



Canadian Property

# VALUATION ÉVALUATION

## Immobilière au Canada

THE OFFICIAL PUBLICATION OF THE APPRAISAL INSTITUTE OF CANADA

VOLUME 53 | BOOK 3 | 2009

# WOMEN IN THE PROFESSION

- ▶ **New President Sheila Young**
- ▶ **AACI (Hon) Members  
Connie Fair and Jane Londerville**
- ▶ **Distance no barrier for Tania Wardle**

REAL VALUE EXPERTS | EXPERTS EN ÉVALUATION



# The Premier Appraisal Software from the 30-Year Industry Leader

## CRAL2009™ **\$495\***

Package Includes

Limited Time Offer

- › One CRAL Install including:  
Appraisal Forms Library, Order Tracking,  
Photo Management, and Comps Database
- › 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

# Get the Latest Forms, Features, & Functions **CRAL2009™**

Don't Miss the Newest Release from The Appraiser's Choice™

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

A product simple enough for a new user but powerful enough to suit the largest appraisal companies and financial institutions, CRAL is used by thousands of companies in 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
- › 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**



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

Board of Directors  
Conseil d'administration

President – Président  
Sheila Young, AACI, P.App (AB)

President Elect – Président désigné  
Grant Uba, AACI, P.App (ON)

Immediate Past-president –  
Président sortant  
George Maurice, AACI, P.App, Fellow (ON)

Vice-Presidents – Vice-présidents  
Kimberly Maber, AACI, P.App (SK)  
John Yannacopoulos, AACI, P.App (BC)

Directors – Directeurs  
Greg Bennett, AACI, P.App (NL)  
George Ward, AACI, P.App (BC)  
Michael Mendela, AACI, P.App (ON)  
Alfred Mullally, AACI, P.App (NS)  
Andre St-Arnaud, CRA (QC)  
David Shum, AACI, P.App (AB)  
David Babineau, AACI, P.App, Fellow (NB)  
Lorne Mikulik, AACI, P.App (MB)  
Scott McEwen, AACI, P.App (PE)

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  
Rob Grycko, CRA  
Jane Londerville, B.Sc., M.B.A., AACI (Hon)  
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

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 • Web: www.kelman.ca

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

- 6 It's all about earning respect
- 10 Une question de respect
- 14 CPD: more than just credits
- 16 Le PPC – Beaucoup plus que des crédits



- 20 AACI (Hon) Members recognized for outstanding contributions to profession

- 22 AMC Task Force survey results



- 24 Primer on International Valuation Standards – Part 4

- 26 The value of a complaint

- 27 Professional practice process aims to educate

- 28 Excuses, excuses

- 29 The Advocate's role

- 30 Inside the mind of a peer reviewer

- 31 Expanding your CRA 'book of business'

- 32 Why I matter

- 33 Your clients are online – are you?

- 34 Keeping track of timing

- 35 World Association of Valuation Organizations

- 36 For Tania Wardle, distance is no barrier



- 38 Valuing an unregistered sewer easement



- 42 Demystifying the digital signature



- 45 Spotlight on Continuing Professional Development

FEED YOUR FUTURE  
with CPD FRIDAYS



- 47 The behavioural descriptive interview – the final step to designation

- 48 Designations/Candidates/Students

- 50 Recognizing Excellence



- 52 News

- 54 Calendar of Events

- 54 Advertiser Information Centre



# AERIALGIS.COM

*View the world from an  
entirely new perspective*



- Airdrie, AB
- Calgary, AB
- Edmonton, AB
- Lethbridge, AB
- Medicine Hat, AB
- Okotoks, AB
- Red Deer, AB
- Sherwood Park, AB
- St. Albert, AB
- Abbotsford, AB
- Burnaby, BC
- Chilliwack, BC
- Coquitlam, BC
- Delta, BC
- Langley, BC
- Maple Ridge, BC
- Mission, BC
- New Westminster, BC
- Pitt Meadows, BC
- Richmond, BC
- Vancouver, BC
- Victoria, BC
- White Rock, BC
- Fredericton, NB
- Moncton, NB
- Saint John, NB
- St. John's, NL
- Halifax, NS
- Ajax, ON
- Markham, ON
- Mississauga, ON
- Oshawa, ON
- Ottawa, ON
- Charlottetown, PEI
- Laval, PQ
- Longueuil, PQ
- Montreal, PQ
- Quebec City, PQ
- Estevan, SK
- Moosejaw, SK
- Regina, SK
- Saskatoon, SK
- Swift Current, SK
- Weyburn, SK
- Yorkton, SK

## What is AerialGIS?

AerialGIS is a library of recent imagery of most major Canadian cities captured from both orthogonal view (from straight overhead) and oblique view (from an angle).



