](http://AppraisersChoice.com) or call  
800-234-8727 to request your free demo.

\* Payable in US Dollars



## Learn More about CRAL2009™

Visit [AppraisersChoice.com](http://AppraisersChoice.com) and learn more  
about the new features in CRAL2009™

- › Online Training Sessions
- › inMOTION Videos
- › Tech Doc Library
- › ACI Forum
- › Compliance Corner Blog  
featuring Rich Heyn, SRA,  
Director of Compliance



## DESK-to-DOOR™ Service Included with ALL Purchases

An ACI Desk-to-Door™ Implementation Specialist is  
at your service and available to walk you through  
the set-up process to ensure your system is ready  
when you are.

A process so smooth and effortless will leave you  
wondering why you didn't switch to ACI sooner.

- CONSULT › Directly from Our Desk to Yours
- CONFIGURE › System Configuration
- COACH › We Train Your Staff

ACI and its products are trademarks or registered trademarks of ACI. | Copyright © 2009 ACI | Other brand and product names are trademarks or registered trademarks of their respective owners.

# AppraisersChoice.com

# Announcing CRAL2009™

Upgrade to the Latest Release from the Industry Leader for Over 30-Years

CRAL2009™ offers best-of-breed tracking, forms, digital photo imaging, comps database management, integrated sketching, and mobile software.

Simple enough for a new user but powerful enough for the largest appraisal companies and financial institutions in Canada. CRAL is used by thousands of appraisal companies throughout Canada who continue to help drive its unrivaled feature set.

## CRAL2009™ Highlights

### New Features

- › Power Toolbar
- › Help Contents
- › Comp Side-by-Side View
- › Vertical Split View
- › Full Addendum Editing
- › ACISketch™
- › MapPoint Updates
- › Geolocator Support
- › PDF Printing
- › System Utility Updates
- › Updated Website

### New Forms

- › ERC 2003 Form
- › USPAP 2006 Compliance Addendum
- › Updated AIC Full Appraisal
- › Updated CERC 2002 Form



## ACI Sketch™ Powerful Floorplan Technology

Simple to use with a minimal learning curve and intuitive features like:

- › Online Help
- › Tape Measure Tool
- › Feet & Inches
- › Labels
- › Symbols
- › Arcs
- › Copy & Paste

**\$99\***

Includes CRAL Integration

“ACI Sketch™ is one of the best new products to increase efficiency for appraisers. We use it in the office and on our tablet PCs in the field, both with great success. We are particularly impressed with the free-form approach that ACI Sketch™ brings to creating floorplans.”

Jay Delich, President of Arizona Appraisal, LLC



Call Now 800-234-8727



Published by the



Appraisal Institute of Canada

Institut canadien des évaluateurs

403-200 Catherine Street,  
Ottawa, ON K2P 2K9  
Phone: (613) 234-6533 Fax: (613) 234-7197  
Web site: [www.aicanada.ca](http://www.aicanada.ca)  
Contact us at: [info@aicanada.ca](mailto:info@aicanada.ca)

Board of Directors  
Conseil d'administration

President – Président  
George Maurice, AACI, P. App, Ontario

President Elect – Président désigné  
Sheila Young, AACI, P. App, Alberta

Immediate Past-president –  
Président sortant  
Gordon Tomiuk, AACI, P. App, Fellow, Manitoba

Vice-Presidents – Vice-présidents  
Craig Soderquist, AACI, P. App, Alberta  
Grant Uba, AACI, P. App, Ontario

Directors – Directeurs  
Gerald McCoomb, AACI, P. App, New Brunswick  
Paul Olscamp, AACI, P. App, Fellow, Prince Edward Island  
Beverley Girvan, AACI, P. App, Nova Scotia  
Michel Colgan, AACI, P. App, Québec  
John Yannacopoulos, AACI, P. App, British Columbia  
George Ward, AACI, P. App, British Columbia  
Kimberly Maber, AACI, P. App, Saskatchewan  
Michael Mendela, AACI, P. App, Ontario  
Gregory Bennett, AACI, P. App, Newfoundland & Labrador

Chief Executive Officer  
Georges Lozano, MPA, Ottawa

Director of Marketing & Communications  
Joanne Charlebois, Ottawa

Managing Editor –  
Rédacteur administratif  
Craig Kelman, Winnipeg

Assistant Editor –  
Rédacteur en chef adjoint  
Cheryl Parisien, Winnipeg

Editorial Board  
AIC would like to thank the following individuals for their assistance and support:  
Grant Uba, AACI, P. App – Chair  
John Peebles, AACI, P. App  
André Beaudoin, CRA  
David Lopatka, AACI, P. App  
Joanne Hayes, AACI, P. App  
Jane Londerville, B.Sc., M.B.A., Associate Professor, University of Guelph

The articles printed in this issue represent authors' opinions only and are not necessarily endorsed by the APPRAISAL INSTITUTE OF CANADA. Copyright 2009 by the APPRAISAL INSTITUTE OF CANADA. All rights reserved. Reproduction in whole or in part without written permission is strictly prohibited. Subscription, \$40.00 per year. Printed in Canada. Les articles imprimés dans ce numéro ne représentent que l'opinion de leur auteur respectif, mais ne sont pas nécessairement endossés par L'INSTITUT CANADIEN DES ÉVALUATEURS. Tous droits réservés 2008 par L'INSTITUT CANADIEN DES ÉVALUATEURS. La reproduction totale ou partielle sous quelque forme que se soit sans autorisation écrite est absolument interdite. Abonnement \$40.00 par année. Imprimé au Canada.

Indexed in the Canadian Business Index and available on-line in the Canadian Business & Current Affairs database.

ISSN 0827-2697

Publication Mails Agreement #40008249.  
Return undeliverable Canadian addresses to: Appraisal Institute of Canada, 403-200 Catherine St., Ottawa, ON K2P 2K9. Email: [info@aicanada.ca](mailto:info@aicanada.ca)

Publication management, design and production by:



3rd Floor – 2020 Portage Avenue  
Winnipeg, MB R3J 0K4

Phone: 866-985-9780 • Fax: 866-985-9799  
E-mail: [info@kelman.ca](mailto:info@kelman.ca) • Web: [www.kelman.ca](http://www.kelman.ca)

Design/Layout: Tracy Toutant  
Advertising Manager: Kris Fillion  
Advertising Co-ordinator: Lauren Campbell

Do your part for the environment – reuse and recycle.

6 An overview of the work done to date



8 Un aperçu de ce qui a été accompli jusqu'à présent

10 Adapting your career to a changing market



11 Adapter votre carrière à un marché en évolution

14 AACI (Hon) Members recognized for outstanding contributions to profession

16 Multiple uses and multiple reliances

18 Primer on *International Valuation Standards* – Part 2



22 Co-signing means accepting full responsibility

24 AIC 2009 Conference/ICE 2009 Conférence



26 Independent adjudication

27 Where is the marketing?

28 Dealing with fraud

29 AIC's Peer Review Project

30  How to measure and calculate residential square footage

32 UBC webinars bring the classroom to you

34 Experience is a key element in exam success

35 Going 'green'



38 Canadian valuation expertise assists municipalities in world's poorest country



40 Expropriation and the partial taking appraisal



44 Designations/Candidates/Students

45 News

46 Calendar of Events

46 Advertiser Information Centre



**APPRAISALGIS.COM<sup>®</sup>**

*Transforming the appraisal profession*

AppraisalGIS.com<sup>®</sup> is Canada's best solution for storing and/or sharing commercial appraisal data.

This innovative GIS database brings 21st century technology to the appraisal profession.

**AppraisalGIS.com<sup>®</sup> is:**

- a valuable appraisal tool
- a data warehouse
- a comps search tool
- a potential revenue generator
- Canada's commercial appraisal database

**AppraisalGIS.com<sup>®</sup> is not:**

- an AVM (Automated Valuation Tool)
- a database for realty listings
- expensive



**A BOUND CORPORATION**

Commercial and Residential Appraisals, Real Estate Sales,  
Land Surveying, Geographic Information Systems

1-888-6 A BOUND (1-888-622-6863)

[www.abound.ca](http://www.abound.ca)

# An overview of the work done to date



George Maurice  
AAI, P. App, AIC President

**W**elcome to 2009. Although I am already halfway through my term as president, I have to say that the time has passed quickly with the many activities and projects that the Appraisal Institute of Canada (AIC) is undertaking. In the process, I have learned quite a bit, not only about being president, but also about the profession as it is being practiced across Canada. What I see is great potential for the next generation of appraisers, but also for today's members who take advantage of the resources available to generate new opportunities for themselves. Hopefully, my tenure will have added value to the Institute in its quest to better serve the membership.

At the outset of my term, I set as one of my objectives to help ensure that our strategic plan continues to be acted upon in a positive fashion. Promoting our profession and AIC members is at the forefront of that plan and I have focused on enhancing that process by representing AIC members as best I can. In this respect, let me give you an overview of the work that has been done to date.

## Management

In the area of management, a lot of work has been accomplished and more is currently underway to improve the way the AIC operates. In particular, the bylaws and regulations of the Institute are being reviewed and revised to ensure that they are consistent with the Institute's programs and that they meet the needs of the organization. In an effort to improve the cooperation and collaboration with provincial associations, a draft affiliation agreement has

been prepared and is currently being reviewed by the provinces. As the body accountable to members, the Board of Directors recently approved a set of policies and a code of conduct to ensure that it serves the membership well.

## Communications

In the area of communications, I have conferred with my fellow Board members through monthly conference calls. Further, the Executive Committee has held web conference meetings on a monthly basis to discuss emerging issues. The use of web conferencing has proven to be very cost effective and it has been recommended to other committees of the Institute.

Over the past months, a number of issues have arisen that have required special attention. Among them, concern by the membership about the increasing use of appraisal management companies by banks has resulted in the establishment of a special task force to look into the matter. In this respect, I recently met with the mortgage lending divisions of the major banks and addressed this issue and other concerns. It was pointed out to the lenders that, as a professional association, the Institute

is focused on quality and is prepared to work with stakeholders in this respect. Another task force has been created to review designation requirements for CRAs. An area of concern has been fraud and both the Institute and the banks are interested in doing what they can to mitigate its occurrence. As such, last fall I participated in a discussion panel hosted by CAAMP which focused on fraud and related issues.

## Professional Affairs

In the area of professional affairs, some new programs are being studied, with the aim of ensuring the continuing competence of our members. In particular, a peer review program is being pilot tested, with the view that it can provide a valuable resource for members to receive constructive criticism about their reports. Other continuing professional development resources are being studied based on identified needs to help members in specific areas of practice.

## Association Relations

In the area of association relations, I have been quite busy meeting with the leadership of the provincial associations, discussing issues of

*"What I see is great potential for the next generation of appraisers, but also for today's members who take advantage of the resources available to generate new opportunities for themselves."*

*“The respect and admiration of AIC, expressed by representatives of sister institutes, is universal.”*

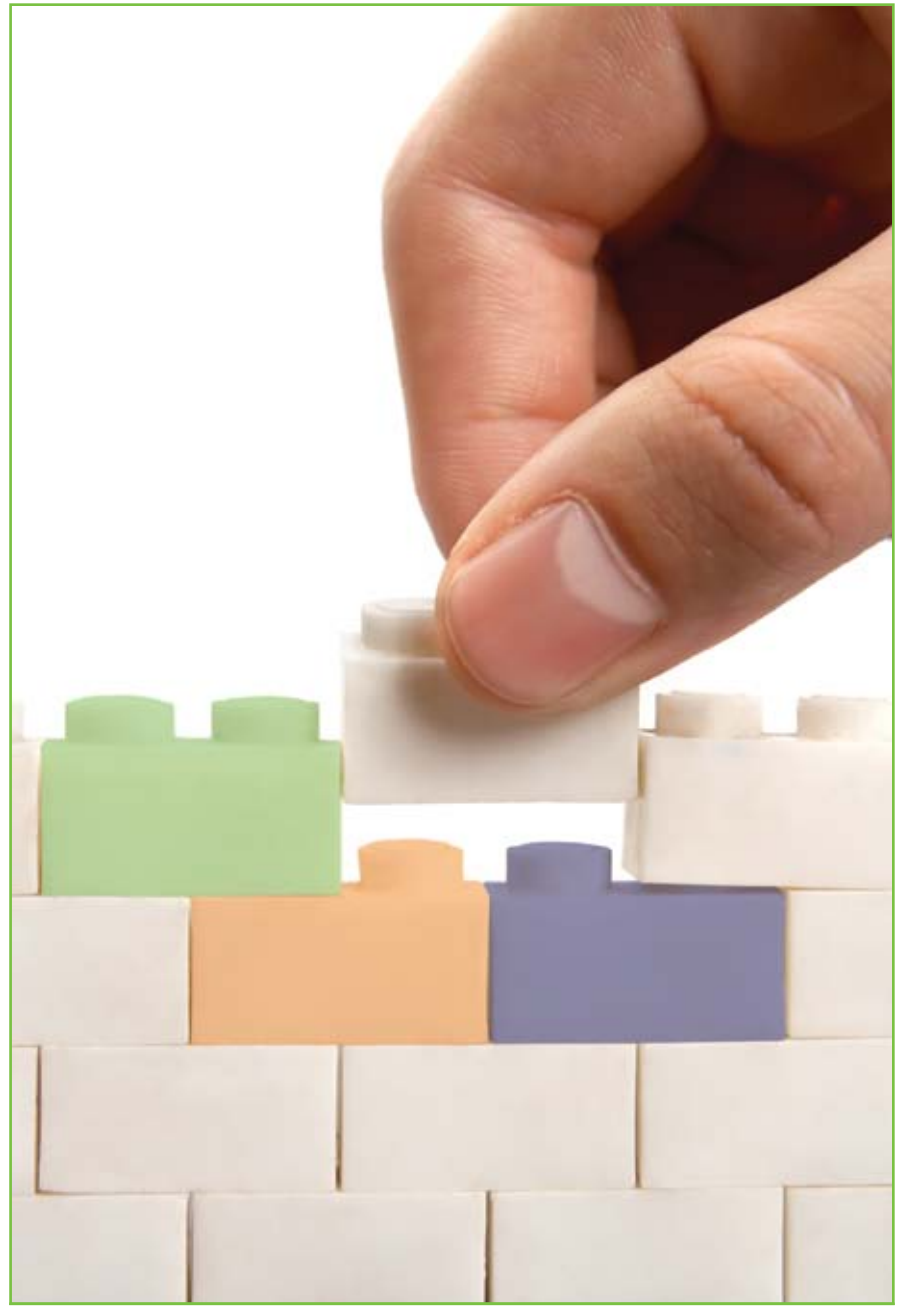
mutual interest and concern and looking at ways to improve collaboration among all the associations. Our working relationship with the OEAQ in Québec has strengthened, especially through the project that is currently underway to harmonize the Institute’s practice standards with those of the Ordre. This work has provided an opportunity for the two organizations to exchange ideas and will no doubt lead to further collaborative work.

### **International Liaison**

In the area of international liaison, I have been proud to represent the Institute at a number of key events, including the Pan Pacific Conference last fall, and at meetings of our sister organizations in the United States. This liaison has been especially beneficial at a time when economic conditions are having an impact on the profession on both sides of the border.

Much of the work that I have described has been accomplished largely through teamwork at all levels. In this respect, I consider myself lucky to have an extremely capable Executive Committee, which works closely together to provide direction to AIC on an ongoing basis. We are also fortunate to have an engaged Board of Directors that has a good combination of veterans and new members to ensure that the right questions are being asked and addressed.

In addition to the Board (all volunteers), the Institute particularly benefits from what I consider an elite staff of dedicated employees. Headed and guided by Georges Lozano, these people ensure that we remain the number one appraisal organization, not just in Canada, but worldwide. The respect and admiration of AIC, expressed by representatives of sister institutes,



is universal. This is due to the untiring efforts of a Board strongly supported by a competent staff working diligently to provide input and effectively implement Board decisions.

Over the next few months, I will be working hard on reaching some conclusions on issues of importance, including strategies to meet our membership growth targets, strategic partnering on issues of prime importance, and continuing to shape and reposition the membership profile to ensure that future market

needs are met successfully by AIC members.

Finally, I would like to say a few words about the upcoming annual conference which takes place in Mont Tremblant, Québec, May 26–29. From the looks of things so far, a very good turnout is expected, including AIC and OEAQ members. We have a solid technical program shaping up, with great speakers covering timely topics and engaging in lively debates. I certainly hope you will make a point of attending and I look forward to seeing you there. 🇨🇦

# Un aperçu de ce qui a été accompli jusqu'à présent



George Maurice  
AACI, P. App, Président de l'ICE

**D**éjà 2009! Bien que mon mandat comme président soit déjà mi-écoulé, je dois dire que je n'ai pas vu le temps passer avec toutes les activités et les projets sur lesquels travaille l'Institut. En cours de route, j'ai beaucoup appris, non seulement au sujet de mon poste de président, mais également au sujet de la profession et de sa pratique à l'échelle du pays. Je vois un énorme potentiel pour la prochaine génération d'évaluateurs et pour les membres d'aujourd'hui qui profitent des ressources disponibles pour créer de nouvelles occasions. J'espère bien avoir contribué une certaine valeur à l'organisation dans sa poursuite de l'objectif de mieux servir ses membres.