## What is the advantage of AerialGIS imagery?

- AerialGIS helps you stand out with your clients
- AerialGIS imagery is of very high quality at a low cost
- Measurement tools help verify building dimensions



### **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)

# It's all about earning respect



Sheila Young  
AAI, P. App, AIC President

**Q Before we get into matters related to the Appraisal Institute of Canada (AIC) and your presidency, can you tell us about your role with Alberta Municipal Affairs (AMA)?**

I am currently the AMA's Director, Regulated Assessment Policy. In this capacity, I work with a team of consulting engineers to establish a cost manual that Alberta assessors can use as a guideline for valuing farmland, oil and gas wells, telecommunications, machinery and equipment, pipelines, and electric power facilities.

**What career path did you follow to this position?**

After completing two years of university in my hometown of Winnipeg, I headed west to Calgary and began working for a mortgage company in 1981. What appealed to me about appraising was the idea of working outside the office, dealing with people, and having to analyze, understand and apply data. During my time there, I gained valuable experience in appraisal work, and earned my CRA designation in 1986. In 1992, I earned my AAI and went into the assessment field with the City of

Calgary. I subsequently joined the province and became an auditor with Alberta Municipal Affairs. From there, I moved into management and then into my current position as director. As my career developed, I was fortunate in never having the same job two years in a row and in being involved in progressively more complex projects and management responsibilities.

**How did this prepare you for your current responsibilities?**

Every experience along the way enabled me to evolve and grow as an appraiser and as a manager. However, what probably helped me the most was learning the important lesson that opinions have to be grounded in facts. Whether it is expressing an opinion of value in a complex real estate project, or expressing an opinion in an important management meeting, what you say absolutely needs to be supported by facts. Another important lesson learned was how to deal with people. Whether it was talking with homeowners early in my career or dealing with senior management and officials in my current position, you must listen to what others have to say, show them respect, and treat them fairly and honestly.

**Throughout your career, you have been known as an individual willing to get involved in various volunteer activities. What volunteering have you done?**

It started very innocently and then just grew from there. Back in 1992, I volunteered to be the newsletter editor for the Calgary Chapter. At that time, our education program was delivered locally, so I also taught a number of entry level courses. That led to becoming the Calgary Chapter Chair, followed by involvement with the Alberta provincial association, and then to the national level, where I became the director for Alberta, served on committees such as the Professional Affairs Coordinating Committee (PACC), and will now spend the next year as AIC president.

**How would you describe your volunteer experience?**

The rewards have been much greater than the challenges, and the experience has helped me both at work and in my personal life. I have met, worked with and been able to learn from a much broader group of people than would otherwise have been possible. I have been exposed to situations such as chairing meetings and serving on committees that

*"The challenges facing us are to be more willing to move out of our comfort zones, to not fear or be resistant to change, and to make sure that we are as prepared as we can be for the opportunities that exist in today's marketplace."*

taught important life skills such as analyzing problems and challenges, communicating, and seeking consensus, to name a few. Volunteering is something that I strongly recommend.

I would also like to point out that there are numerous opportunities to volunteer which are compatible with the amount of time members have to contribute. I always found the time requirements to be very manageable and easily handled in conjunction with my family and personal life. When I was newsletter editor, for example, the time required was no more than an hour or so each week.

### **You have not mentioned time spent mentoring. Has that been part of the mix?**

Absolutely. I was fortunate to have two excellent mentors early in my career. At a time when mentoring was not as formalized as it is now, Al Van Ireland and Bert Jensen both took an interest in me and helped me learn to think through problems and gather the facts to support my position. It is easy to get a little lost in a new career and having a good mentor helps one stay on track. I currently have one protégé and am helping three others in our workplace.

### **Having chaired PACC over the past year, and now as AIC president, what do you see as the current issues facing the profession and the Institute?**

For one thing, the current economic conditions as well as the growing reliance on automated valuation models (AVMs) are resulting in a decrease in some of the traditional, straightforward work, particularly on the residential side. That being said, there are growing opportunities in areas including residential that require more complex valuations that can actually result in increased earnings. The challenges facing us are to be

*“We are now the ‘go to’ organization when the media is seeking information related to property valuation.”*

more willing to move out of our comfort zones, to not fear or be resistant to change, and to make sure that we are as prepared as we can be for the opportunities that exist in today’s marketplace. Many appraisers do not appreciate the fact that they have a solid foundation of skills to move comfortably into new areas, to present themselves favourably to different groups of clients, and to evolve with the marketplace. As individual appraisers and as an Institute, it is up to us to meet these challenges as best we can.

### **What about the changes facing the profession and the membership from developments such as International Valuation Standards (IVS) and International Financial Reporting Standards (IFRS), as well as the policies being implemented by the Institute to meet these demands?**

The absolute best choice for members is to embrace the changes they are facing from both internal and external sources and to upgrade their skills so that they can successfully deal with them. For example, requiring candidates to have a university degree, implementing a candidates co-signing policy, taking a leadership role in the development and implementation of *IVS* and *IFRS*, presenting

educational sessions at our conference and webinars through UBC to promote compliance with these new standards, and generally striving in every way possible to enhance the quality of our work are just some of the ways that the Institute is helping to ensure that we are keeping pace with change.

### **How should our membership view these changes?**

I believe that Candidates are actually in the perfect position to deal with what lies ahead. They can ask themselves where they would like to start, where they would like to go next, and where they would like to be in five years. They can also determine the path they would like to take in terms of areas of specialization, working for government, or owning their own business. CRAs have similar choices. They can ask themselves where they can look for new clients, how they can change their business, and where they want to be from a career and earnings perspective in the years ahead. They need to realize that they have put in a great deal of study time, have gained a tremendous amount of related experience, and have a very solid foundation of skills to offer and on which to build.

### **One of the Institute’s major new initiatives revolves around marketing and repositioning the organization. Why is marketing so important at this time?**

Marketing is important in both good times and bad, however, as economic conditions decline, it is even more critical, not only for survival, but for growth as well. To ensure that the appraisal profession, our Institute and its members can succeed and grow in a constantly changing world, we are undertaking many proactive marketing initiatives that are already paying off in many ways.

### Can you give us some examples?

In various newspapers and trade magazines, we are placing advertisements that prominently feature our professional and corporate identity as well as relevant messages aimed at our client base and the public. These are substantially increasing our visibility to the point where we are now the 'go to' organization when the media is seeking information related to property valuation or real estate matters in general. Previously, we were not even on the radar screen. If you can measure success by the number of media contacting us, then the results are outstanding.

To ensure that we are properly prepared for dealing with these media requests, we are also ramping up media training for our Board members and, during our recent conference, offered similar training to the provincial Board members

and staff. This is significantly enhancing the confidence level of those who speak to the media on behalf of the Institute or the profession.

Possibly our number one medium achieving great marketing results is our website. We launched our new website in November 2008. We have considerable new content which includes interactive components such as career videos, volunteer corner and a client resources centre, to name a few. Not only is this giving us national exposure, but international as well, with inquiries coming from as far away as the UK. The career videos, featuring appraisers such as myself discussing the opportunities and rewards of our careers in this profession, have received a very positive response and are allowing us to respond to inquiries on an entirely new level. Now, when individuals looking for careers explore our web site

and browse the career videos, in particular, they are able to see first hand the type of work AIC members are doing as well as the satisfaction and success they are experiencing. Then, when their interest is piqued and they contact the Institute for more information, they already have many of their questions answered. As for results, I know that there are currently about 500 people registered in real property appraisal courses and that we are attracting a very different type of prospect. With economic times being what they are; we believe that these numbers are quite positive, however, we are doing a thorough analysis of how these recruiting tools are working.

From an individual standpoint, I know that our members are extremely proud to belong to the AIC and are conveying our message to industry and the public in a variety of effective ways. For example, here in Alberta, members of our Lethbridge Chapter recently banded together to place ads in a local real estate newspaper promoting the important role that appraisers play in the real estate process. In another case, one of our appraisal firms had a booth at a convention for rural municipalities in Alberta at which they promoted the important services they could offer to that particular group of prospective clients. To assist our members in this area and to help ensure that a consistent message is being conveyed, the Institute has developed a set of promotional display panels which have been made available to our provincial associations for lending to members.

I cannot emphasize enough the significance of the role that our individual members play in this marketing and communications effort. Having appraisers spreading the word to prospective clients in a consistent and positive manner effectively gives our profession a sales force of thousands.