Lors de mon entrée en fonctions, je me suis fixé comme objectif d'assurer que la mise en œuvre du plan stratégique se poursuive de façon positive. La promotion de notre profession et des membres de l'ICE est l'une des priorités de ce plan et j'ai concentré sur l'amélioration de ce processus en représentant de mon mieux les membres de l'ICE. À ce chapitre, permettez-moi de vous donner un aperçu de ce qui a été accompli jusqu'à présent.

## Gestion

Dans le domaine de la gestion, beaucoup d'efforts ont été déployés pour améliorer l'exploitation de l'Institut et ces travaux se poursuivent toujours au moment d'écrire ces lignes. Tout particulièrement, les statuts et les règlements de l'Institut font l'objet d'un examen et de révisions pour assurer leur pertinence aux programmes de l'Institut et qu'ils répondent aux besoins de l'organisation. Dans un effort pour améliorer la collaboration

avec les associations provinciales, l'ébauche d'une entente d'affiliation a été préparée à des fins d'examen par les provinces. Imputable à l'endroit des membres de l'Institut, le conseil d'administration a récemment approuvé un ensemble de politiques et un code de déontologie qui servent très bien les membres.

## Communications

Au chapitre des communications, j'ai consulté mes collègues du conseil par le biais de conférences téléphoniques mensuelles. Par ailleurs, le Comité exécutif a tenu des conférences sur le Web tous les mois pour discuter les questions émergentes. Les conférences sur le Web se sont avérées un outil efficace par rapport aux coûts et ont été recommandées aux autres comités de l'Institut.

*« Je vois un énorme potentiel pour la prochaine génération d'évaluateurs et pour les membres d'aujourd'hui qui profitent des ressources disponibles pour créer de nouvelles occasions. »*

## Questions ont suscité une attention particulière

Au cours des derniers mois, un certain nombre de questions ont suscité une attention particulière. Entre autres choses, la préoccupation des membres au sujet de l'utilisation, par les banques, de compagnies de gestion en évaluation qui a résulté en la création d'un groupe de travail spécial chargé de faire enquête. Sur ce point, je me suis réuni récemment avec les dirigeants de la division des prêts hypothécaires des principales banques pour discuter la question et d'autres préoccupations, tout en soulignant aux prêteurs qu'à titre d'organisation professionnelle, l'Institut concentre sur la qualité et est disposé à collaborer avec les intervenants à ce niveau. Un autre groupe de travail a été créé pour revoir les exigences menant au titre CRA. La fraude est l'un des principaux sujets d'inquiétude et l'Institut et les banques veulent faire tout en leur possible pour atténuer la situation. Ainsi, j'ai participé à une discussion de groupe organisée par l'ACCHA l'automne dernier et portant sur la fraude et les questions connexes.

## Affaires professionnelles

Dans le secteur des affaires professionnelles, de nouveaux programmes sont sous étude avec, comme objectif, d'assurer le maintien des compétences de nos membres. En particulier, un programme d'examen par les pairs est sous essai pour déterminer s'il peut servir de ressource importante et à la critique constructive des rapports des membres. D'autres ressources de perfectionnement professionnel continu sont



aussi à l'étude et prennent appui sur les besoins identifiés pour aider les membres à certains niveaux spécifiques de leur pratique.

### Relations avec les associations

Au niveau des relations avec les associations, j'ai été très occupé à rencontrer la direction des associations provinciales pour discuter les sujets d'intérêt mutuel, les préoccupations et les solutions visant à améliorer la collaboration entre toutes les associations. Notre relation de travail avec l'OEAQ au Québec s'est raffermie, surtout via le projet en cours d'harmonisation des normes de pratique de l'Institut et celles de l'Ordre. Ce travail a permis aux deux organisations de partager des idées et suscitera nul doute une collaboration accrue à l'avenir.

Dans le secteur des relations internationales, c'est avec fierté que j'ai représenté l'Institut à certains événements clés, y compris la conférence pan pacifique l'automne dernier, et d'autres réunions organisées par nos homologues des États-Unis. Ces relations se sont révélées particulièrement bénéfiques à un moment où les conditions économiques exercent un impact sur la profession des deux côtés de la frontière.

Une grande partie des travaux que j'ai

*« Le respect et l'admiration manifestés à l'endroit de l'ICE par nos homologues est universel. »*

décrits a été accomplie grâce au travail d'équipe à tous les niveaux. De ce fait, je me considère chanceux d'avoir un Comité exécutif des plus compétents et dont les membres travaillent en étroite collaboration pour assurer la direction régulière de l'ICE. Nous sommes également fortunés de pouvoir profiter de l'engagement du conseil d'administration qui compte une excellente combinaison d'anciens et de nouveaux membres qui veillent à poser les bonnes questions et à les discuter pleinement.

En plus du conseil (tous des bénévoles) l'Institut profite de ce que je considère l'élite d'un personnel dévoué. Dirigé et guidé par Georges Lozano, ces gens veillent à ce que l'organisation demeure l'association de choix en évaluation, non seulement au Canada mais à l'échelle du monde. Le respect et l'admiration

manifestés à l'endroit de l'ICE par nos homologues est universel. Cela est attribuable aux efforts sans relâche d'un conseil qui reçoit l'appui d'un personnel compétent et qui travaille avec diligence pour le conseiller et mettre en oeuvre ses décisions.

Au cours des prochains mois, je me propose de travailler avec acharnement dans le but de parfaire certains points importants y compris des stratégies qui permettront à nos membres d'atteindre leurs cibles de croissance et qui nous permettront d'établir des partenariats stratégiques sur des sujets prioritaires, tout en continuant de mouler et de repositionner le profil des membres de l'ICE pour qu'ils soient en mesure de répondre aux besoins futurs du marché.

En terminant, j'aimerais mentionner brièvement la prochaine conférence annuelle qui aura lieu à Mont-Tremblant, Québec, du 26 au 29 mai. Selon les apparences à ce jour, on prévoit une excellente participation de la part des membres de l'ICE et de l'OEAQ. Nous avons un excellent programme technique avec de bons conférenciers qui aborderont des sujets pertinents et qui sauront susciter la discussion. J'espère vivement que vous serez des nôtres et vous y rencontrerez bien entendu. 🇩🇪



# Adapting your career to a changing market



Georges Lozano, MPA  
AIC Chief Executive Officer

**W**hile 2008 saw a weakening of the strong real estate market that had prevailed in Canada for many years, 2009 may see a further slowdown of market activity. For appraisers, this will present a challenge, but may also provide new opportunities.

It is generally thought that the economic downturn that has affected the world was initially caused, in part, by poor mortgage lending practices in the US. As a result, more regulation may likely be coming our way. Already, mortgage lending has changed to some degree. In Canada, mortgage lending was recently revised such that there are no more 40-year terms and we have seen the end of 100% financing. Also, banks everywhere have tightened up on lending and risk management practices are being reviewed.

*“The change in the marketplace for real property advisory services is ongoing and where some traditional areas of work are decreasing in size and in the price that they command, other service opportunities are opening up.”*

This represents an opportunity for appraisers who are, after all, real property auditors and play an essential role in assuring the integrity of real property transactions. This includes those in private practice, who provide services to lenders and investors, as well as appraisers working for private and public sector organizations, who will be increasingly called upon for their expert opinions on all kinds of property.

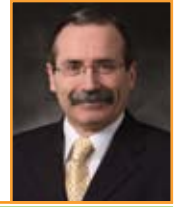
While the economic slowdown will impact real property sales volumes, market demand for appraisal work may not be proportionately affected. That is, the increased need for assurance on the value may result in calls for appraisals where, previously, reliance may have been placed on other risk assessment tools such as AVMs. While this may not be the case in the long run, in the short term, it could mean more work. Nonetheless, the expansion of AVMs, both in number and in sophistication, will continue and AVMs will be used wherever risk is judged to be manageable without an appraisal.

So, where are the other opportunities? The increase in due diligence will mean that not just lenders, but other stakeholders in real property, such as developers,

*Continued on page 12*



# Adapter votre carrière à un marché en évolution



Georges Lozano, MPA  
Chef de la direction

**A**lors que l'an 2008 a témoigné un affaiblissement du marché immobilier canadien qui était ferme depuis déjà plusieurs années, l'an 2009 pourrait bien voir un ralentissement encore plus prononcé de l'activité économique. Pour les évaluateurs, la situation peut constituer un défi mais également offrir de nouvelles occasions.

L'opinion générale veut que l'effondrement économique qui a affecté le monde entier soit principalement attribuable aux piètres pratiques entourant les prêts hypothécaires aux États-Unis. Comme résultat, il est possible que la réglementation soit raffermit. Dans une certaine mesure, les pratiques entourant les prêts hypothécaires ont déjà changé. Récemment, les prêts hypothécaires au Canada ont été modifiés de sorte qu'il n'existe plus de termes de 40 ans et le financement à 100 % est terminé. Aussi, les banques de partout ont serré la vis en matière de financement et les pratiques de gestion des risques ont été revues.

Cela représente donc une occasion pour les évaluateurs qui sont, après tout, des vérificateurs immobiliers et qui jouent un rôle essentiel dans l'assurance de l'intégrité des transactions immobilières. Entre autres choses, pensons à ceux qui oeuvrent en pratique privée et qui offrent des services aux prêteurs, investisseurs et évaluateurs des secteurs privé et public qui seront de plus en plus sollicités pour formuler des opinions spécialisées sur une variété de propriétés.

Bien que le ralentissement économique ait sans doute un effet sur les ventes dans le secteur de

l'immobilier, la demande du marché pour les services d'évaluateurs peut ne pas être affectée dans la même proportion. C'est donc dire que les besoins accrus en matière d'assurance de la valeur peuvent résulter en une demande pour des évaluations dont la crédibilité, auparavant, était possiblement fondée sur d'autres outils d'évaluation des risques comme les MIE. Bien que tel ne soit peut être pas le cas à long terme, la situation pourrait donner lieu à beaucoup plus de travail à court terme. Néanmoins, l'expansion des MIE à la fois en termes de quantité et de sophistication se poursuivra et les MIE seront utilisés lorsqu'il sera possible de gérer les risques sans procéder à une évaluation.

Alors où sont donc les nouvelles occasions? La diligence raisonnable accrue signifie que non seulement les prêteurs mais les autres intervenants du milieu de l'immobilier comme les promoteurs, les investisseurs et les cabinets d'assurance feront appel aux services des évaluateurs. Bien que les investissements immobiliers soient appelés à ralentir, cette diligence raisonnable accrue se verra davantage au niveau des transactions qui seront effectuées et il en résultera une occasion d'affaires.

Les gens se préoccupent comme jamais auparavant du maintien et de la consolidation du patrimoine. Ainsi, les clients voudront revoir leur

portefeuille d'actifs et en confirmer les valeurs marchandes. L'entrée en vigueur des NIRF en 2011 viendra rehausser ce besoin de confirmer les valeurs marchandes des biens immobiliers aux fins de rapports financiers.

L'une des principales causes de l'effondrement du marché hypothécaire aux États-Unis reposait sur les effets de commerce adossés à des crédits mobiliers et les valeurs immobilières correspondantes. La titrisation hypothécaire est un secteur où les évaluateurs devront assumer un rôle plus prépondérant et le moment est propice à la promotion de vos aptitudes à titre d'experts immobiliers auprès de la communauté financière.

Tel que mentionné à plusieurs reprises dans le passé, les services de consultation en immobilier sont de plus en plus convoités sur le marché et à mesure que baissent la taille et la valeur des secteurs traditionnels de travail sur le marché, d'autres occasions se présentent. Pour en profiter pleinement, il faut être bien renseigné, au courant et prêt.

C'est dans cette veine d'idées que l'ICE collabore avec l'U.C.-B. dans l'élaboration d'un certain nombre de cours de perfectionnement professionnel dans les domaines de spécialité qui sont de plus en plus en demande. Entre autres choses,

*Suite à la page 12*

**« Les services de consultation en immobilier sont de plus en plus convoités sur le marché et à mesure que baissent la taille et la valeur des secteurs traditionnels de travail sur le marché, d'autres occasions se présentent. »**

*Continued from page 10.*

investors, and insurance firms to name a few, will be calling for the services of appraisers. While investment in real property may slow down, the greater due diligence is likely to be practiced on the deals that go through and this will present a business opportunity.

The preservation and consolidation of wealth is on everyone's mind these days in a way not seen before. As such, clients will be interested in reviewing their asset portfolios and reaffirming market values. The advent of *International Financial Reporting Standards (IFRS)* in 2011 will also add to this need for market value determination of real estate holdings for financial reporting purposes.

One of the key causes of the mortgage collapse in the US was asset-backed commercial paper and the underlying value of the real property that it was based upon. Mortgage securitization is an area where appraisers need to play a greater role and now is a good time to be promoting your skills as the real property experts to the financial community.

As has been noted many times in the past, the change in the marketplace for real property

***“Are you only tapping the skills and knowledge you acquired many years ago, or are you replenishing them with new skills and services, resulting in new opportunities?”***

advisory services is ongoing and where some traditional areas of work are decreasing in size and in the price that they command, other service opportunities are opening up. The key to capitalizing on these is to be informed, aware and prepared.

In this respect, AIC has been working with

the University of British Columbia (UBC) to develop a number of professional development educational offerings in specialty areas that are growing in demand. These include more than 30 courses such as business enterprise valuation, hotel valuation, highest and best use analysis, office property valuation, and lease analysis.

Members have asked for even more sustained training and skill broadening resources and the Institute is responding by identifying skill gaps, and addressing these with upcoming short seminars that will be offered online and in the classroom in the near future.

Is the glass half full or half empty? It all depends on what you are doing. If referring to your career prospects and business growth potential, a better question is are you only tapping the skills and knowledge you acquired many years ago, or are you replenishing them with new skills and services, resulting in new opportunities?

As spring approaches, this may be a very good time to revisit your career objectives and adjust them for continued success in the years ahead. 🌈

*Suire de la page 11.*

ces cours portent sur l'évaluation des entreprises commerciales, l'évaluation d'hôtels, l'analyse de la valeur optimale, l'évaluation des immeubles à bureaux, l'analyse de baux et ainsi de suite. En fait, plus de 30 cours seront offerts.

Les membres ont demandé une formation encore plus soutenue et des ressources leur permettant d'accroître leurs aptitudes. L'Institut a

répondu en identifiant les lacunes au niveau des compétences et offrira très prochainement de courts séminaires en ligne ou en classe.

Le verre est-il mi-plein ou mi-vide? Tout dépend de ce que vous faites. Si l'on parle de vos perspectives de carrière et du potentiel d'accroître votre commerce, il serait peut-être préférable de demander si vous n'utilisez que les aptitudes

et les connaissances acquises il y a plusieurs années ou si vous ajoutez à votre palmarès de nouvelles aptitudes et de nouveaux services qui ouvriront la voie sur de nouvelles occasions.

À l'approche du printemps, il est peut-être temps de revoir vos objectifs de carrière et d'ajuster votre tir pour assurer votre succès continu au cours des années à venir. 🌈

***« Il serait peut-être préférable de demander si vous n'utilisez que les aptitudes et les connaissances acquises il y a plusieurs années ou si vous ajoutez à votre palmarès de nouvelles aptitudes et de nouveaux services qui ouvriront la voie sur de nouvelles occasions. »***

# The Replacement Costs You Trust

Choose costs in manuals, software or online. Free support.  
Online and live webinar Cost Approach training.

- 
- Residential, manufactured housing and commercial/ industrial costs
  - Computed in Canadian dollars
  - Square foot, segregated and unit-in-place costs
  - Depreciation tables
  - Continually updated and localized to more than 90 locations in Alberta, British Columbia, Manitoba, the Maritimes, the Northwest Territories, Ontario, Quebec, Saskatchewan and Yukon.
- 



**350 S. Grand Ave., Los Angeles CA 90071**

[www.MarshallSwift.com](http://www.MarshallSwift.com)

**Sales and Service: 1-800-544-2678**

**Monday-Friday 6:30 a.m. to 4:30 p.m. Pacific**



For replacement values for insurance purposes, please call us. MSB (Marshall Swift/Boeckh) is a leading provider of residential and commercial valuation solutions to the insurance industry.

MAGCPV0309

# AACI (Hon) Members recognized for outstanding contributions to profession

In 2008, the Appraisal Institute of Canada (AIC) selected 10 individuals as recipients of its first ever Honorary AACI designations. These designations are with distinction and come with the expectation that the individuals honoured in this manner will play an important advisory role within the AIC and its committees, providing leadership and visibility that will assist the Institute in achieving its goals. In this issue, we present two more of the initial group of honourees.



**Wayne R. Whitlock**, Q.C., BA, LLB is a partner with Bennett Jones LLP in Calgary, where he has spearheaded the real estate practice group for more than 10 years. Acting for financial institutions and developers, Wayne is involved in restructuring and workouts of real estate loans, real estate lending, zoning and development approvals, and the purchase and sale of condominiums, commercial and retail projects, and real estate joint ventures. His clients include shopping centres, offices, hotels, golf course resorts, entertainment centres, condominiums and land development projects. In addition to his legal practice, Wayne participates in real estate restructuring and leasing transaction seminars and lectures at various learning institutions. He is a past chairman of the Canadian Bar Association

Commercial Real Estate Section and is a Board member of the Geary Market Investments Company in San Francisco, which owns in excess of \$100 million in US real estate.

According to Wayne, "Receiving this Honorary Designation was a tremendous compliment of which I am extremely proud. I believe it is a reflection of the respect that our company has for the appraisal profession and the manner in which we work so closely with appraisers throughout the course of conducting our business. It is also indicative of how the Appraisal Institute of Canada is striving to elevate itself and its members by searching out and recognizing other professions that are involved in today's complex real estate transactions.