**On the subject of spreading the word, the AIC recognized two more individuals who have championed the profession and awarded them AACI (Hon.) designations at this year's conference. How is this program working?**

This is an absolutely outstanding program that is gaining in stature. It helps the Institute, the Board and our members recognize and

*"The career videos, featuring appraisers such as myself discussing the opportunities and rewards of our careers in this profession, have received a very positive response and are allowing us to respond to inquiries on an entirely new level."*





show appreciation to those individuals who are championing our relevance in the marketplace. As an indication of how honoured people are to be recognized in this manner, we even had one previous recipient, who could not be in attendance to receive the designation at last year's conference, make the trip to Quebec this year to personally accept the honour in front of our members. The nomination process and selection criteria are allowing us to realize that there are many people outside our profession who believe in what we do and who play significant roles in our ongoing development.

### **Advocacy is another method of conveying our message.**

#### **What is happening on this front?**

Our Institute's executive and management are continually advocating the relevance of our profession and the role of appraisers to high level users of our services, such as CMHC, Public Works and the major banks. This type of effort takes time, but it is very worthwhile for us to maintain ongoing and consistent two-way communication that inevitably leads to some very positive results.

### **Are these various initiatives all part of the Institute's Strategic Plan?**

Yes they are, and that is why having a Strategic Plan is so important. But, it is important to remember that a Strategic Plan is a roadmap, not an itinerary. It helps our Board of Directors guide the Institute towards our goal and helps members understand where the Institute is going with regard to developments like *IVS*, and *IFRS*. But, the ultimate goal of our Strategic Plan is to ensure that our members are capable of providing the highest quality of work possible to effectively meet the challenges they face and to take advantage of the opportunities that exist in today's world. It is not enough to create awareness of the role that appraisers can play in the real estate valuation process. Respect is earned by consistently performing at the highest possible level.

*"It is not enough to create awareness of the role that appraisers can play in the real estate valuation process. Respect is earned by consistently performing at the highest possible level."*

### **As president, what do you envision as your role in this process over the year ahead?**

We have a number of new members on our Board of Directors, and, when my term is up, I hope that I will have helped them know the right questions to ask. I want to talk to and listen to as many AIC members as possible, and, through the communication process, help them to realize how relevant they are in the marketplace and to understand the choices they have.

### **One of the focuses for the Board in the year ahead involves governance.**

#### **Why is this a priority and what will be the benefits?**

Governance is critical to any organization because it affects the very way an organization is run. We feel it is important to have conversations about this in which there are no predetermined outcomes and no hidden agendas. We merely want to logically work through things such as our communication flow, the efficiency of our processes, and the cost effectiveness of our operation. We are just beginning to have these discussions and feel that it will be an ongoing process where we are continually striving to make ourselves better.

### **So much of what the Institute is able to accomplish is the result of volunteers. Why is the volunteer base so strong and why is it so important?**

We have over 125 volunteers serving on various standing, ad hoc and task force committees alone, so the base certainly is strong. I believe this stems from the pride appraisers have in belonging to the AIC and their desire to have an influence on decisions that affect their careers in so many different ways. Volunteering is one of the best methods of exerting that influence. Each year, we have a 'call for volunteers' and, as the types of volunteer opportunities change to keep pace with the evolution of our profession, it is impressive to see so many people willingly stepping forward to have an impact. Always striving to enhance our efficiencies relative to the volunteer process, we are increasingly using virtual meetings to substantially reduce the time volunteers have to be away from their workplace and their families, and we have developed the 'Volunteer Corner' on our web site that makes it easier for them to get involved in the first place.

Volunteers are the lifeblood of the Institute, and I am extremely proud to be one. 🇨🇦

Helping to Create Opportunities.

**A proud sponsor of the 2009 Annual AIC Conference**

**MILLER THOMSON** LLP  
Barristers & Solicitors  
Patent & Trade-Mark Agents

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



Sheila Young  
AACI, P. App, Président de l'ICE

# Une question de respect

**Q** Avant que nous abordions les questions concernant l'Institut canadien des évaluateurs et votre poste à la présidence, pouvez-vous nous expliquer le rôle que vous jouez aux Affaires municipales de l'Alberta (AMA)?

J'occupe toujours le poste de directrice de la politique d'évaluation réglementée au sein des Affaires municipales de l'Alberta (AMA). À ce titre, je travaille, de concert avec une équipe d'ingénieurs consultants, à l'élaboration d'un manuel des coûts auquel les évaluateurs de l'Alberta peuvent avoir recours en tant que lignes directrices lors de l'évaluation des terres agricoles, des puits de pétrole et de gaz, des télécommunications, de la machinerie et de l'équipement, des pipelines et des centrales d'énergie électrique.

**Quel a été votre parcours de carrière avant d'occuper ce poste?**

Après avoir complété deux ans d'université à Winnipeg, ma ville natale, je me suis rendue à Calgary en 1981, où j'ai débuté ma carrière en travaillant pour une société de prêts hypothécaires. L'idée de travailler à l'extérieur du bureau, de traiter avec des personnes et d'avoir à analyser, à comprendre et à appliquer des données, m'a incitée à faire mon entrée dans le monde de l'évaluation. Cet emploi m'a permis d'acquérir une bonne expérience de l'évaluation et, en 1986, d'obtenir mon titre CRA. En 1992, j'ai obtenu le titre AACI et débuté, à l'emploi de la ville de Calgary, dans le domaine de l'évaluation.

J'ai, par la suite, fait mon entrée au niveau provincial en obtenant un emploi au sein des Affaires municipales de l'Alberta d'abord à titre de vérificatrice, puis de gestionnaire et, pour terminer, de directrice, poste que j'occupe actuellement. Au fil de l'évolution de ma carrière, j'ai eu la chance de ne jamais occuper le même poste deux années de suite, ce qui m'a permis de participer progressivement à des projets de nature plus complexe et d'assumer des responsabilités de gestion.

**De quelle façon ce parcours vous a-t-il été bénéfique pour assumer vos responsabilités actuelles?**

Toute l'expérience obtenue durant ce parcours m'a permis d'évoluer et de grandir en tant qu'évaluatrice et de gestionnaire. Cependant, l'apprentissage de leçons importantes voulant que les opinions exprimées reposent sur des faits, est probablement ce qui a été le plus profitable. Toutes les affirmations doivent être corroborées par des faits, qu'il s'agisse d'un avis concernant la valeur lors d'un projet immobilier complexe ou d'une opinion exprimée lors d'une réunion importante de la direction. Une autre leçon importante consiste en la façon de traiter avec les gens. Qu'il s'agisse, comme au début de ma carrière, de discuter avec des propriétaires ou de traiter, comme l'exige mon poste actuel, avec des membres de la haute direction ou des cadres, il faut les écouter, les respecter, les traiter équitablement et faire preuve d'honnêteté à leur égard.

**Au cours de votre carrière, vous avez été perçue comme une personne prête à participer à différentes activités bénévoles. Quelles sont ces activités auxquelles vous avez participé?**

Tout a débuté très simplement et s'est accru par la suite. En 1992, je me suis portée volontaire en tant qu'éditrice du bulletin de nouvelles pour le chapitre de Calgary. À ce moment, notre programme d'éducation était transmis à l'échelle locale, alors j'ai également donné plusieurs cours d'entrée, ce qui m'a permis de devenir présidente du chapitre de Calgary et, par la suite, de m'impliquer, à l'échelle provinciale, dans l'association de l'Alberta et, à l'échelle nationale, d'être nommée directrice de cette association, de siéger en tant que membre au sein de différents comités, tels que le Comité de coordination des affaires professionnelles (CCAP) et, d'avoir été nommé présidente de l'ICE, poste que j'occuperai au cours de la prochaine année.

**Comment décririez-vous votre expérience comme bénévole?**

Les récompenses ont été beaucoup plus importantes que les défis et l'expérience que j'ai acquise m'a beaucoup aidé, à la fois dans ma vie professionnelle et personnelle. Il m'a été donné de rencontrer de plus grands groupes de personnes, ce qui m'aurait été impossible autrement, de travailler avec ces groupes et d'apprendre beaucoup d'eux. J'ai dû faire face à des situations, telles que présider des réunions et siéger à des comités qui m'ont permis d'acquérir des compétences pratiques nécessaires dans la vie de tous les jours comme, entre autres choses, l'analyse de problèmes et de défis, la communication et la recherche de consensus. Le bénévolat est

une activité que je recommande fortement.

J'aimerais également souligner qu'il existe de nombreuses occasions de bénévolat exigeant un nombre d'heures pouvant convenir aux membres. Il m'a été permis de constater que les exigences en matière de temps sont très flexibles et peuvent être facilement gérées de façon à tenir compte de ma famille et de ma vie personnelle. Par exemple, lorsque j'étais rédactrice du bulletin de nouvelles, je consacrais au plus une heure par semaine à ce travail.