"Our company is very inclusive when it comes to working with other professionals such as appraisers and we actively seek their involvement in the early stages of many of our business transactions. Every real estate project or transaction is unique and it is absolutely critical for us to fully understand the appraisal process and why it is approached in a certain way. From relying on an appraiser's past experience, to seeking his or her input on market trends or thinking outside the box, we believe in working together as a team to accomplish our objectives.

"Today's business world is incredibly complex and we can no longer ask an appraiser to simply tell us what the property is worth while we do the rest. Whether it is using appraisals for family estate planning, for the sale and purchase of multi-million dollar properties by pension

*"When you operate as an integral part of a team that includes such professionals as appraisers, accountants, lawyers and engineers, you have to find the appropriate middle ground and enhance the levels of cooperation and mutual respect."*

*Wayne R. Whitlock*

funds, or for large land expropriations, to name a few of the many scenarios we deal with on a regular basis, the need to seek everyone's input in order to strategize and develop programs that address all of the issues has never been greater. More than ever before, appraisers are also key players when it comes to dealing with marketplace volatility. With real estate prices fluctuating so dramatically and so quickly, it may mean that obtaining an appraisal at one point in time is no longer sufficient. Depending on the circumstances, the appraisal process may have to be carried out multiple times over the extended duration of a project.

"When all is said and done, the role of the professional real estate appraiser has never been greater or more important. When you operate

as an integral part of a team that includes such professionals as appraisers, accountants, lawyers and engineers, you have to find the appropriate

middle ground and enhance the levels of cooperation and mutual respect. The Appraisal Institute of Canada and our company recognize

the importance of this, and, with increasing frequency, so too does the entire business community.”



An internationally recognized leader in the field of entrepreneurship and corporate strategy, **Dr. Daniel F. Muzyka** is currently serving his second term as Dean of the Sauder School of Business at the University of British Columbia (UBC), a position he was first appointed to in 1999. In addition to being published in a number of business journals, he has edited and contributed to books and videos on entrepreneurship, including two *Financial Times* series on Mastering Entrepreneurship and Mastering Innovation. Dr. Muzyka served as chair of the Vancouver Board of Trade from 2005 to 2006, and is currently a member of the organization's Executive Committee and Board of Directors. He is also a member of the Premier's Technology Council and the

BC Competition Council, and serves on the Board of the Investment Dealers Association of Canada. Prior to joining UBC, Dr. Muzyka was the IAF Professor of Entrepreneurship at INSEAD (France), where he also served as Associate Dean of the MBA Program and Director of the 3i Venturelab. He was previously a faculty member at Babson College and was a visiting professor at the Harvard Business School. Before entering the field of education, his initial experience in finance and corporate strategy came at the General Electric Company and as a strategy consultant with Braxton Associates in Boston.

“While I am truly honoured to receive this designation on a personal level,” says Dr. Muzyka, “I feel that it is more indicative of the very strong and successful partnership that has developed between the UBC's Sauder School of Business and the Institute. The AIC has embraced high-quality education as a means of increasing the value-added services that its members are able to provide, and it is very rewarding to know that our school's Real Estate Division works closely with the Institute to offer courses which help make that a reality. I should add, as well, that the partnership has been so successful it now serves as a model for us in the development of similar programs with other professions.

“The role of the professional appraiser is evolving and growing more important all the time. Where property used to be an adjunct asset for companies, it now plays a significant role on balance sheets and income statements. Understanding value and the complexities involved is

absolutely critical in today's business and economic environment.

“Through ongoing dialogue and a willingness to adapt to ongoing marketplace demands, we have been able to combine our school's abilities to attract students and provide effective education with the Institute's experience, knowledge base and standards. The result is a successful educational program that continues to grow and evolve.

“There is no doubt that real estate valuation is a profession on the move. It is continually challenging itself to provide more value-added services to its clients and, in so doing, is becoming a major player in professional circles across Canada and internationally. Case in point is the instrumental role that the Institute has played in the development of *International Valuation Standards* and in ensuring an efficient implementation of the *International Financial Reporting Standards (IFRS)*.

“Another key element in our mutually beneficial relationship is the fact that, with the aging of the workforce, the profession has been looking to renew itself in terms of attracting new members from the pool of young people entering the workforce or young professionals still trying to determine their best career path. As a university with inherent student recruitment abilities, we have been able to have a positive impact in this regard.

“I certainly believe that the real estate valuation profession as well as the relationship between the AIC and the Sauder School of Business has a very bright future.” 🇩🇪

*“The AIC has embraced high-quality education as a means of increasing the value-added services that its members are able to provide, and it is very rewarding to know that our school's Real Estate Division works closely with the Institute to offer courses which help make that a reality.”*

*Dr. Daniel F. Muzyka*

The recent problems in the American mortgage market will undoubtedly have repercussions for Canadian lenders. In particular, appraisers need to understand new and novel ways in which our clientele may wish to use appraisal work product. Unfortunately, there is potential for abuse of the usage of appraisal reports and Mark Frederick of Miller Thomson advises below that, now more than ever, we in the profession must be careful in how appraisers allow their appraisal reports to be used. Mark R. Frederick is a barrister and solicitor with Miller Thomson LLP, a national law firm based in Toronto.

## Multiple uses and multiple reliances

Imagine you are at a business cocktail party in a crowded room. It has been another hard day at the office. You have had at least two martinis (who counts anyway?) and you see a mortgage broker you know cross the room. You do not think he is the best at his business, but he tells you he has been working on a project and has been studying a copy of your report on a commercial income property over on King Street that you did a “few months ago.” He tells you your report is very good and is exactly what he needed.

In this scenario, most appraisers would be feeling quite self-satisfied. A compliment on your work . . . a satisfied client . . . what could be better?

How would you feel if he also mentioned the following: that he was going to use your report as part of a presentation to 1000 speculative investors, who he was going to ask to participate in a \$50,000,000 pooled-funding arrangement, along with loans on 200 other properties?

What if he went further, telling you that, rather than giving his investors a full copy of your report, he was simply going to give them your transmittal page as part of his presentation,

where it clearly states on your letterhead that the value of the property you appraised was set out at \$1,000,000?

How would you feel about your appraisal buttressing a portfolio of loans, where, as part of his pitch, the mortgage broker has already calculated a certain amount of potential risk in the group of targeted borrowers to the extent that he expects 2% of loans to fail anyway because of

- a) the heightened level of risk associated with these loans;
- b) the poor quality of the tenants renting these properties; and,
- c) the minimal capital commitment and input of the borrowers?

How would you feel about the borrower charging high interest rates (six points over that offered at the bank) to the intended borrowers to make up for any expectation of loss due to defaulters, but, at the same time, noting to his investors that even if there were losses, your appraisal work and that of other appraisers creates an underwriting safety net on this portfolio of loans and that, should some of

them fail, they intend to sue the appraisers involved (including you) for any shortfall?

How then would you feel about your work going from one knowledgeable lender client (who is actually paying your bill) to a thousand people who you do not know or have any clue about?

Most appraisers do not expect to see their appraisal reports used in such a fashion. While the term ‘Mortgage Financing Purposes’ appears on both form and narrative reports, it can mean many things. Recent trends of packaging loans and books of lending business mean that your reports have the potential to influence a number of people who purchase loans this way.

These loans do not require specific property underwriting as called for in typical transactions. There may be less inclination to look at covenants or the quality of leases and rents, or even the physical state of the buildings involved.

In other cases, your appraisal may have buttressed the first loan and is now being passed on to the general lending public by way of invitation.



### Is there anything you can do about this?

The law of reliance essentially provides that any professional who issues an opinion can create a duty relationship where the professional may be liable in negligence to those whom he would expect to reasonably rely upon his report. The problem here is one of scale and use. Appraisers ask for letters of transmittal to learn not only who is relying on their reports, but also to send an appropriate fee for that privilege.

Canada's chartered banks are moving to syndicate their lending portfolios to divest themselves of risky loans, particularly after they have taken the first few months of profit associated with those loans. Your appraisal, unless properly qualified, will be used by them to justify their actions.

Arguably, limiting conditions should assist appraisers in resisting attacks on their work in situations where aspects of the transactions fail. But, if the syndicate and its members are permitted users, the appraiser will see his or her work used time and time again to support decisions to lend absent proper and necessary underwriting.

### What can you do about this situation?

First, you can qualify your report in terms of effectiveness as to the period of time your view should be active (30-60-90 days?), the designated specific parties allowed to rely upon it, and the circumstances in which they are allowed to do so. You may make it clear that

letters of transmittal require an application to you where the purpose of the appraisal or the fact that it is being used in anything but conventional mortgage lending is disclosed.

Second, you can say no to any request to allow your report to be used by any person other than the client named in the appraisal report.

Third, you can ask to go back and refresh your appraisal to see if the circumstances that resulted in your original report are still the same – that the income is correctly stated and that there are no new conditions that affect your report.

Ultimately, you must take care to see that your report is clear and unambiguous and that it should not be relied on as if it were the local newspaper or flyer from the supermarket. 🇩🇪



## With your group you have privileges



FOR YOUR HOME AND AUTO,  
ENJOY THE BENEFITS OF PREFERRED RATES AND EXCEPTIONAL SERVICE

Thanks to The Personal and the Appraisal Institute of Canada,  
you have access to home and auto group insurance.

Why not take advantage of it?

Get a quote:

**1-888-476-8737** [thepersonal.com/aicanada](http://thepersonal.com/aicanada)



Appraisal Institute  
of Canada



**thePersonal**  
Home and Auto Group Insurance

Certain conditions apply.  
Auto insurance is not available in Manitoba, Saskatchewan or British Columbia due to government-run plans.

THE  
**CHOOSE YOUR  
PRIVILEGE  
CONTEST**

Imagine EXHILARATING  
ADVENTURES valued at  
**\$50,000**  
created exclusively for you!

**SPORT  
PACKAGE**

**ENTERTAINMENT  
PACKAGE**

To enter, request a quote.  
For contest details visit:  
[thepersonal.com/privilegecontest](http://thepersonal.com/privilegecontest)

# Primer on *International Valuation Standards* – Part 2

In my previous *International Valuation Standards (IVS)* primer article (Volume 52/Book4/2008), I summarized the structure of *IVS* and focused on the *Code of Conduct*. The *IVS Code of Conduct* also deals with Reporting Values. Its inclusion in the *Code of Conduct* would imply that knowingly ignoring minimum requirements would constitute an ethical breach of the rules.

*IVS* notes that the style of the valuation report must be tailored to the nature of the assignment and the needs of the client while meeting certain minimum requirements as to content.<sup>1</sup> These minimum requirements are then summarized as follows:

- the identity of the valuer and the date of the report;
- the identity of the client;
- the instructions, date of the value estimate, purpose and intended use of the valuation;
- the basis of the valuation, including type and definition of value;
- the identity, tenure, and location(s) of the interest(s) to be valued;
- the date and extent of the inspections;
- the scope and extent of work used to develop the valuation;
- any assumptions and limiting conditions; and any special, unusual, or extraordinary assumptions;
- a compliance statement that the valuation has been performed in accordance with *IVS* and any required disclosures; and
- the professional qualification and signature of the Valuer.

Reporting requirements also appear in greater detail in Standard 3 – Valuation Reporting. It is this section of *IVS* that parallels the Appraisal Standard Rules of *CUSPAP*.

The Introduction to *International*

*Valuation Standards* 1, 2 and 3 provides a comprehensive explanation of how *IVS* addresses the three fundamental aspects of valuation. Standard 1 deals with Market Value Basis of Valuation. Standard 2 deals with Bases Other Than Market Value, and Standard 3 deals with Valuation Reporting.

Central to all valuations are the concepts of market, price, cost and value. These concepts are relevant both to valuations based on *Market Value* (Standard 1) and those based on non-market criteria (Standard 2). Of equal importance is clear communication



of the results of the valuation and an understanding of how those results have been obtained. (Standard 3).<sup>2</sup> It is this later Standard that will be the focus of this article, as it is this Standard which most resembles the *CUSPAP* Appraisal Standard Rules and Comments.



### Standard 3 – Valuation Reporting (Revised 2007)

The introduction of this section points out the importance of communicating the value conclusion, confirming the basis for the valuation, the purpose of the valuation and any assumptions or limiting conditions underlying the valuation. The reporting requirements apply to all types of appraisal or valuation reports.

*CUSPAP* does not dictate the form, format or style of an appraisal report. These are the functions and needs of the users and appraisers. It is the substantive content of a report that determines its compliance to *CUSPAP*.<sup>3</sup> Similarly, *IVS* acknowledges that the type, content and length of a report vary according to the intended use of the report, legal requirements, the property type, and the nature and complexity of the assignment.

The reporting requirements of *IVS* are very similar to those of *CUSPAP*. For example, *IVS* reporting rule 5.1.2 requires that each valuation report shall identify the client, the intended use of the valuation and the relevant dates (effective date, inspection date and report date). This one rule covers three *CUSPAP* Appraisal Standard Rules (6.2.1, 6.2.7 and 6.2.8.) In that most of the reporting requirements of *IVS* mirror those of *CUSPAP*, a line by line comparison of every reporting requirement of *IVS* versus *CUSPAP* is not attempted in this article.

However, there are certain *IVS* requirements that differ from or exceed *CUSPAP* requirements. There are also differences in terminology between *CUSPAP* and *IVS*. For example, *IVS* Standard Rule 5.1.10 requires a signed Compliance Statement as opposed to *CUSPAP* Appraisal Rule 6.2.27 which requires a signed Certification. Each is tailored to the specific requirements of either *IVS* or *CUSPAP*. The *IVS* Compliance Statement requires disclosure

specific *IVS* requirements. *CUSPAP* has a similar requirement, but it is addressed under Extraordinary Limiting Conditions. Again, the difference lies only in the terminology.

Differences also occur in the location of a requirement. For example, the Practice Notes of *CUSPAP* suggest a standard Limiting Condition, which states that possession of a report does not permit publication.<sup>4</sup> In that this appears in the Practice Notes, the application of this statement within an appraisal report is not compulsory. A similar requirement in *IVS* forms part of the Compliance Statement, wherein it states that a report must contain a clause specifically prohibiting the publication of the report in whole or in part, or any reference thereto, or to the valuation figures contained therein, or to the names and professional affiliation of the valuers, without the written permission of the valuer.<sup>5</sup> The fact that this appears in the Standard 3 reporting rules of *IVS*, makes the requirement mandatory.

Of particular interest, *IVS* has a requirement to identify and describe the classes of property included in the valuation other than the primary property category.<sup>6</sup> In addition to real property valuation, *IVS* covers personal property, businesses and financial interests. There is a whole section devoted to property types in *IVS*. Real property is the common class of property that we deal with under *CUSPAP*. However, at present, the Appraisal Institute of Canada mandatory errors and omissions insurance would not cover assignments dealing with the other property types regardless of a member's knowledge, experience or competence.

As for other differences, *CUSPAP* permits the use of an Extraordinary Assumption, which is defined as an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.<sup>7</sup> *IVS* also permits

the use of an assumption, but goes on to require that the appraiser address the probability that such a condition will occur. If, for example, the appraisal of a house situated on 50 acres were assigned with the extraordinary assumption that the house were situated on one acre, under *IVS* the appraiser would have to deal with the probability that the house on the one-acre could be severed from the larger 50-acre parcel. In this case, the probability may be zero, but additional enquiries would have to be made to determine such probabilities.

There are some *IVS* requirements dealing with electronically transmitted reports that are not dealt with under *CUSPAP*. *IVS* requires that the origin, date and time of the sending of a report, as well as the destination, date and time of receipt should be identified. Further, software should allow confirmation that the quantity and quality of data/test transmitted corresponds to that received and should render the report as 'read-only' to all except the author.<sup>8</sup> Indeed, there are additional require-

ments pertaining to digital signatures, passwords, PIN numbers, secure cards, etc., that may be of particular interest to our members today.

Several *CUSPAP* Appraisal Standard Rules do not currently appear in *IVS* Standard 3 reporting requirements. For example, the reporting requirements of *IVS* are silent on land use controls (6.2.12), and highest and best use (6.2.14). The inclusion of land use controls in an appraisal report is obvious. Both *CUSPAP* and *IVS* reporting rules require the appraiser to identify and describe legal characteristics of the property. Land use controls would fall under this requirement. Highest and best use has not been overlooked in *IVS*. Highest and best use is a disclosure requirement under Standard 1, wherein it is stated that reports shall contain a specific reference to the definition of Market Value as set forth in the Standard, together with specific reference as to how the property has been viewed in terms of its utility or its highest and best use (or most probable use) and a statement of all substan-

tive assumptions.<sup>9</sup> Indeed, the concept of highest and best use is discussed in 10 different sections of *IVS*.