### **Vous n'avez pas mentionné le temps consacré au mentorat. Cela en faisait-il partie?**

Absolument. Au début de ma carrière, j'ai eu la chance d'avoir deux excellents mentors. À un certain moment lorsque le mentorat n'était pas officiel comme aujourd'hui, Al Van Ireland et Bert Jensen m'ont démontré leur intérêt et m'ont aidé à apprendre à examiner les problèmes sous tous leurs aspects, et à faire valoir ma position sur des faits. Lorsqu'on entreprend une nouvelle carrière, il est facile de s'égarer quelque peu et l'aide de bons mentors nous permet de rester sur la bonne voie. Dans notre milieu de travail, j'ai actuellement un protégé et j'en aide trois autres.

### **Ayant été présidente du CCAP au cours de la dernière année et comme présidente actuelle de l'ICE, quels sont les enjeux auxquels la profession et l'Institut devront faire face?**

Par exemple, un de ces enjeux consiste en la situation économique actuelle et l'augmentation du recours aux modèles d'évaluation automatisée (MEA) qui se traduisent par une diminution du travail exécuté de façon traditionnelle, en particulier dans le domaine résidentiel. Cela étant dit, dans certains domaines, y compris dans le domaine résidentiel, les occasions exigeant des évaluations d'une plus grande complexité pouvant entraîner une augmentation de revenus sont de plus en plus nombreuses. Comme défis à relever, nous devons être disposés à sortir de notre zone de confort, ne pas craindre les changements et nous préparer autant que possible à saisir les occasions qui se présentent sur le marché actuel. Plusieurs évaluateurs ne réalisent pas qu'ils possèdent une base

*« Comme défis à relever, nous devons être disposés à sortir de notre zone de confort, ne pas craindre les changements et nous préparer autant que possible à saisir les occasions qui se présentent sur le marché actuel. »*

solide de compétences leur permettant d'évoluer confortablement dans de nouveaux domaines, de se présenter de façon favorable à différents groupes de clients et d'évoluer au rythme du marché. En tant qu'évaluateurs et Institut, il nous appartient de tout mettre en œuvre pour relever ces défis.

### **Qu'en est-il des changements auxquels la profession et les membres doivent faire face concernant les normes internationales d'évaluation (NIE) et les normes internationales régissant l'information financière (NIIF), ainsi que des politiques que l'Institut est à mettre en place en vue de répondre à ces exigences?**

Pour les membres, la meilleure solution consiste à embrasser les changements auxquels ils sont confrontés, qu'ils soient de source interne ou externe, et d'améliorer leurs compétences de façon à les surmonter. Pour nous permettre de faire face à ces changements et de s'efforcer par tous les moyens d'améliorer la qualité de notre travail, l'Institut peut, entre autres, exiger que les stagiaires soient titulaires d'un diplôme universitaire, mettre en place une politique de cosignature des stagiaires et tenir le rôle de chef de file pour ce qui est de l'élaboration et de la mise en application des NIE et des NIIF. Il peut également présenter des séances pédagogiques lors de notre conférence et des webinaires par l'intermédiaire de l'U.C.-B. afin de promouvoir le respect de ces nouvelles normes.

### **De quelle façon nos membres devraient-ils entrevoir ces changements?**

À mon avis, les stagiaires sont actuellement dans une position parfaite pour faire face à ces changements. Ils peuvent se demander où ils souhaitent débiter, jusqu'où ils souhaitent se rendre par la suite et où ils souhaitent se retrouver dans cinq ans. Ils sont également en mesure de déterminer dans quels domaines ils veulent se spécialiser, soit travailler pour le gouvernement ou avoir leur propre entreprise. Les CRA ont des possibilités similaires. Ils peuvent se demander où trouver de nouveaux clients, de quelle façon ils peuvent modifier leurs activités et, en ce qui concerne leur carrière et leurs revenus, leur but pour les années à venir. Ils doivent également réaliser qu'ils ont consacré beaucoup de temps à leurs études et acquis énormément d'expériences qu'ils peuvent offrir et sur lesquelles ils peuvent s'appuyer.

### **Une des nouvelles initiatives importantes de l'Institut consiste en la commercialisation et le repositionnement de l'organisme. Pourquoi la commercialisation est-elle actuellement aussi importante?**

La commercialisation est importante quel que soit le moment. Cependant, étant donné les conditions économiques actuelles, la commercialisation est essentielle afin d'assurer la survie et la croissance de l'organisation. Afin d'assurer le succès et la croissance de notre profession, de l'Institut et de nos membres, dans un monde en constante évolution, nous sommes à mettre en place de nombreuses initiatives de commercialisation proactives, qui se sont d'ailleurs déjà révélées rentables à de nombreux égards.