Similarly, in *CUSPAP*, lease fees or leasehold estates (6.2.19), assemblage (6.2.20), or public and/or private improvements (6.2.21), and their respective effects on value are not specifically stated in the *IVS* Standard 3 reporting requirements. However, these concepts would fall under the reporting requirement that the information and data examined; the market analysis performed; the valuation approaches taken and procedures followed; and the reasoning that support the analyses, opinions and conclusions must be described in the report.<sup>10</sup>

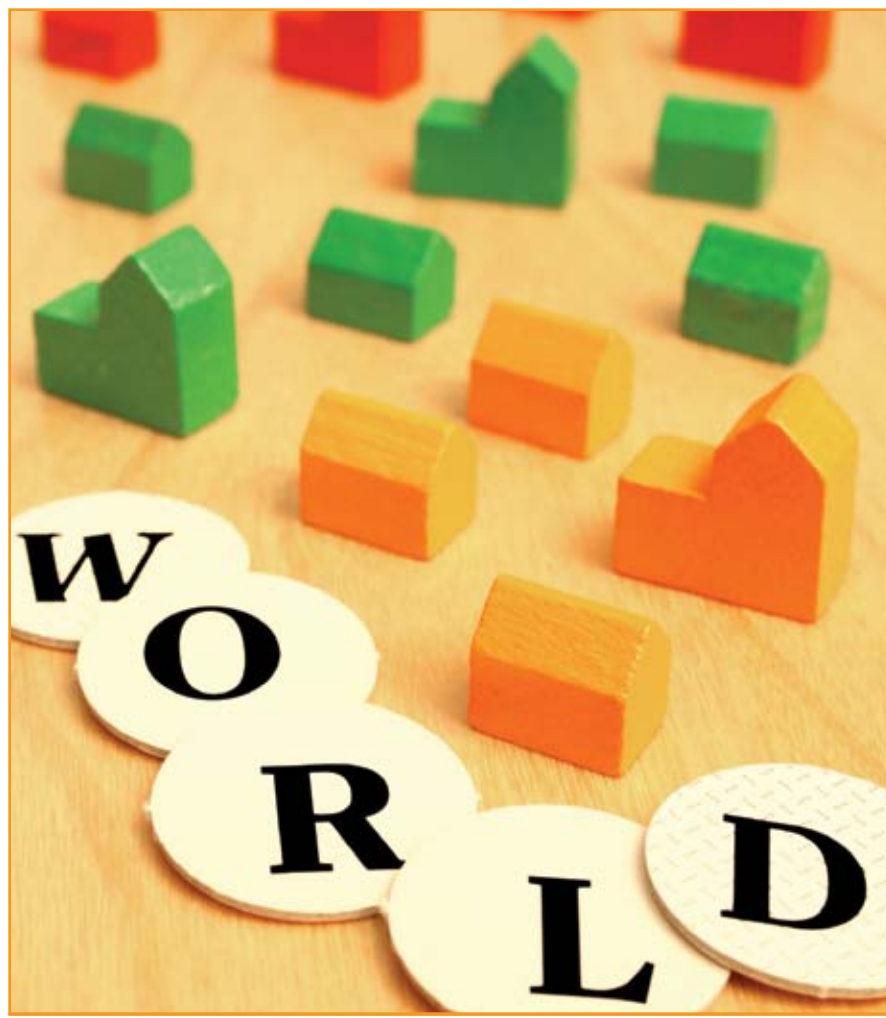
There may be additional differences in the detailed requirements of *CUSPAP* and *IVS*, but as demonstrated in this brief article, the underlying appraisal principles, methodologies and techniques remain basically the same. By undertaking a real property market value appraisal assignment strictly under the auspices of *IVS*, the results would be substantially equivalent to a similar assignment undertaken in adherence to *CUSPAP*. The real benefit of adopting *IVS* as the standards for our members is the ability to undertake valuations on basis **other** than Market Value. These additional concepts will be the focus of future articles. 🌈

## End notes

- 1 *IVS*, 8th Edition – Code of Conduct
- 2 *IVS*, 8th Edition – Introduction to Standards
- 3 *CUSPAP* – Practice Note 12.11.1 – 2008
- 4 *CUSPAP* – Practice Note 12.30.1.ii – 2008
- 5 *IVS*, 8th Edition – Standard 3 – 5.1.9 – 2007
- 6 *IVS*, 8th Edition – Standard 3 – 5.1.4.3 – 2007
- 7 *CUSPAP* – Definitions – 2008
- 8 *IVS*, 8th Edition – Standard 3 – 5.2.1
- 9 *IVS*, 8th Edition – Standard 1 – 7.1
- 10 *IVS*, 8th Edition – Standard 3 – 5.1.8 – 2007

## Standards Committee

Ray Bower, AACI, P. App – Chair  
Iain Hyslop, AACI, P. App  
Brian Varner, AACI, P. App  
Chris Perret, AACI, P. App  
George Ward, AACI, P. App  
To contact this committee email:  
[standards@aicanada.ca](mailto:standards@aicanada.ca)



think MORTGAGE  
think **AMP**™



## Raising the bar to new heights

Being an **Accredited Mortgage Professional (AMP)** differentiates you from the competition.

The **AMP Advantage** represents professionalism, experience, knowledge, commitment, integrity and proficiency.

Canadian Association of Accredited Mortgage Professionals  
Association Canadienne des Conseillers Hypothécaires Accrédités

**CAAMP**  
**ACCHA**   
[www.caamp.org](http://www.caamp.org)

# Co-signing means accepting full responsibility

**Y**ou are a designated member of the Appraisal Institute of Canada (AIC). You have dedicated a tremendous amount of time and effort to obtaining your designation through education, experience and ethical practices. Your signature as a designated member represents your acceptance of full responsibility for the product to which it is applied. Your signature is your ‘seal of approval’ – it belongs to you and you alone.

As a co-signor of fee appraisal reports, you must accept full responsibility for the work produced. ‘Co-signature’ is defined in *CUSPAP* (2.20) as “personalized evidence indicating authentication of the work performed by the members as joint authors, where each is responsible for content, analyses, and the conclusions in the report; a member cannot co-sign a report with a student or non-member.” It is unethical for a member to sign or co-sign an appraisal without accepting responsibility for the contents of the entire report, unless the member clearly and precisely indicates the portion or portions of the report for which responsibility is or is not accepted. Not only is it outlined in our bylaws and regulations, but is it not common sense to fully understand and agree with anything to which you put your signature?

It is not a requirement that the co-signor have immediate involvement with every step of the appraisal process, such as physical inspection of the property or verification of research, for example. It is the responsibility of the co-signor, however, that the contents of the report meet the requirements of AIC, and that the methodology in arriving at conclusions and the final value is in compliance with *CUSPAP*.



The page [www.aicanada.ca/cmsPage.aspx?id=114](http://www.aicanada.ca/cmsPage.aspx?id=114) in the Members Section of the AIC website outlines a number of guidelines for co-signors, detailing the methodology in preparing an appraisal report. Without going into detail, the topics covered include:

- Problem Identification
- Property Content
- Property Rights
- Definition of Value
- Intended Use, Purpose & Scope
- Highest & Best Use
- Economic Variables
- Legal Issues
- Research
- Approaches to Value
- Ethics
- Effective Communication
- Critical Thinking

On January 1, 2006, the Candidate Co-signing Registry was introduced. The intent of the policy was to ensure that Candidate members received appropriate supervision and professional support necessary to achieve their designations. To achieve those goals, the number of Candidates per designated member was limited to '4+4.' There have been numerous concerns raised by the membership on both sides of this issue – some feel that they can adequately provide training and supervision to a greater number of Candidate members than the allowed '4+4' and that the policy is limiting their company's potential. Others feel that the '4+4' policy leaves the co-signor with an unmanageable amount of responsibility. Further, concerns have been expressed by the membership over 'distance co-signing' creating undesirable and potentially unethical work practices.

*“Consider yourself  
the captain of  
an aircraft. You  
are an expert in  
your field and you  
are ultimately  
responsible for the  
actions of your  
first officer.”*

The PQCC is addressing these issues on an ongoing basis and will be making recommendations to the Board. A number of ideas have been discussed, such as:

That the 'Guidelines' for co-signors (discussed above) be renamed to 'Requirements' to strengthen their importance.

That any co-signing that involves a distance relationship, where the co-signor and Candidate do not work out of the same office or geographical market area, requires approval (even for CAN1 registrations under the Co-signing Policy).

That all co-signing based on a distance relationship be required to submit work product to a peer review process to ensure that the work product meets the *CUSPAP* requirements.

That all co-signing relationships where the designated member and Candidate do not work in the same province be formally recognized as requiring an application for exemption.

Consider yourself the captain of an aircraft. You are an expert in your field and you are ultimately responsible for the actions of your first officer. I can bet that you will make sure that your first officer is competent before you take off, because your life as well as that of the other passengers depends on it. You are a designated member of the Appraisal Institute of Canada. You are a Real Value Expert. Your life will not depend on your due diligence as a responsible co-signor; however, your livelihood and your reputation, along with the other members of the AIC, very well may. 🇨🇦



### **Professional Qualifications and Competency Committee**

Anna Meckling, AACI, P. App – Chair  
Brad Brewster, AACI, P. App  
Roland Mayr, AACI, P. App  
Charles Johnstone, AACI, P. App  
John Yannacopoulos, AACI, P. App  
Suzanne Teal, Executive Director,  
AIC Alberta

To contact this committee email:  
[pqcc@aicanada.ca](mailto:pqcc@aicanada.ca)

# Appraisal Institute of Canada 2009 Annual Conference

Fairmont Hotel Mont-Tremblant

May 27 – 30, 2009



## The Appraisal Institute of Canada – Québec

One of Canada's most scenic villages, Mont-Tremblant, Québec, will be the venue for the Annual Conference of the Appraisal Institute of Canada (AIC) from May 27-30. Mont-Tremblant is rich in history, music, raw beauty and hospitality.

The organizing committee is very eager to share the history, culture and spirit of this beautiful village with their colleagues from across the country, while at the same time offering a stellar and progressive program.

This year's theme: *The Pillars of Professionalism: Education, Experience, High Standards* will serve as the foundation of a program that promises to be filled with concurrent sessions that will assist in enhancing valuation skill sets and provide you additional tools needed to succeed in this ever-evolving profession.

On Thursday morning, our **keynote speaker, Ms. Lise Rochette, Partner with Fasken Martineau in Montreal**, will open the conference addressing the role of AIC members as professionals in the property valuation field, sharing experiences and thought-provoking points of discussion. Ms. Rochette practices real estate law as well as mortgage and bank financing, with a particular focus on multi-faceted real estate development transactions, development, major dispositions and acquisitions of real estate, and construction financing. She has regularly represented important Canadian pension funds in large

acquisition and disposition transactions.

Also on our program as a **spotlight speaker is Dr. Tsur Somerville, Director of the UBC Centre for Urban Economics and Real Estate**, Associate Professor of Strategy & Business Economics, and holder of the Real Estate Foundation Professorship in Real Estate Finance at the University of British Columbia's Sauder School of Business. He will address the topic of the Canadian housing market in the current global economy.

Some of the interesting topics we have lined up include:

- **How does the weakening global economy affect real estate transactions?**
- **The future of green buildings – the Canadian landscape**
- **International standards**
- **How to do business with the Canadian government**
- **Are Canadian housing markets over-priced?**
- **International Financial Reporting Standards (IFRS)**
- **Tour of Mirabel Airport and environs**
- **Plus many others**

A detailed program may be viewed on the AIC website [www.aicanada.ca/cmsPage.aspx?id=138](http://www.aicanada.ca/cmsPage.aspx?id=138)

The committee has planned a fantastic networking evening. Conference participants will

be introduced to local foods, culture and talent. The evening is being held at the Hotel du Lac on the shore of beautiful Lac Tremblant, where we are offered a splendid view of Mont-Tremblant.

This year's conference is being held at the Fairmont Hotel, located in the heart of the village, and within walking distance to dozens of restaurants and pubs and shops.

[www.aicanada.ca/cmsPage.aspx?id=139](http://www.aicanada.ca/cmsPage.aspx?id=139)

Québec hospitality will be evident in abundance during the conference, with a varied program comprised of local tours and, of course, the opportunity to play on a premiere golf course.

When visiting AIC's website <http://www.aicanada.ca/cmsPage.aspx?id=138>, click on the travel and accommodation icon and you will see that group rates have been established through Budget and Avis. AIC has also arranged 10% discounts on airfare with Air Canada and WestJet through their group booking program. Instructions can also be found on the same website link.

Shuttles will be running from Montreal's Pierre Elliott Trudeau Airport to the Fairmont and returning to the airport on peak travel days. The shuttle fee is \$70 [15% taxes excluded] per round trip per person to and from Mont Tremblant. When registering online, you will be given the option of selecting your shuttle dates and times to and from the Pierre Elliott Trudeau Airport.

If you have not yet been to this part of Canada, you are in for a treat. Mark your calendar and make your plans to attend.

**If you have questions, please contact Marie-Louise Doyle, AIC Conference & Meetings Planner via email at [maried@aicanada.ca](mailto:maried@aicanada.ca)**



# Conférence Annuelle 2009 de l'Institut canadien des évaluateurs

Hôtel Fairmont Mont-Tremblant

du 27 au 30 mai 2009



## L'Association du Québec de l'Institut Canadien des Évaluateurs (AQICE)

Un des villages les plus pittoresques du Canada, Mont-Tremblant, au Québec, sera l'hôte de la conférence annuelle de l'ICE, qui se tiendra du 27 au 30 mai. La richesse de Mont-Tremblant tient à son histoire, à sa musique, à sa beauté grandiose et à son hospitalité.

Le comité organisateur a très hâte de partager l'histoire, la culture et l'âme de ce village d'une grande beauté avec ses collègues de l'ensemble du pays, tout en offrant un programme stellaire et progressif. Le thème retenu pour l'occasion, soit « Les piliers du professionnalisme : éducation, expérience, normes élevées » servira de base à un programme qui promet d'offrir des séances simultanées qui vous aideront à améliorer vos aptitudes en évaluation ainsi qu'à accroître les outils nécessaires pour réussir dans cette profession en pleine évolution.

Le jeudi matin, **la conférencière d'honneur, Mme Lise Rochette, partenaire chez Fasken Martineau de Montréal**, inaugurera la conférence en traitant du rôle des membres de l'ICE en tant que professionnels dans le domaine de l'évaluation immobilière ainsi qu'en partageant des expériences et des points de discussion qui suscitent la réflexion. Mme Rochette pratique dans les domaines du droit immobilier et du financement hypothécaire et bancaire, en se concentrant plus particulièrement sur les transactions de développement immobilier à plusieurs facettes, les acquisitions et les ventes d'envergure en immobilier et le financement de la construction. Elle a aussi représenté de façon régulière d'importants régimes de pension canadiens dans des transactions d'acquisition et de vente d'envergure.

Un autre conférencier vedette figure aussi au programme, le **Dr Tsur Somerville, Directeur du UBC Centre for Urban Economics and Real Estate**, professeur associé de la Division de la stratégie et de l'économie de l'entreprise, et titulaire de la Real Estate Foundation Professorship dans le domaine des finances du secteur immobilier de l'École d'études commerciales Sauder de l'Université de la Colombie-Britannique. Il traitera du marché canadien de l'habitation à la lumière de l'économie mondiale actuelle.

Voici quelques-uns des sujets intéressants qui seront abordés :

- **De quelle façon le ralentissement de l'économie mondiale affecte-t-il les transactions immobilières?**
- **L'avenir des bâtiments écologiques – le paysage canadien**
- **Les normes internationales**
- **Comment faire affaire avec le gouvernement canadien?**
- **Les marchés canadiens de l'habitation sont-ils surévalués?**
- **Les Normes internationales sur les rapports financiers (NIRF)**
- **Visite de l'aéroport de Mirabel et des environs**
- **Et plusieurs autres**

Il est possible de consulter le programme détaillé sur le site Web de l'ICE, à : <http://www.aicanada.ca/cmsPage.aspx?id=138>

Le comité a planifié une soirée de réseautage fantastique. Les participants seront initiés aux plats, à la culture et aux talents locaux. La soirée se déroulera à l'Hôtel du Lac, qui est situé sur les rives du magnifique lac Tremblant et qui

offre une vue splendide sur le Mont-Tremblant.

La conférence de cette année aura lieu à l'Hôtel Fairmont, qui se trouve au cœur du village, ainsi qu'à quelques minutes à pied d'une douzaine de restaurants, de brasseries et de boutiques. <http://www.aicanada.ca/cmsPage.aspx?id=139>

L'hospitalité du Québec se manifestera à de nombreuses reprises au cours de la conférence grâce à un programme varié comprenant des visites locales et offrant la possibilité de jouer sur un parcours de golf majestueux.

Lorsque vous visiterez le site Web de l'ICE, <http://www.aicanada.ca/cmsPage.aspx?id=138>, cliquez sur l'icône « Transport et hébergement ». Vous verrez que des tarifs de groupe ont été établis avec Budget et Avis. L'ICE a obtenu un rabais de 10 % sur le tarif des billets d'avion d'Air Canada et de WestJet réservés au moyen de leur programme de groupe. Des directives se trouvent à cette adresse.

Des navettes feront l'aller-retour entre l'aéroport Pierre Elliot Trudeau de Montréal et l'Hôtel Fairmont lors des journées de pointe. Le coût de la navette est de 70 \$ [taxes de 15 % non comprises] par aller-retour par personne à destination et en provenance de Mont-Tremblant. Lorsque vous vous inscrivez en ligne, on vous offrira la possibilité de choisir les dates et les heures pour la navette à destination et en provenance de l'aéroport Pierre Elliot Trudeau.

Si vous n'avez jamais visité cette partie du Canada, vous serez comblé. Faites une croix sur votre calendrier et planifiez votre participation.

**Si vous avez des questions, veuillez communiquer avec Marie-Louise Doyle, Planificatrice de la conférence et des réunions, par courriel à l'adresse [maried@aicanada.ca](mailto:maried@aicanada.ca)**

# Independent adjudication

The independence of the professional practice committees is a long-established principle. The Adjudicating and Appeal committees are independent tribunals, created by the Appraisal Institute of Canada (AIC) as specialized expert panels to hear matters referred to them by the Advocate Professional Practice. It is important for all of the professional practice committees to make decisions on the matters referred to them in an independent and impartial manner without interference from the Board of Directors, staff or members of AIC.

The concepts of independence and impartiality, although related, are separate and distinct values. Impartiality refers to the state of mind or attitude of the hearing panel in relation to the particular issues and the parties before them. Independence is not only about a state of mind, but about the relationship to the national Board or governance of AIC that relies on objective conditions and guarantees provided to the professional practice committees.

The concept of independence has three main characteristics: security of tenure, financial security, and institutional independence.

Security of tenure refers to the appointment and the fixed term to which a committee member is appointed. Annually, the Nominations Committee, chaired by the Immediate Past President, seeks volunteers to serve on the professional practice committees and all committees in general. The committee screens the volunteer applicants based on qualifications and skills required by each committee and, in consultation with the appropriate committee chairs, submits

recommendations to the President-Elect for the appointments. These nominations are then ratified by the Board, and, once appointed, the members serve for a fixed term of not longer than six years.



Financial security would typically refer to the salary and benefits of those appointed to the committees. However, as all committee members are unpaid volunteers, this is not a factor. Those who have sought out the responsibility of service on a professional practice committee have done so out of a desire to give back to the profession; to provide a forum for educating their peers. The professional practice committees are assigned budgets in order to manage their affairs. The professional practice committees also receive the independent administrative support from staff and contractors to perform their key functions for AIC.

Institutional independence refers to a number of interrelated facts. The Board of

Directors plays no role and has no say in the decisions of the Adjudicating and Appeal committee hearings. Each committee independently determines who shall act as chair of a panel and who serves as panel members, subject to any conflicts of interest. Complaints submitted to AIC are investigated, and, at each stage in the process, an independent and impartial decision is made. Confidentiality of the complaint files and the decisions rendered are maintained throughout, such that the names of members under investigation and the outcomes of such investigations are never shared with those outside of the professional practice process.

The Institute values the integrity and deference afforded to the professional practice committees. It has reinforced these qualities in the regulations and commends those who have volunteered their time and expertise for the improvement of our profession. 🇨🇦

## Professional Affairs Coordinating Committee

Sheila Young, AACI, P. App, – Chair,  
President Elect

Peter Lawrek, AACI, P. App –  
Chair Adjudicating Committee

John Hutchinson, AACI, P. App –  
Chair Investigating Committee

Leonard Lee, AACI, P. App –  
Chair Appeal Committee

Ray Bower, AACI, P. App –  
Chair Standards Committee

To contact this committee email:  
[professionalaffairs@aicanada.ca](mailto:professionalaffairs@aicanada.ca)

# Where is the marketing?

Early in 2008, AIC launched a new logo, new taglines – ‘Real Value Experts’ and ‘We Value Canada,’ a corporate brochure, member designation pins, and the e-store featuring corporate merchandise. Late in 2008, AIC launched a new website, created tradeshow booth graphics for national as well as provincial associations to use at tradeshows, delivered the CD member toolkit, and introduced new designation certificates. Beginning in November 2008, AIC ran a series of six quarter page advertisements in the *Globe and Mail* in 10 major cities, and, during the period September 2008 through March 2009, will have run 40 trade magazine advertisements.

As a marketer, you must first define your client, determine your unique value proposition, and then deliver compelling communications, while adding value to your customer’s experience through innovative programs. At AIC, our customer base includes financial institutions, government officials, and the legal community. If you happen to be a subscriber to *CA Magazine*, *Canadian Lawyer*, *National Magazine*, *CGA Magazine*, *Plan Canada*, *Investment Executive*, *CAAMP* or *Canadian Mortgage Professional*, you have probably seen some of AIC’s new advertisements. From headlines such as ‘Prices are all over the map! We need a real property valuation’ to ‘It’s public land. Who can assess our best long-term options?’, the advertisements are tailored to the individual publications. If you have not yet seen these advertisements, copies are posted at [www.aicanada.ca/cmsPage.aspx?id=186](http://www.aicanada.ca/cmsPage.aspx?id=186) in the Members Section of the AIC website.

The AIC marketing strategy does not



**REAL VALUE EXPERTS**  
**EXPERTS EN ÉVALUATION**

end at advertising to our clients; AIC must also continue to recruit members in order to sustain the future of the membership. With statistics showing 40% of the membership will retire in the next 10 years, AIC has initiated a strong online recruitment advertising campaign on Workopolis and Monster. These online ads direct viewers to AIC’s new recruitment website, specifically created to communicate with potential future CRAs and AACIs. This website speaks to the next generation of appraisers by using testimonial video clips from a wide range of AIC’s practising professionals.

In early 2009, AIC launched this recruitment website and online advertising. In addition, both AIC and the provincial associations are representing the profession at career fairs and tradeshows. Plans are also in place to offer website templates to members who do not have a web presence, after the standardized provincial websites have been launched. We will also be directing

a continued awareness advertising campaign to our clients.

Although AIC has a job to do in establishing, promoting and growing a brand, each and every member also has a role to play. A brand is much more than a logo, a tagline or advertising. A brand is a reputation. The reputation of every member creates the brand of the AIC. A strong brand has public awareness. Think of President’s Choice, almost all Canadians know who they are and what they do. In order to build the AIC brand awareness and benefit the members, we must all help to create public awareness. You can do this by placing the new AIC logo on your business cards, letterhead, appraisal reports and company website. You can distribute copies of the AIC brochure *We Value Canada* to your customers after obtaining these brochures from AIC’s online e-store. These will be sent to you at limited cost as you pay for only the shipping. And finally, one simple act on your part – wearing your designation pin on your jacket and explaining what you do to anyone who asks can go a long way to helping solidify our AIC brand in the real property marketplace. 🇨🇦

## Marketing and Communications Committee

Paul Olscamp, AACI, P. App, Fellow – Chair

Glen Power, AACI, P. App

Tom Fox, AACI, P. App

Laura Kemp, Candidate

Beverley Girvan, AACI, P. App

To contact this committee email:  
[communications@aicanada.ca](mailto:communications@aicanada.ca)



**Robert Patchett**  
LL.B., CD, AIC Counsellor,  
Professional Practice

# Dealing with fraud

**T**he sinking feeling you get in the pit of your stomach when you discover that one of your reports has been modified is your call to action. Now you have to implement your plan for dealing with such a situation. Like a fire drill or an evacuation plan, you should have a strategy for dealing with fraud, and controls in place to detect fraudulent activity. If not, do not panic, you can still take measures to protect yourself.

Fraud detection measures are a first step. Consider what procedures you have in place to get to know all the parties to a particular transaction, and their relationship to each other, particularly if this might not be an arm's length transaction. It is also important to review your database to ascertain if you have previously appraised a property.

If you are being asked to appraise a property that was recently appraised for someone else, ask yourself if this property is being flipped. It is prudent to pay closer attention to the purpose of

the appraisal if it is for secondary financing or a further resale.

The lenders who rely on your professional services have in place the means to detect patterns of behaviour that look like fraud, and your services are a part of that process. They conduct internal investigations and refer matters to the police and to AIC for appropriate action.


The most common situation you will uncover is that a report you have prepared has been altered by someone else, and is being passed off as a valid report based on your good reputation. You may not know this has happened or how long it has been going on, so maintaining your relations with lender clients is an important means of preventing reliance on fraudulent reports.

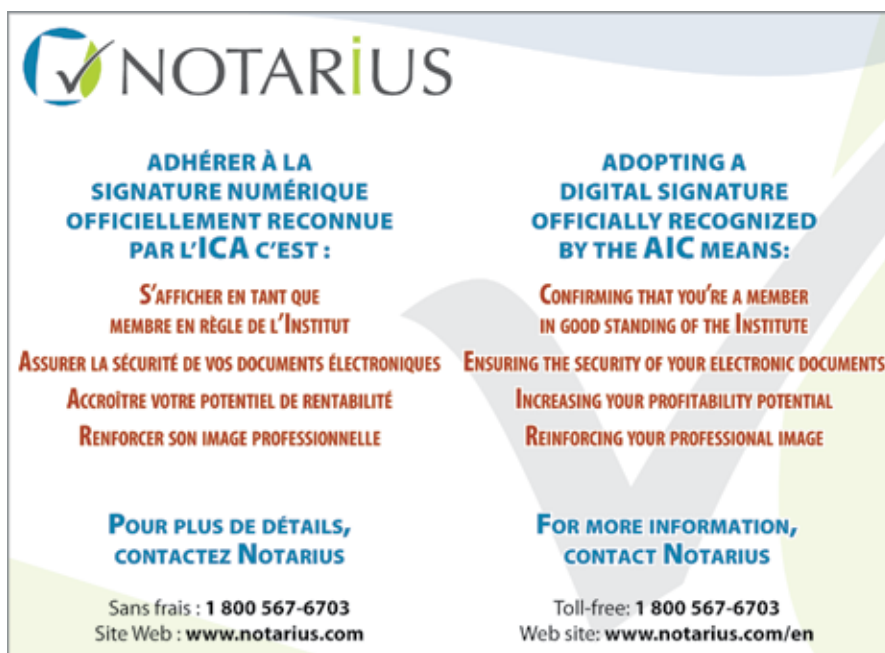
When fraud occurs or you suspect fraudulent activity, the lenders have an expectation that you will alert them of this so that they can take steps to protect themselves. It remains their decision to act on that information and decide how to proceed.

Document your discussions in your work file, as that will aid to protect you in the event of a claim. This act alone will significantly strengthen your reputation with the lenders. A lender should always contact you for a true copy of your appraisal report before he or she relies on it. Through collaborating to ensure your records match their information, you prevent fraud. However, should you become aware that one of your reports is in circulation without your authorization, it is important to notify all lenders about this so that no other lender may inadvertently rely on it. Lenders have assured AIC that they consider this two-way dialogue to be an important aspect of the service you provide to them.

The next important step is to contact your local police force to report the fraudulent activity. Investigations may take a long time before you hear about any criminal charges or the outcome, but unless you report it, fraud cannot be prevented. It may be that you know the individual that modified the report; however, you must let the police investigate and take all steps, including the laying of charges if appropriate. You should always cooperate with them during the investigation and the prosecution of appraisal fraud.

Consider what fraud prevention measures you can adopt. The most important measure is digital security. A document in PDF form is not considered a secure document. Adopt password protections or digital signature and security software whenever you provide electronic reports to clients. Typically, your report is uploaded to a website or e-mailed to your client. Because of this web-based method of transmitting your work, digital protection should be a cornerstone of your business practice. This can and does go a long way to prevent fraud, since any modification should automatically invalidate the digital certificates.

Finally, remember that you can and should contact the Counsellor, Professional Practice and your claims adjustors for advice and guidance. If we are all vigilant, fraud and its impact can be minimized. 



**NOTARIUS**

**ADHÉRER À LA SIGNATURE NUMÉRIQUE OFFICIELLEMENT RECONNUE PAR L'ICA C'EST :**

- S'AFFICHER EN TANT QUE MEMBRE EN RÉGLE DE L'INSTITUT**
- ASSURER LA SÉCURITÉ DE VOS DOCUMENTS ÉLECTRONIQUES**
- ACCROÎTRE VOTRE POTENTIEL DE RENTABILITÉ**
- RENFORCER SON IMAGE PROFESSIONNELLE**

**POUR PLUS DE DÉTAILS, CONTACTEZ NOTARIUS**

Sans frais : **1 800 567-6703**  
Site Web : **www.notarius.com**

**ADOPTING A DIGITAL SIGNATURE OFFICIALLY RECOGNIZED BY THE AIC MEANS:**

- CONFIRMING THAT YOU'RE A MEMBER IN GOOD STANDING OF THE INSTITUTE**
- ENSURING THE SECURITY OF YOUR ELECTRONIC DOCUMENTS**
- INCREASING YOUR PROFITABILITY POTENTIAL**
- REINFORCING YOUR PROFESSIONAL IMAGE**

**FOR MORE INFORMATION, CONTACT NOTARIUS**

Toll-free: **1 800 567-6703**  
Web site: **www.notarius.com/en**

# AIC's Peer Review Project

One of the Key Result Areas for Professional Affairs and Member Services in the Appraisal Institute of Canada (AIC) 2007-2010 Strategic Plan is to "...develop a plan whereby an affordable and effective peer review system may be established." The Strategic Plan also states that "...the introduction of continuing competency resources including peer review... will result in reduced claims and complaints."

AIC recognizes that a peer review program could have many potential benefits, not only to members, but also to AIC and the users of our member services. AIC also takes the position that any new program must be cost effective.

Therefore, in June 2008, AIC's Board of Directors gave the Ad Hoc Committee on Peer Review a mandate to run a one-year Peer Review Pilot Project focusing on residential form reports. The primary objective of the pilot project is to acquire actual cost and benefit data which will assist the Board with future decisions relating to peer review. The secondary objective of the pilot project is to develop a practical and efficient peer review program infrastructure which will be invaluable should the Board choose to pursue an expanded program.

*"AIC recognizes that a peer review program could have many potential benefits, not only to members, but also to AIC and the users of our member services."*

The pilot project has a purely educational focus. The Counsellor, Professional Practice receives some files that have deficiencies, but not to the extent that would warrant a formal investigation. It is these files that become candidates for the pilot project.

With the consent of the member, an appraisal report and its work file are sent to a trained reviewer. The peer review consists of a comprehensive checklist and a written report to the member that identifies the report's deficiencies. Importantly, the review goes beyond simply identifying deficiencies, as it also provides the member with practical suggestions and constructive criticism. The goal is to learn from shared experience and become better practitioners.

During the last few months of 2008, the Ad Hoc Committee on Peer Review has created a program infrastructure which includes reviewer application forms and a selection process, a program procedures manual, review forms and guidelines, and feedback questionnaires for reviewers and reviewees.

Following a detailed selection process, 12 AIC members were selected to be reviewers. The 12 reviewers enrolled in UBC's Appraisal Review course (CPD115), and attended a training seminar in November 2008.

The pilot project was launched on January 1 2009 for a period of one year. On an ongoing basis, the committee is collecting input from all involved parties (committee members, reviewers, reviewees, AIC staff, etc.). This feedback will allow us to continually improve the program infrastructure, and also to measure and report the cost/benefit data to the Board of Directors. 📄



## Ad Hoc Committee on Peer Review

Michael Garcelon, AACI, P. App – Chair  
 Linda Hastings, AACI, P. App  
 Robert Stewart, AACI, P. App  
 Gerald W. McCoombs, AACI, P. App  
 Cherie Gaudet, CRA  
 To contact this committee email:  
[professionalaffairs@aicanada.ca](mailto:professionalaffairs@aicanada.ca)

# How to measure and calculate residential square footage

**W**hen calculating total living area space, the livable floor area includes only livable area above-grade that is heated year round. This does not include three-season sun rooms, porches, verandas, or heated garages. In establishing the livable floor area, consideration should be given to potential use of the space. Where in question, the methodology used to establish livable floor area should be defined and applied consistently.

Appraisers adhere to detailed criteria in calculating total or gross living area, typically distinguishing above-grade from below-grade. Above-grade is space on any level of a dwelling with living area and, generally, has no earth adjacent to any exterior wall on that level, i.e., anything above the sill plate. Below-grade is space on any level which generally has earth adjacent to any exterior wall. If earth is adjacent to any portion of a wall, the entire level is generally considered to be below-grade. Exceptions can apply, especially with dwellings built into hills or slopes. Established square footage guidelines should be followed for your jurisdiction.

## Measurements

Living area in a dwelling is based upon **exterior measurements**. A 100-foot tape measure that indicates linear footage in 'tenths of a foot' is recommended. This will eliminate conversions and will provide a more accurate calculation.

Begin at one corner of the dwelling; proceed with measuring each exterior wall, then round off your measurements to the nearest inch. Make a sketch of the structure. As you measure each wall, record each measurement on your sketch. Measure living areas and other areas, but identify them separately on your sketch. Look for offsets, i.e., portions of walls that jut out, and adjust for

any overlap of exterior walls or overhangs in upper levels.

When you cannot measure an exterior surface, measure interior perimeter walls and add an allowance for each exterior wall, using the thickness of your windows to determine the thickness of the exterior wall.

Measure all sides of the dwelling, making sure that the overall lengths of the front, rear and sides equal the correct total. Be sure to inspect the interior of the dwelling, such as the garage, to identify spaces which should be included in the living area.

Some dwellings have bay windows or circular areas that jut out from the house. Split irregular shapes into easy to calculate areas, such as triangles or rectangles. The dimensions of most dwellings can be split into multiple shapes for calculations. Take additional measurements of important segments, if you notice that odd shapes are emerging as you sketch the house.

Take a close look at your sketch before you leave the dwelling. Should your diagram show shorter portions of walls, in order to calculate the areas of subdivided shapes? Is there anything else you should document? Double check your figures. Appraisers who follow standard guidelines and document their measuring procedures are better equipped to defend their calculations if a complaint is filed.

## Calculating square footage

From your sketch, identify and separate living area from other areas, such as garages, breezeways, etc. If measurements are in inches rather than tenths of a foot, convert your figures to a decimal. Calculate the living area by multiplying the length times the width of each rectangular space. Then add your subtotals and round off your figure for the total



square footage to the nearest square foot. Double check your calculations. When in doubt, recheck them and, if necessary, re-measure the dwelling.