### **Pouvez-vous nous en donner quelques exemples?**

Nous avons placé des publicités dans différents journaux et dans différentes revues spécialisées qui mettent bien en évidence notre image de marque et notre profession, ainsi que les messages destinés à notre clientèle et au grand public. Grâce à ces publicités, notre visibilité s'est beaucoup accrue, à un point tel que nous

sommes actuellement l'organisme auquel les médias s'adressent lorsqu'ils sont à la recherche d'information dans le domaine de l'évaluation de biens ou qu'ils ont des questions concernant l'immobilier en général. Auparavant, nous n'étions même pas sur l'écran radar. S'il était possible de mesurer le succès d'après le nombre de fois que les médias communiquent avec nous, les résultats seraient remarquables.

Pour nous assurer d'être adéquatement préparés à répondre aux demandes des médias, nous offrons une formation médiatique à l'intention de nos membres du Conseil et, lors de notre récente conférence, nous avons également offert une formation similaire aux membres du Conseil provincial ainsi qu'au personnel. Cette formation renforce la confiance des membres qui discutent avec les médias sur les questions intéressant l'Institut ou la profession.

Notre site Web est possiblement notre support publicitaire le plus important, nous permettant d'atteindre des résultats remarquables. Nous avons lancé notre nouveau site Web en novembre 2008. Nous en avons considérablement augmenté le contenu, à savoir : des composantes interactives comme des vidéos axées sur la carrière, le coin des bénévoles et les ressources à la clientèle. Non seulement ce site Web nous fait-il connaître à l'échelle nationale, mais également à l'échelle internationale. Nous recevons des demandes de renseignements d'aussi loin que du Royaume-Uni. Les vidéos axées sur la carrière, qui présentent des évaluateurs comme moi et qui portent sur les opportunités et les avantages liés à notre profession, ont reçu une réponse très positive et nous permettent de répondre aux demandes de renseignements d'une toute nouvelle façon. Maintenant, lorsque des personnes consultent notre site Web et visionnent ces vidéos, elles peuvent constater le genre de travail que font les membres de l'ICE, leur succès et leur satisfaction. Une fois leur intérêt éveillé et qu'elles communiquent avec l'Institut en vue d'obtenir plus de renseignements, elles ont déjà les réponses à plusieurs de leurs questions. Pour ce qui est des résultats, 500 personnes sont actuellement inscrites aux cours d'évaluation immobilière et nous retenons l'attention d'un type de clientèle très différent. Étant donné la situation économique

*« Les vidéos axées sur la carrière, qui présentent des évaluateurs comme moi et qui portent sur les opportunités et les avantages liés à notre profession, ont reçu une réponse très positive et nous permettent de répondre aux demandes de renseignements d'une toute nouvelle façon. »*

actuelle, nous croyons que ce nombre est plutôt positif; toutefois, nous procédons à une analyse approfondie de ces outils de recrutement.

Personnellement, je sais que nos membres sont extrêmement fiers de leur appartenance à l'Institut et qu'ils transmettent notre message aux secteurs industriel et au grand public en utilisant différents moyens efficaces. Par exemple, ici en Alberta, les membres de notre chapitre de Lethbridge se sont récemment réunis en vue de placer des annonces dans un journal local traitant de l'immobilier afin de promouvoir l'importance du rôle des évaluateurs dans le milieu de l'immobilier. Dans un autre cas, lors d'une convention tenue à l'intention des municipalités rurales en Alberta, l'un de nos cabinets d'évaluateurs avait un kiosque où il faisait la promotion des services importants que les évaluateurs sont en mesure d'offrir à ce groupe de clients potentiels. Pour aider nos membres dans ce domaine et veiller à la cohérence du message transmis, l'Institut a mis en place des panneaux publicitaires que nos associations provinciales peuvent obtenir et prêter aux membres.

Je ne saurais trop insister sur l'importance du rôle que chacun de nos membres joue dans ces efforts de commercialisation et de communication. Le fait que les évaluateurs font, de façon cohérente et de manière efficace, notre promotion auprès de clients potentiels équivaut, pour notre profession, à une force de vente de milliers de personnes.