When measuring an attached single-family dwelling, multi-family dwellings and duplexes use the same techniques as described. If there is a common wall, measure to the inside surface of the wall. In the case of condominiums, measure the interior of the unit. Do not include any common areas such as hallways.

For proposed construction, square footage calculations will be based upon dimensions described in the blueprints and building plans. When reporting the projected square footage, disclose that you have calculated the square footage based upon plan dimensions. Therefore, the square footage may differ in the completed structure. Do not rely on any calculations printed on the plans.

### Types of dwellings

#### **One-storey (basically self-explanatory) –**

Exterior length times width of base of the dwelling and exterior length times width of projections and cantilevered areas. The area above-grade (ground) is considered livable floor area. Do not include the basement (below grade) area, developed or undeveloped as livable floor area.

#### **One and one-half-storey without dormers –**

The ground level is calculated the same as a one-storey dwelling. The upper or second level measurement, consider livable floor area as interior length times width to knee wall (angle where the wall meets the ceiling), an additional 6 to 8 inches may be included to account for the exterior wall.

**Basic two-storey** – Exterior length times width multiplied by two.

**Two-storey with built-in garage** – Exterior length times width, excluding the garage, and second level is exterior length times width.

**Bi-levels, raised bungalows or split entries** – Measure the exterior above-grade; basements in bi-levels are usually fully developed, however, this area is usually partly below-grade and should not be included in the livable floor area.

**Split levels** – Are generally the most confusing to measure, but remember to only include the livable area that is above the sill plate. Basement and crawl space areas are not considered to be livable floor area. Should you have a living space, sometimes beside the garage, that does not have a crawl space area or a basement beneath, this area is considered to be livable floor area because it is above-grade. 🏡

For further information and diagrams, please refer to the Appraisal Institute of Canada *Building Measurement Guidelines* in the Members Section of the website at [www.aicanada.ca/images/content/docs/aic\\_building\\_measurement\\_guidelines\\_2006.pdf](http://www.aicanada.ca/images/content/docs/aic_building_measurement_guidelines_2006.pdf)

#### **CRA Focus**

Ed Saxe, CRA – Chair  
Brad Fast, CRA  
Dianna LeBreton, CRA  
Herbert Jaques, CRA  
Peter Atkinson, CRA  
Sandro Mavica, CRA  
Tony Miraglia, CRA  
Greg Bennett, AACI, P.App  
To contact this committee email:  
[crafocus@aicanada.ca](mailto:crafocus@aicanada.ca)



Real estate appraisers, consultants and  
advisors serving Nova Scotia, New Brunswick,  
Newfoundland and Prince Edward Island

check out [www.ara.ca](http://www.ara.ca)

Valuations | Consultation | Independent Advice  
**Helping you make intelligent real estate decisions**

# UBC webinars bring the classroom to you

The UBC Real Estate Division (RED) has recently added live online instruction, or 'webinars,' to its suite of distance education offerings. Over the past year, RED has provided live online classroom presentations for select AIC credit courses, an addition that has met with unanimous approval from students. In 2009, we expanded live online classroom delivery into further AIC credit courses and also developed a series of webinars for Continuing Professional Development (CPD) short courses.

## The 'virtual' classroom

RED has more than 20 years of success in its distance education course delivery model. This success is based on a delivery platform that works well in real estate's unique environment: a geographically-dispersed student population that requires a number of highly specialized courses. With insufficient numbers of students in most Canadian centres to regularly offer AIC courses face-to-face, this distance education model has provided a useful and accessible means of learning. Despite the success of our delivery model, we recognize these successes come at a cost. Learners all have unique learning styles and we know that our current text-based distance education model is not always ideal for everyone. We also know that a live classroom can offer a rich learning experience that is difficult to duplicate at a distance, losing both the spontaneity of 'real-time' classroom discussion and the camaraderie of working alongside peers.

The live online classroom offers a means to regain many of the benefits of a face-to-face classroom, while still retaining the advantages of distance education. Students see and hear a live instructor, who can elaborate on topics



beyond the course materials and answer questions in 'real time.' Classroom discussions may be fostered, either by audio or text 'chat.' Students can make connections, professionally and socially, that go beyond the course and program, all while retaining the flexibility of attending from home or office, with no travel time or expense, and available immediately across Canada or internationally.

## Horizon Wimba webinars

UBC's E-Learning Centre selected Horizon Wimba from the many available 'online classroom' software packages. Wimba's chief benefit is that it can do all that is necessary to create an online classroom, but purposely does not do a whole lot more. Wimba's simplicity means it is easy to set-up, intuitive to learn,

and has low demands in terms of computer requirements. It can also operate with slow connection speeds (i.e., for dial-up access in rural areas).

The Wimba online classroom offers the following features:

Instructors can speak over the computer, with an accompanying PowerPoint slide presentation.

Students can listen over their computer speakers or headphones, or may dial-in to the classroom teleconference phone line.

Students can ask questions using their computer's microphone or with the text 'chat' window. Students can also select icons to virtually raise their hands, tell the instructor to speed up or slow down, applaud, or laugh at a joke.



The instructor can provide online quizzes or polls, with student replies immediately tallied and displayed for discussion purposes.

Wimba offers further advanced features, but RED uses these sparingly. In our experience with online classrooms, we have found the more complex the application, the higher the computing power and bandwidth necessary, and the greater likelihood of technical problems. When working with Wimba, a ‘keep it simple’ approach seems to work well. Most webinar students have had

no difficulties in registering, setting up, and attending Wimba sessions.

### UBC’s webinar CPD offerings

RED is now offering webinars in select AIC credit courses and Continuing Professional Development courses. The first CPD webinars took place on February 6 and March 6, both at 8am-10 am Pacific time. These first courses focused on *IFRS*, machinery and equipment valuation, and adjustment support in the direct comparison approach.

On an ongoing basis, CPD webinars will be offered on the first Friday morning of each month, again from 8am-10am Pacific time. By setting aside the same time each month, students can plan their CPD training well in advance. Upcoming topics include highest and best use analysis, appraisal review, and green issues in residential and commercial properties.

For more information on CPD offerings, both webinar and self-study courses, please visit: [www.realestate.ubc.ca/cpd](http://www.realestate.ubc.ca/cpd)

We look forward to seeing you online soon! 🇨🇦



Webinar Dates 8am-10am Pacific Time 11am-1pm Eastern Time	Course Title	Price	CPD Credits
April 3, 2009	CPD 105: Highest and Best Use Analysis	\$95	4
April 3, 2009	CPD 125: Green Value – Valuing Sustainable Commercial Buildings	\$130	7
May 1, 2009	CPD 126: Getting to Green – Energy Efficient and Sustainable Housing	\$130	7
May 1, 2009	CPD 115: Appraisal Review	\$130	7

# Experience is a key element in exam success

Experience cannot be studied, it has to be lived. Demonstrating experience is not difficult – you just have to relate what you have done in the past. A person with fairly wide experience will not have any problem revealing their experience.

Two new experience exams, developed by the Appraisal Institute of Canada (AIC), have been in use for some months, and, so far, (many) the majority of Candidates have had no difficulty achieving passing marks. These exams contain no trick questions, but they require Candidates to have a reasonable breadth and depth of experience.

Breadth is the range of different assignment types to which a Candidate has been exposed. This does not mean that you must have experience in all types of property, but rather that your experience covers different types of situations, in which the reason for the assignment varies. For example, almost any type of property could prompt an assignment for which the motivating reason varied from an interest in the current market value as a test of reasonableness of a purchase offer, to questions of debt financing, litigation, dispute settlement, assessment and fairness of assessment, expropriation, and even income tax disputes. As a Candidate, you need to ensure that your mentor provides you with opportunities to gain exposure to and experience with a diverse breadth of experience. Candidates disadvantaged by a too-limited scope of work may fail the exam. Those who have gained experience doing assignments for a variety of reasons likely will find the exams straightforward.

Depth is exactly that: the degree to which a Candidate has undertaken an assignment. One key element in undertaking a task is to determine the level of research and analysis required to complete it. Candidates working for an assessment authority need to be efficient in completing work on large



numbers of properties. Any of these properties could see a challenge from a property owner, though, and, should that happen, the depth of research required likely will make the task of responding to an appeal much more complex. Private sector Candidates encounter similar scenarios in completing their assignments. Research and analysis, therefore, do not always entail pulling out all the stops to complete the assignment, but sometimes they do. As with breadth, Candidates likely will be successful if their mentors provide opportunities to complete a range of tasks. Some will be routine in terms of the degree of research necessary. However, to be better prepared, both for the exams and real life assignments, Candidates also need exposure to those more complex situations. Mentors thus have a responsibility to provide varied assignments, including some for which the research and analysis required take considerable time.

The first of the two exams is written, and sessions are held at a university exam centre up to six times a year. This exam features two sections. The long-answer questions, four from which you choose one to answer, are all real life examples, and a successful answer must demonstrate how you would complete this assignment. The short-answer questions relate to your actual experience: from several choices, you will answer three questions, adapting these to your own experience. In this respect, Candidates must ensure that they provide sufficient information for the marker to verify the authenticity of the experience related.

The oral exams differ in that they relate entirely to your *own* experience: all of the questions are designed so that every Candidate will be able to provide an answer. Listen to the questions. If you do not understand one, ask that it be repeated. Take your time, relax, and provide your best example relating your experience to the situation described in each question.

Luck is not an element of either exam, so I will not say good luck. Rather, everyone has the opportunity to pass these exams if their experience has prepared them. Success depends on your experience and on your ability to communicate your answer to the examiners. It also depends on your mentor. Make sure you discuss with them the types of experience you are having, and especially those areas of work where you may still require exposure. If you are concerned that your experience may not yet have sufficient breadth or depth, you may be right and your exam results may confirm this. 📌

## Learning Advisory Committee

David Highfield, AACI, P. App, Fellow – Chair  
John Clark, AACI, P. App, Fellow  
Suzanne de Jong, AACI, P. App  
Wayne Kipp, AACI, P. App  
April Green, Candidate  
Vikki Leslie, Ontario AIC  
John Bridal, UBC – Ex-officio  
Andre Gravelle, UBC – Ex-officio  
Duane Bates, AACI, P. App  
Kimberly Maber, AACI, P. App  
To contact this committee email: [lac@aicanada.ca](mailto:lac@aicanada.ca)

# GOING 'green'

By Georges Lozano, MPA, AIC Chief Executive Officer

## The need for **sustainable development** and **sound environmental policies**

has been part of the public discourse for a number of years.

However, it is only recently that the notion of ecologically friendly real property has begun to resonate within the industry sector.

The concept of green buildings and the tangible benefits that accrue to their owners and the people who occupy them is gaining in popularity and, as a result, more and more buildings are 'going green.'





**“While the initial driver for going green was social concern, in recent years, a ‘business case’ has emerged for sustainable construction, particularly for commercial building.”**

The need for sustainable development and sound environmental policies has been part of the public discourse for a number of years. However, it is only recently that the notion of ecologically friendly real property has begun to resonate within the industry sector. The concept of green buildings and the tangible benefits that accrue to their owners and the people who occupy them is gaining in popularity and, as a result, more and more buildings are ‘going green.’

Green or sustainable buildings are ones that use resources more efficiently, generally have a smaller carbon footprint, and offer a level of cost effectiveness that is superior to conventional buildings. Green buildings confer both financial and social benefits directly to their stakeholders and indirectly to the general public.

While the initial driver for going green was social concern, in recent years, a ‘business case’ has emerged for sustainable construction, particularly for commercial building. The increasingly accepted notion that carbon emissions must be curtailed has also provided an impetus for the development of buildings that conserve energy. Further, additional benefits are being identified and a growing number of studies are showing that sustainable buildings increase the well-being of their occupants and provide a number of positive outcomes that benefit society in general.

As a result, the market for green buildings is increasing. A growing number of property developers are capitalizing on this trend, achieving higher visibility and positive market exposure

in the process. The public sector is becoming involved by providing a number of incentives aimed at stimulating the construction of green buildings, including subsidies and credits for green construction and retrofits that enhance environmental sustainability. Governments are also moving to change building codes accordingly, although that may not be essential if a strong economic argument can be made. If so, going green will become the norm. While new green construction involves integrated design from the ground up, buildings can be ‘greened’ through such improvements as green roofs, energy efficient lighting, high-efficiency windows, and smart switches, to name but a few.

The term ‘green value’ includes both tangible and intangible benefits that may accrue to a sustainable building project. Hence, the green value definition goes far beyond our conventional concept of property value or market value. Quantifying the efficiencies generated by green buildings has been undertaken by a number of organizations in a variety of ways. To date, the best information has been produced with respect to commercial buildings.

While the debate regarding the impact of building green on market value continues, some studies have shown that green buildings reduce operating costs, increase property values, and improve the return on investment significantly. Further, these data suggest that green buildings achieve higher occupancy and rent ratios. However, some data indicate that green construction comes

at a premium and that savings may be marginal in some cases.

A number of organizations have established systems to rate and track green buildings. Perhaps the best known in North America is the LEED Rating System. Leadership in Energy and Environmental Design (LEED) is a building rating system associated with the US Green Building Council. The Canadian version of LEED for new construction and major renovations was introduced in 2004 and, in 2006, a rating system for commercial interiors followed. The LEED system includes several levels ranging from basic certification through Silver, Gold, and Platinum certified buildings. The latter is reserved for buildings that have 70% less impact on the environment than non-green properties. The Building Owners and Managers Association (BOMA) also certifies existing buildings under its Green Certification Program. BOMA certification has a wide span, given the number of existing buildings that are being retrofitted on an ongoing basis each year.

The feasibility of retrofitting a building so that it qualifies as ‘green’ requires a careful assessment of the costs and the future savings achieved. Given that green buildings are more energy efficient generally, it follows that they can reduce operating and maintenance expenses for both landlords and tenants in the case of rental properties. Further, green buildings are becoming increasingly desirable, with a higher degree of social acceptability resulting in increased marketability and absorption rates. As a result, increased net rents can be achieved by owners and investors and, potentially, there can be more favourable rents for tenants — a win-win situation.

In the case of office buildings, some studies are showing that labour productivity gains have been achieved as well. Nonetheless, there are many unanswered questions to date, since there is a lack

**“The valuation of green buildings is in its infancy, but the trend is growing and so will the need for appraisers who are knowledgeable and can provide value opinions in this area.”**

**“As green valuation becomes increasingly a part of appraisal practice, appraisers will need to maintain their knowledge of this specialty area through continuing professional development.”**

of data given the newness of green buildings. We have yet to learn conclusively if green buildings will rent more quickly, whether tenants will stay longer, and whether the cost of tenant improvements will be decreased through sustainability.

The valuation of green buildings is in its infancy, but the trend is growing and so will the need for appraisers who are knowledgeable and can provide value opinions in this area. The first challenge in valuing green buildings is the dearth of reliable data. Comparables are hard to come by and, in their absence, placing a number on the contributory value of ‘green’ improvements is challenging. Making adjustments for improvements in a property can be difficult, even with good information and more so when green features are being taken into account. One of the problems is that ‘green’ elements have been loosely defined to date. As such, data do not identify these elements clearly. Consequently, appraisers will need to be especially careful when undertaking assignments involving green building to ensure that values are arrived at through analysis that is well supported by the data. This is what will make the valuation of green properties more challenging, especially at the outset while supporting data are harder to find.

As green valuation becomes increasingly a part of appraisal practice, appraisers will need to maintain their knowledge of this specialty area through continuing professional development. The Institute’s English-language education provider, the University of British Columbia (UBC) has developed

two mini-courses on green issues in real estate. *CPD 125 – Green Value – Valuing Sustainable Commercial Buildings* is available now. The course focuses on commercial buildings and provides an overview of real property and sustainable development along with the issues that must be taken into consideration when appraising such properties.

A second course, *CPD 126 – Getting to Green: Energy Efficient and Sustainable Housing* focuses specifically on residential concerns.

These two courses represent a start and no doubt other green value courses will follow as UBC and the Institute strive to develop appropriate CPD offerings to meet member needs.

As the demand for green valuation and related advisory services grows, the Institute will work increasingly on assisting members to develop the necessary skills and knowledge required to take on such assignments. It is expected that key methodologies such as discounted cash flow will be adapted for the valuation of green buildings. Further, appraisers will need to advise their clients about the impact of green elements on building values, as well as the importance of certification under LEED or the BOMA programs. Future appraisal reports may include a section on the sustainability of the subject property.

In recent months, the Institute has held meetings with the OEAQ and representatives from the Department of Public Works and Government Services, with the aim of working towards the development of guidelines for the

valuation of green buildings. These guidelines will be a starting point for appraisers who wish to take on assignments that involve green buildings or buildings that are being improved to make them more environmentally sustainable. The guidelines will be made available to AIC members once they are completed.

The Institute is also actively monitoring international trends in this area. Last year, AIC signed on to the *Vancouver Valuation Accord*, a Canadian initiative aimed at raising awareness of green valuation and developing best practices in this area. Recently, a panel was established to review papers on green valuation. The Institute has been invited to participate.

In the area of communications, much work has to be done to raise awareness of green buildings and their importance. In this respect, through its communications and marketing program, AIC will inform stakeholders about the merits that incorporating green elements brings to buildings. Efforts will be made to work with other stakeholders to improve the collection of data associated with green buildings to facilitate the appraisal of these properties. AIC will also work with its strategic partners in this respect and encourage the sharing of information for the benefit of all.

Environmental awareness and the need to act decisively to improve our environment is a growing trend around the world. Green buildings contribute in a major way towards improving the environment and sustainable development has taken on new meaning, as both regulators and entrepreneurs move to ensure that buildings, new and old, are made ‘green.’ The value-added of going green is tangible and appraisers will be called upon to quantify it. So be informed, be aware and be prepared for a green future in valuation.

Go to [www.realestate.ubc.ca/cpd](http://www.realestate.ubc.ca/cpd) and read more about CPD 125 and 126. 

**“The value-added of going green is tangible and appraisers will be called upon to quantify it. So be informed, be aware and be prepared for a green future in valuation.”**



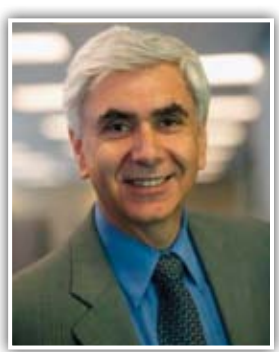


Sierra Leone

# Canadian valuation expertise

assists municipalities in world's poorest country

By Paul Fish, AACI, P. App



*Paul Fish, AACI, P. App left his job at Altus Group in October 2006 and volunteered for nine months with the agency VSO Canada. He was sent to Sierra Leone in West Africa and has since returned for two further six-month stints. He is expected home in May 2009. Although aid to developing countries is typically thought of as health care, education and food, technical expertise to assist people to help themselves is much needed. Paul describes his experience.*

**M**y initial job was to mobilize local 'own source revenues' for a local council of a city called Makeni in the north of the country. The country was emerging from a 10-year conflict that had destroyed much of the local government infrastructure and Makeni had been the centre for the rebels, known as the RUF. In fact, the Makeni town hall had obviously been the RUF headquarters.

## “I need some help from others, if there are any takers for the adventure of a lifetime.”

Decentralization was the mantra encouraged by the World Bank, since their (our) funds were supporting the country. However, in 2006, I found the mechanisms of administration were totally absent in Makeni and there were virtually no local revenues to support council activity. I quickly realized that, like some white knight, I was supposed to have a magical formula to somehow create income from a local property tax and business licences.

There was some guidance from a World Bank publication, although I had to adapt this quite significantly, since the Bank writer lacked on-the-ground experience. I was faced with a number of challenges, some of which were as follows:

1. The population was not familiar with paying taxes to a local council.
2. Many services were being provided by non-government organizations (NGO), such as health care, water and sanitation, education, and housing, so many in the community wondered why they should now pay and be responsible.
3. Only 25% of the population was literate and the top jobs were at the UN or at NGOs. The city council could not pay more than about \$40 per month and, although this was more than an average wage, it was difficult to attract competent staff under these circumstances.
4. All records had been destroyed during the war.
5. Poverty was obvious and widespread.
6. The population was highly suspicious of government corruption.

The first step was to develop a record of relevant information for all 7,500 buildings, and then to develop a system of assessment that was fair and progressive. I had noted that there were some people and businesses significantly better off than others and this required a sharply progressive system. I could not use a market value system since properties were rarely traded and not on an open market, but through the traditional Paramount Chief. There was no registry office. I adopted a ‘points valuation method’ starting with the number of rooms in a house and then applying different points to the construction type (concrete being the best, then mud bricks and then a simple wattle). Features such as a water well and the availability of toilets, the condition of the wall, and so on were added or subtracted from the value points. Ultimately, a mill rate was applied to develop the tax payable. Using an access database, individual tax notices were issued.


The most important and interesting step seemed to be publicizing the new system. This involved using radio programming, weekend meetings in local schools or under a mango tree, street theatre, street banners, announcements at local mosques and churches, and even an official municipal town crier.

The collection method encouraged people to pay at the local bank or at the town hall, but an effective alternative was simply to use the local youth to move door-to-door with a schedule. Ultimately,

the local bailiff was used and people and businesses seemed to respond. Initially, income in 2006 was Le 3.1 million and this grew in 2007 to almost Le.30 million, but, in 2008, they collected just under Le100 million, to the delight of council and the population. The main works now underway with the aid of this cash have been waste management, roads and some sanitation, but, importantly, grants from the World Bank have been easier to obtain since there are funds to maintain projects.

The success of Makeni had become known in 2007 and other cities such as Bo and Kenema, Waterloo and Bonthe have since requested a similar system. I am now working at Bo in the south of the country and, on this trip, I will be starting the process in Kenema and the capital Freetown.

Writing this article in a few words has been difficult, since the task was not without quite a lot of challenges. However, the stimulation of working in a challenging environment and seeing considerable progress beats the hum-drum of working in a Toronto appraisal office, even though the pay in Sierra Leone is lousy. I thought that the VSO mantra of ‘sharing skills and changing lives’ was a one way street, but I have found it to be otherwise since I have learned much and found my life completely changed. I need some help from others, if there are any takers for the adventure of a lifetime.

For more, please see my blog at [www.paulinsierrealeone.blogspot.com](http://www.paulinsierrealeone.blogspot.com) 

# Expropriation and the

By **Gordon E. MacNair**, AACI, P. App  
Manager, Real Estate Services,  
City Manager's Office, City of Ottawa

## Overview

Expropriation is the taking of private property, or rights, by government for public purposes, and is subject to compensation. Compensation or due compensation, as described in some expropriation acts, can include market value, injurious affection, disturbance damages and other entitlements.

The rights of ownership are often referred to as the 'Bundle of Rights Theory'<sup>1</sup> and expropriation can affect these rights. For example, the interest to be expropriated may be in fee simple, or limited (easement/covenant), and may be temporary (working easement). As well, a part or all of the land may be expropriated.

It is important to note that unlike the United States, where property rights are protected under the constitution (Fifth Amendment), which provides for **Just Compensation**, this is not the case in Canada. In Canada, there is no right to compensation unless conferred by statute. As cited in *Sisters of Charity of Rockingham v. The King, 1922*,<sup>2</sup> "Compensation claims are statutory and depend on statutory provisions. No owner of lands expropriated by statute for public purposes is entitled to compensation, either for the value of the land taken, or for damage on the ground that his land is injuriously affected, unless he can establish a statutory right." It is also worth noting that our friends to the south refer to expropriation as condemnation.

It is the author's experience that the majority of requirements/takings required for public purposes are negotiated by the various expropriating authorities on a voluntary basis, however, compensation is typically based on the principles as outlined in the applicable *Expropriation Act*.





# partial taking appraisal

The purpose of this article is to discuss the complexities associated with a partial taking appraisal that involves the expropriation of property rights; a unique type of appraisal assignment, which requires a clear understanding of appraisal principles and case law.

## Valuation principles

Before moving on to some of the valuation issues involving expropriation for partial takings, it is important to review a few basic principles of real estate. The rights of ownership, as noted earlier, are often referred to as the 'Bundle of Rights Theory' and expropriation can affect the rights with a partial taking, since the owner could end up with fewer rights after the taking.

The highest and best use of a property can also be affected by an expropriation since it could have a potential impact on the land use. In some instances, the partial taking could result in a change of highest and best use. The purpose of the highest and best use analysis is to provide a basis for evaluating real property, which takes into account factors such as physically possible, legally permissible, financially feasible, and maximally productive. In *Minute Muffler Installations Ltd. v. R (1981)*,<sup>3</sup> the Board set out four primary criteria, or tests, as referenced above to be applied in determining highest and best use.

The issue of highest and best use was also addressed in *Farlinger Developments Ltd. and Borough of East York (1976)*<sup>4</sup> which dealt with the relationship between zoning restrictions and the concept of highest and best use in an expropriation where Howland, J.A. stated the following guiding principles: "From these authorities, it would seem to be established that the highest and best use must be based on something more than a possibility of rezoning. There must be a

probability or a reasonable expectation that such rezoning will take place. It is not enough that the lands have the capability of rezoning. In my opinion, probability connotes something higher than a 50% possibility." For additional information on this topic as it applies to partial takings, refer to an article entitled *Highest and best use and partial acquisitions*.<sup>5</sup>

Another important principle to consider with partial takings is the principle of consistent use. The underlying premise with this principle is that, when improved land is in a state of transition to another highest and best use, it cannot be appraised with one use allocated to the land and another to the building or improvements. This is an important principle that will be addressed in more detail under the injurious affection section with respect to 'double recovery.'

Other principles such as contribution need to be considered in a partial taking. The principle of contribution is based on the value of a particular component being measured by its contributory value to the property, or by the amount its absence detracts from the whole. Since this principle applies to the two main ingredients that make up the value of real property, e.g., land and improvements, the utility of either component could be affected by a partial taking.

## Two valuation methods used in partial takings

The two recognized valuation approaches recognized in Canada for partial takings are the before and after method and the summation or aggregate method as outlined in *The Law of Expropriation and Compensation in Canada*.<sup>6</sup>

The before and after method is simply the difference in value between the before and after conditions. As a result, in some circumstances, it

may result in no payment for the part taken and, therefore, benefits the expropriating authority. For these reasons, the Canada and Alberta acts preclude the use of this method. However, some provincial legislation provides for the discretionary use of this method, but only where the part expropriated "is of a size or shape for which there is no general demand or market".

The summation or aggregate method is the value of the part taken, plus any damages, less special benefits. It is used in many jurisdictions and breaks out the values of the part taken, damages and special benefits. It favours the property owner, since the owner is always guaranteed the value of the part taken as a form of compensation.

Simply put, whenever a part of an owner's land is taken in Canada, the courts will want to see a just result in that the owner is always compensated for at least the part taken. The value of the part taken would have the same unit value as part of the larger parcel which is referenced below.

## Larger parcel

Defining the larger parcel is the first step in a partial taking appraisal. It is defined as the subject property when considered together with contiguous or nearby property, the value of which is impacted by common ownership as outlined in 2008 CUSPAP (Standards), Definitions 2.36.

The purpose of establishing the larger parcel is that it sets the stage for establishing the value of the part taken, injurious affection and special benefits. In order to establish the larger parcel, three tests must be satisfied. The three tests<sup>7</sup> for the larger parcel are unity of title (ownership), unity of contiguity (adjoining or separated), and unity of use (under one highest and best use).

The concept of the three tests is also referenced in some expropriation acts under the definition of injurious affection, which partially states “and for the purposes of this clause, part of the lands of an owner shall be deemed to have been acquired where the owner from who lands are acquired retain lands **contiguous** to those acquired or retain lands of which the **use** is enhanced by **unified ownership** with those acquired” (emphasis added).

It is important for the appraiser to understand the concept of the larger parcel, as this sets the foundation for the appraisal. Examples of case law dealing with the concept of the larger parcel are as follows:

*Helenslea Farming Lt. v. County of Parkland No. 31, 33 L.C.R. 133*

*Hallman v. City of Niagara Falls, 9 L.C.R. 157*

*Lorenz et al v. City of Lloydminster, 26L.C.R.157*

*CNR Co. v. Industrial Estates Ltd., 35L.C.R.220*  
*612118 Ontario Ltd. v. Ontario (Ministry of Transportation) 64L.C.R.5*

*Double Alpha Holdings Corp. v. Pacific Coast Energy (1988), 65L.C.R.99*

The Standards address the larger parcel under 12.27.2, which stipulates that a partial taking may require consideration of the larger parcel.

Additional information on the larger parcel concept can be referenced in an article published in the *Appraisal Journal* entitled ‘Expropriation and Condemnation: the Larger Parcel.’<sup>8</sup>

### Injurious affection and damages

The concept of injurious affection is based upon the reduction in the value of remaining lands resulting from an expropriation or taking. Alternatively, it is a loss in value to the remainder property as a result of a partial taking. Examples of injurious affection include landlocking, loss of parking, proximity to hydro transmission towers, loss of access, change in shape, loss of exposure and visibility. It is interesting to note that, in the US, the term injurious affection is not used, as damages are considered to be either consequential or severance.

Typically, expropriation acts require a statutory authority to compensate the owner of land for loss or damage caused by injurious affection, and that any advantage to the

owner’s remaining land will be set-off against the damage. In some jurisdictions, a claim for injurious affection can be made even when there has been no taking.

Examples of case law involving injurious affection are as follows:

*Parks v. Ontario (Ministry of Transportation) 56 L.C.R. 166*

*Airport Corporate Centre Inc. v. Ontario (1995) 55 L.C.R. 135*

*Arab v. Halifax (1994) 55 L.C.R. 275*

*Cook v. Nova Scotia (1991) 44 L.C.R. 275*

*Durette v. New Brunswick (Transportation) 21 L.C.R. 124*

*Yaklin v. Alberta (1988), 38 L.C.R. 347*

*Lorenz v. Lloydminster (1982) 26 L.C.R. 157*

*Aipi Investments Ltd. v. Maple Ridge (1990) 43 L.C.R. 49*

The *New Law of Expropriation*<sup>9</sup> provides examples in case law of injurious affection on a province-by-province basis.

The Standards address injurious affection under 12.27.2, which states that a partial taking may require consideration of injurious affection (loss to the remainder).

Damages also include disturbance damages,<sup>10</sup> which may be defined generally as economic loss suffered by an owner by reason of having to vacate expropriated property. Claims under disturbance damages could include items such as business loss, crop damage, relocation costs, demolition costs, loss of income, replacement of well, etc.

### Cost to cure

A method that can be used to offset damages is the cost to cure<sup>11</sup> approach. Cost to cure can be used to offset damages and is defined as the cost to restore an item of physical depreciation or functional depreciation to near new or new condition. However, it must make economic sense to apply the cost to cure as a measure of damage.

An example of cost to cure would be reinstating access to a site that would otherwise be landlocked as a result of the taking.

### Double recovery

As mentioned earlier, under valuation principles, the concept of double recovery is tied

## CANADIAN RESOURCE VALUATION GROUP INC.

#208, 13220 St. Albert Trail, Edmonton, AB T5L 4W1  
**President: John F. Wasmuth, AACI, P. App., P.Ag., CAC**



- Real Estate Appraisals
- Market Analyses
- Right of Way Valuations
- Expropriation Appraisals
- Litigation Support
- First Nation Claim Analyses
- Farm & Agri-business Consulting
- Agricultural Arbitrations

**www.crvg.com**

Tel: (780) 424-8856 • Fax: (780) 421-1035

E-mail: [jwasmuth@crvg.com](mailto:jwasmuth@crvg.com)

into the principle of consistent use and is an important consideration in a partial taking with respect to damages.

In *Horn v. Sunderland Corporation (1941)*,<sup>12</sup> the decision was as follows:

- a) the value of the land determined on the basis of its highest and best use, or
- b) the aggregate of the value of the land determined on the basis of its existing use, plus disturbance damages.

In other words, this case confirms that compensation must be awarded on a consistent basis. Therefore, it is not appropriate to double dip by awarding compensation based on the highest and best use, plus compensation for damages attributed to the lesser use. This concept has been entrenched in a number of expropriation acts such as British Columbia (31), Ontario (13), New Brunswick 38(1) and Nova Scotia 27(3). By way of an example, if the existing use was residential, but the highest and best use was commercial, it would not be consistent in arriving at a market value based on the commercial use and then adding compensation for injurious affection for the residential use.

For examples of double recovery cases, refer to the *UBC, Sauder School of Business, Expropriation Valuation, Professional Development Workbook*.<sup>13</sup>

## General benefits and special benefits

Benefits are essentially the converse of injurious affection: it is an increase to the remainder property due to a partial taking. General benefits are an increase in value to the remainder property as a result of a partial acquisition and accrue to the community as a whole. On the other hand, special benefits are benefits from a public improvement, which accrue directly and solely to the advantage of the property remaining after a partial taking. Typically, only special benefits can be offset against injurious affection or damages and not against the value of the part taken. As referenced earlier, the courts will want to see a just result in that the owner is always compensated for at least the part taken.

Examples of special benefits could include improved frontage, visibility, grade, access and



location. Further research on this item can be found in reviewing the following cases:

*F&F Realty Holdings Inc. v. Ontario (Ministry of Transportation)*, 64 L.C.R. 52

*Kear v. Manitoba (Department of Highways and Transportation)*, 66 L.C.R. 117

*Tanenbaum Estate v. Ontario (MTC)*, 54 L.C.R. 161

## Conclusion

Appraising real estate for expropriation purposes related to partial takings creates interesting challenges for the real estate appraiser. With this type of appraisal, it is important for the appraiser to understand the two partial taking valuation methods and how each is applied. As well, the appraiser must be familiar with the concepts of injurious affection, damages and benefits. Finally, it is important for the appraiser to obtain clear terms of reference from the client as well as an agreed scope of work with the client. Legal counsel can be very useful in agreeing on terms of reference and scope, as well as providing necessary instructions on an assignment. Research into case law and familiarity with the applicable expropriation act is essential, but may go beyond the role of the appraiser. In this

event, legal counsel might be consulted to receive instructions as it applies to an expropriation. 

## References

- 1 Bundle of rights includes the rights to bequeath, enjoy, give away, rent or lease, sell, use, or even the right not to exercise any of these rights. While subject to certain governmental limitations and private restrictions. *Principles of Right of Way*, Chapter Eight: Real Estate Fundamentals, pg. 1
- 2 *Sisters of Charity of Rockingham v. The King*, [1922] 2 A.C. 315 (Privy Council)
- 3 *Minute Muffler Installations Ltd. v. R*(1981), 23 L.C.R. 213
- 4 *Farlinger Developments Ltd. and Borough of East York (1975)*, 9 O.R.(2d) 553 (C.A.), leave to appeal to the SCC dismissed
- 5 'Highest and best use and partial acquisitions,' Todd Pickett, AIC Candidate, *Canadian Appraiser*, Volume 50, Book 1, 2006.
- 6 *The Law of Expropriation and Compensation in Canada*, 2nd Edition, Eric C.E. Todd, pg. 344 – 352
- 7 *The Appraisal of Partial Takings*, Course 401, International Right of Way Association
- 8 'Expropriation and Condemnation: the Larger Parcel,' Tony Sevelka, MAI, AACI, *Appraisal Journal*, Jan 03.
- 9 *New Law of Expropriation*, John Coates, Q.C., LL.B., LL.M., of the British Columbia Bar and Stephen Waqu , LL.B., of the Ontario Bar, Carswell Publishing
- 10 *New Law of Expropriation ibid*
- 11 *International Right of Way Textbook*, Canadian Glossary
- 12 *Horn v. Sunderland Corporation (1941)* 2K.B.26, 49 (C.A.)
- 13 *UBC, Sauder School of Business, Expropriation Valuation, Professional Development CPD 122 Course Workbook, Table 14, Appendix. 48.*

## AIC designations granted / Désignations obtenues de l'ICE

The Appraisal Institute of Canada (AIC), together with the provincial associations and the provincial bodies affiliated with the AIC, commend the following members who completed the rigorous requirements for accreditation as a designated member of the AIC during the period November 1/2008 to January 16/2009:

*L'Institut canadien des évaluateurs (ICE), en collaboration avec les associations provinciales et les organismes provinciaux affiliés à l'ICE, félicitent les membres suivants qui ont complété le programme rigoureux d'accréditation à titre de membre désigné de l'ICE durant la période du 1 novembre au 16 janvier 2009:*

### AACI, P. App

#### Accredited Appraiser Canadian Institute

We welcome and congratulate these individuals as fully accredited members of the Institute through the granting of their AACI, P. App designation.

*Accueillons et félicitons comme membres pleinement accrédités de l'Institut et leur accordons avec fierté la désignation AACI, P. App.*

#### BRITISH COLUMBIA

Michael Spatharakis

#### SASKATCHEWAN

Todd B. Adams

#### NOVA SCOTIA

Kelly M. Best  
Charles A. Dunn

### CRA

#### Canadian Residential Appraiser

These members are congratulated on the successful completion of the CRA designation requirements.

*Nous félicitons ces membres pour avoir complété avec succès le programme menant à la désignation CRA.*

#### ALBERTA

Cordell Schreiner

#### NOVA SCOTIA

Marcia L. D'Eon  
Todd Gardiner  
Elaine Himmelman  
Robert I. Johnson

#### PRINCE EDWARD ISLAND

Blair D. MacKinnon

#### BRITISH COLUMBIA

Calvin H. Cosh

#### NEW BRUNSWICK

Jean Guy Doiron

#### ONTARIO

Portia S. Yip

#### QUEBEC

Julie Ouimet  
Richard Sarrazin  
Sylvain Chartier

## Candidates / Stagiaires

AIC welcomed the following new Candidate members during the period November 1/2008 to January 16/2009:

*L'ICE souhaite la bienvenue aux personnes suivantes qui ont joint les rangs des membres stagiaires durant la période du 1 novembre au 16 janvier 2009:*

#### ALBERTA

Sean Edmund Bliss  
Lawrence T. Cheng  
Horace Y.K. Cheung  
Cheryl D. Gardiner  
Lee R. Ireland  
Benjamin O. Ojisu  
Fraser John Shand  
John P. Simpson  
Bryan D. Tronsgard

#### BRITISH COLUMBIA

Melody Ming Yan Hui  
Alexander Joseph Messina  
Femi Rufus

#### NOVA SCOTIA

Ross A. Cantwell

#### ONTARIO

Enas J. Awad  
David W. M. Black  
Razi Chagla  
Russell Henry Enns  
Benji J. Feldman  
Laurie M. Gordon  
Michael John Haubold

Michael Lau  
Dale R. Mitchell  
Erin K. O'Brien  
Brian Rudolph  
Robert C. Steele  
Derek E. Williams  
Clarisse M. Williams

#### PRINCE EDWARD ISLAND

Jan Wicherek

## Students / Étudiants

This new category of membership was implemented January 1, 2007 and now serves as the first step on the path to designation for those completing their requirements for Candidate membership. Students considering the appraisal profession as a career option are also welcomed to this new category of membership.

*Cette nouvelle catégorie de membre entrait en vigueur le 1er janvier 2007 et constitue la première étape sur la voie de la désignation pour ceux qui s'affairent à compléter les exigences de la catégorie de membre stagiaire. Les étudiants qui contemplent une carrière comme évaluateur professionnel sont bienvenus à joindre cette nouvelle catégorie de membre.*

#### BRITISH COLUMBIA

Glenn T. Benson

Choon Woo Lee

Jason Tan

#### ONTARIO

Jeffrey Charles McDowell

Cynthia L. Morey

## NEW STAFF MEMBER



### AIC welcomes new Manager, Professional Affairs

In January of this year, **Dominique Racine-Dickie** joined AIC as the Institute's new Manager, Professional Affairs. Dominique brings with her extensive association experience and most recently worked for the Canadian College of Health Service Executives as their Director, Membership Services. She is fluently bilingual and looks forward to serving all AIC members in their preferred official language. AIC members can reach Dominique via email at [dominiquer@aicanada.ca](mailto:dominiquer@aicanada.ca) or by phone at (613) 234-6533 extension 233.

## CENSURE

THE APPRAISAL INSTITUTE OF CANADA advises that **Mr. Ronald Richardson, AACI of Abbotsford, BC**, has been found in contravention of the Institute's *Code of Ethics and Standards of Professional Practice* in relation to a report prepared in 2006. The sections contravened are: **Canadian Uniform Standards of Professional Appraisal Practice (2006 Edition):** Appraisal Standards Rule: 9, 11, 14, 16, 18  
Ethics Standard Rule: 3, 5 and 10.

The member completed an appraisal report on a two-storey retail establishment which was vacant at the time of the appraisal. The report does not contain a hypothetical condition or extraordinary assumption that the existing 'offer to lease' had been formalized into a lease and that the tenant was in occupancy and paying rent. The report is poorly worded and confusing. The member did not address the issue of a previous sale of the property at substantially less than the appraised value. There were several other serious **CUSPAP** omissions within the report. The income approach was not properly applied, nor did the member discuss or analyze any market data in support of his value conclusions.

As a result of this conduct, **Mr. Ronald Richardson, AACI**, has been given the discipline of Censure and has been directed to attend the Professional Practice Seminar provided by the Appraisal Institute of Canada along with other educational requirements. Also, pursuant to the Consolidated Regulations of the Appraisal Institute of Canada, costs have been levied.

This matter was resolved under AIC Regulations in place prior to June 2008 as requested by Mr. Ronald Richardson, AACI.

## CRITICAL DATES

The following dates are provided as a reminder to Appraisal Institute of Canada (AIC) members of critical dates throughout the year:

**Friday, April 3, 2009** – Deadline for article submission for next issue of Canadian Property Valuation magazine

**Monday, April 27, 2009** – Conference 2009 in Mont Tremblant, Québec – Early bird registration deadline.

## IN MEMORIAM

The following members of the Appraisal Institute of Canada have passed away. On behalf of everyone connected with the Institute and the profession, we extend our sincerest sympathies to the families, friends and associates.

*Les membres suivant de l'Institut canadien des évaluateurs sont décédés. Au nom de tous ceux qui oeuvrent de près ou de loin au sein de l'Institut et de la profession, nous exprimons nos plus sincères condoléances à les familles, amis et associés.*

**K. Ann Benedict, CRA**, Winnipeg, MB  
**James Buehler, AACI, P. App.**, Calgary, AB  
**Brian Frewin, AACI, P. App.**, Hamilton, ON  
**Louella A. Gillespie, CRA**, Regina, SK  
**Gordon L. Wychopen, CRA**, Cold Lake, AB



Interactive edition

of Canadian Property Valuation available online

Please check out the interactive Canadian Property Valuation at [www.aicanada.ca](http://www.aicanada.ca)

With print and electronic communication operating hand-in-hand more than ever before, we are more than happy to advise you that *Canadian Property Valuation* magazine is available online in a highly interactive format.

A user-friendly, interactive Media Rich PDF format that includes:

- Active hyper-links to all websites and e-mails contained in the publication
- Active links to the specific stories from the front cover and contents page
- Active links to advertiser websites from their ads

<b>AIC</b>	<p><b>Annual General Meeting</b> May 30, 2009</p> <p><b>Pillars of Professionalism: Education, Experience, High Standards 2009 Appraisal Institute of Canada Annual Conference</b> May 27 - 30, 2009 – Mont Tremblant, Québec For information contact <a href="mailto:maried@aicanada.ca">maried@aicanada.ca</a></p>	<b>SK</b>	<p><b>AGM and Conference</b> March 20, 2009 – Regina For information contact Marilyn Steranka <a href="mailto:skaic@sasktel.net">skaic@sasktel.net</a>, (306) 352-4195 or check <a href="http://www.skaic.org/">www.skaic.org/</a></p>
<b>BC</b>	<p><b>2009 BC Land Summit – A Better Future; Adapting to Change</b> May 20 – 22, 2009 – Whistler BC Telus Whistler Conference Centre The program of the 2009 BC Land Summit will include up to four leading, diverse, and engaging keynote speakers who will present at four planned plenary sessions. Keynote speakers include: Robert F. Kennedy, Jr., Sherry Kafka Wagner, Thomas R. Berger, O.C., Q.C., O.B.C., and Richard Hebda. For information contact <a href="http://www.bclandsummit.com/">http://www.bclandsummit.com/</a></p> <p><b>2009 Professional Practice Seminars Formerly the Standards Seminars</b> <b>March 6 and 7 – Richmond</b> Allan Beatty, AACI, P.App <b>April 3 and 4 – Prince George</b> Larry Dybvig, AACI, P.App <b>June 19 and 20 – Lower Mainland</b> Allan Beatty, AACI, P.App <b>September 18 and 19 – Okanagan</b> Allan Beatty, AACI, P.App <b>November 6 and 7 – Surrey/Langley</b> Larry Dybvig, AACI, P.App For information contact Jane Anne Dunning at <a href="mailto:info@appraisal.bc.ca">info@appraisal.bc.ca</a>, (604) 266-8287, or check <a href="http://www.appraisal.bc.ca/">www.appraisal.bc.ca/</a></p>	<b>MB</b>	<p><b>Professional Practice Seminar Formerly the Standards Seminar</b> March 6 &amp; 7, 2009 – Winnipeg For information please contact Lynne Smith Dark <a href="mailto:mbaic@mts.net">mbaic@mts.net</a> or (204) 943-1177</p> <p><b>Credit Union Forecast</b> Bernard Carling, Director, Lending Services, Credit Union Central of Manitoba April 9, 2009 – Norwood Hotel, Winnipeg For information contact Lynne Smith Dark <a href="mailto:mbaic@mts.net">mbaic@mts.net</a>, (204) 943-1177 or check <a href="http://www.aimanitoba.ca">www.aimanitoba.ca</a></p>
		<b>ON</b>	<p><b>Intensive BUSI (112, 330, 400, 334) Courses</b> March 2-6, 2009 - Toronto</p> <p><b>OA-AIC CONFERENCE AND AGM</b> April 24 and 25, 2009 – London For information contact Lorraine Rigas at <a href="mailto:lrigas@oaaic.on.ca">lrigas@oaaic.on.ca</a>, (416) 695-9333 or check <a href="http://www.oaaic.on.ca">www.oaaic.on.ca</a></p>
		<b>QC</b>	<p>For further information contact Ginette St-Jean <a href="mailto:agice@qc.aira.com">agice@qc.aira.com</a> or (450) 454-0377 or check <a href="http://www.agice.ca">www.agice.ca</a></p>
		<b>NB</b>	<p><b>AGM and Conference</b> April 16, 17, 2009 For information contact Jennifer Nemeth <a href="mailto:nbarea@nb.aibn.com">nbarea@nb.aibn.com</a> or (506) 450-2016 or check <a href="http://www.nbarea.org/main.asp">www.nbarea.org/main.asp</a></p>
		<b>NS</b>	<p><b>Seminar and Annual General Meeting</b> March 6 - 7, 2009 For information contact Davida Mackay <a href="mailto:nsreaa@nsappraisal.ns.ca">nsreaa@nsappraisal.ns.ca</a> or (902) 422-4077 or check <a href="http://www.nsappraisal.ns.ca/">www.nsappraisal.ns.ca/</a></p>
<b>AB</b>	<p><b>Professional Practice Seminar (Standards)</b> Spring 2009 Date and location TBA For information please contact AB AIC at <a href="mailto:info@appraisal.ab.ca">info@appraisal.ab.ca</a>, (403) 207-7892 or check <a href="http://www.appraisal.ab.ca">www.appraisal.ab.ca</a></p>	<b>PEI</b>	<p>For information contact Suzanne Pater <a href="mailto:peiaic@xplornet.com">peiaic@xplornet.com</a>, (902) 368-3355</p>
		<b>NL</b>	<p><b>AGM</b> April 17, 2009 For further information contact Sherry House <a href="mailto:naaic@nf.aibn.com">naaic@nf.aibn.com</a> or (709) 753-7644</p>

## Advertising Information Centre

\*If you are viewing an electronic version of this issue on the AIC web site, please click on these listings for active links to the advertisers' web sites.

A Bound Corporation	Page 5	<a href="http://www.abound.ca">www.abound.ca</a>	888-622-6863
ACI	2, 3, 48	<a href="http://www.appraiserchoice.com">www.appraiserchoice.com</a>	800-234-8727
Altus Group Ltd.	47	<a href="http://www.thealtusgroup.com">www.thealtusgroup.com</a>	416-204-1100
Atlantic Realty Advisors	31	<a href="http://www.ara.ca">www.ara.ca</a>	
Canadian Association of Accredited Mortgage Professionals	21	<a href="http://www.caamp.org">www.caamp.org</a>	416-385-2333
Canadian Resource Valuation Group	42	<a href="http://www.crvg.com">www.crvg.com</a>	780-424-8856
Notarius	28	<a href="http://www.notarius.com">www.notarius.com</a>	800-567-6703
Marshall & Swift	13	<a href="http://www.marshallswift.com">www.marshallswift.com</a>	800-544-2678
Personal Home & Auto Group Insurance	17	<a href="http://www.thepersonal.com/aicanada">www.thepersonal.com/aicanada</a>	888-476-8737

Market intelligence.

*Intelligence de marché.*

Industry leadership.

*Leadership de l'industrie.*

International expansion.

*Expansion internationale.*

**As Canada's most diverse consultant in the industry, Altus has unparalleled expertise in:**

- > Real estate market forecasting and analysis
- > Market information and perspective
- > Annual property and portfolio valuation
- > National scope
- > The demands of the adoption of the IFRS Standards, required in 2011
- > Financial due diligence
- > Legal support (including expert witness)

*Altus étant, au Canada, la société de conseil la plus diversifiée de l'industrie, elle possède une expertise inégalée dans :*

- > *Analyse et prévisions relatives au marché immobilier*
- > *Renseignements et perspectives sur le marché*
- > *Évaluation annuelle de propriétés et de portefeuilles*
- > *Envergure nationale*
- > *Pour répondre aux exigences de l'adoption des Normes internationales d'information financière (IFRS) prévue en 2011*
- > *Vérification foncière préalable*
- > *Aide juridique (notamment témoin expert)*



**AltusGroup**

Research, Valuation & Advisory  
Cost Consulting  
Realty Tax Consulting  
Geomatics



**GroupeAltus**

Évaluation et fiscalité municipale  
Analyse immobilière  
Solutions technologiques  
Géomatique



# ACI365™ Your Appraisal Office—Online

## The Complete Appraisal Office Management Solution

Organize your office, gain control of your business, and have time to achieve more than you ever thought possible!

ACI365™ offers a complete appraisal office management system accessible from any computer connected to the Internet. Providing the ability to concisely manage every aspect of your appraisal process from anywhere, anytime, ACI365™ has the tools you need to succeed in an ever-changing market.

Let ACI365™ help you take control of your appraisal office and benefit from:

### Order Management from the Field

- › Access, edit, & manage all your orders from the field.

### Faster Payments

- › Automatically send customizable E-Mails to your clients notifying them when payment is due.

New!  
PayPal™  
Integration

### Management Reports at the Touch of a Button

- › Run reports on past and present appraisals, appraisers or clients.
- › Customize your emails, select a delivery schedule, and ACI365™ will do the rest.

### Web Designer

- › Reflect your company's standing in the marketplace.
- › Make your site look unique.
- › Setup is simple with our Implementation Specialists who virtually walk you through the setup and stay with you until your website is up and running.



### Better Client Communication

- › Market to your clients quickly and easily.
- › Create and manage your mailing list.
- › Customize how often you would like to contact clients.

Includes  
CRAL2009™  
Integration

### Call Today—Limited Time Offer!

At a fraction of the price of the competition, the ACI365™ Complete Office Solution offers the most affordable option in the industry.

### Complete Solution Special including Website & Worksite

~~\$365~~ \$299\*

ACI365™ Website

~~\$249~~ \$199\*

\* Payable in US Dollars

ACI365.com The Appraiser's Choice™ 800-234-8727