**Pour ce qui est de faire notre promotion, l'ICE a reconnu deux autres personnes qui ont soutenu la profession et leur a attribué le titre AACI (hon.) lors de la conférence de cette année. De quelle façon le programme est-il administré?**

Il s'agit d'un programme absolument remarquable qui gagne en importance. Il permet à l'Institut, au Conseil et à nos membres de reconnaître et de démontrer leur appréciation à l'égard des personnes qui soutiennent notre pertinence sur le marché. C'est un honneur pour ces personnes d'être reconnues de cette façon. À titre d'exemple, un bénéficiaire qui ne pouvait être présent pour recevoir son titre lors de la conférence de l'année dernière, a fait le voyage jusqu'à Québec cette année pour accepter personnellement cet honneur en présence de nos membres. Le processus de nomination et les critères de sélection nous permettent de réaliser que plusieurs personnes extérieures à notre profession estiment que nous jouons des rôles importants dans le travail que nous avons entrepris.

**La défense de notre profession est un autre moyen pour transmettre notre message. Que ce passe-t-il sur ce front?**

Les cadres de l'Institut et la direction prônent continuellement la pertinence de notre profession et le rôle des évaluateurs auprès des utilisateurs de haut niveau tels que la SCHL, les Travaux publics et les grandes banques. Ces efforts ne sont pas instantanés, mais ils nous permettent d'entretenir des dialogues, ce qui est très profitable et entraîne inévitablement des retombées très positives.

**Ces différentes initiatives font-elles partie du Plan stratégique de l'Institut?**

Oui elles en font partie, et c'est pourquoi un plan stratégique est essentiel. Il est toutefois important de nous rappeler qu'un plan stratégique est une feuille de route et non un itinéraire. Il permet à notre Conseil d'administration de guider l'Institut vers son objectif et d'aider les membres à comprendre le but de

l'Institut concernant les NIE et les NIIF. Cependant, notre plan stratégique consiste principalement à veiller à ce que nos membres soient en mesure d'accomplir un travail de très haute qualité et relever efficacement les défis auxquels ils doivent faire face et saisir les opportunités qui se présentent dans le monde d'aujourd'hui. Pour ce qui est du rôle que les évaluateurs peuvent jouer dans le processus d'évaluation immobilière, le recours à la sensibilisation n'est pas suffisant. Nous gagnons le respect en donnant constamment le meilleur de nous-mêmes.

### À titre de présidente, comment voyez-vous votre rôle dans ce processus au cours des prochaines années?

Notre Conseil d'administration compte un certain nombre de nouveaux membres et, lorsque j'aurai terminé mon mandat, j'espère leur avoir appris à reconnaître les questions pertinentes qu'il faut poser. Je souhaite non seulement m'entretenir avec le plus grand nombre de membres possibles, mais les écouter et, grâce au processus de communication, les aider à réaliser le bien-fondé de leur présence sur le marché et à comprendre les choix qui s'offrent à eux.

### Pour le Conseil, la gouvernance occupe une des places importantes pour les années à venir. Pourquoi est-elle une priorité et quels en seront les avantages?

Pour tout organisme, la gouvernance est essentielle, étant donné son incidence sur son administration. Nous croyons qu'il est important d'en discuter sans attente de résultats et sans intentions cachées. Nous voulons simplement discuter, de façon logique, des communications, de l'efficacité de notre processus et de la rentabilité de nos activités. Nous venons de débiter ces discussions qui, nous le croyons, sont appelées à devenir un processus continu au cours duquel nous nous efforcerons de nous améliorer.

### Ainsi, l'Institut peut accomplir beaucoup grâce aux bénévoles. Pourquoi le bassin de bénévoles est-il aussi solide et aussi important?

Nous comptons plus de 125 bénévoles qui siègent auprès de différents comités permanents, ad hoc et chargés des groupes de travail. C'est pourquoi le bassin de

bénévoles est aussi solide. Je crois également que leur importance est attribuable à la fierté des évaluateurs d'appartenir à l'ICE et à leur désir d'avoir une influence sur les décisions qui peuvent affecter leur carrière de nombreuses façons. Le bénévolat est l'un des meilleurs moyens d'exercer cette influence. Chaque année, nous demandons des bénévoles et, comme les types de possibilités de bénévolat changent au rythme de l'évolution de notre profession, nous sommes impressionnés de constater qu'autant de personnes sont prêtes à participer. En ce qui concerne le bénévolat, nous nous efforçons constamment d'améliorer notre efficacité en ayant de plus en plus recours aux réunions virtuelles afin de diminuer de façon substantielle le temps que les bénévoles doivent s'absenter de leur lieu de travail et de leur famille. De plus, pour faciliter leur participation, nous avons conçu le « Coin des bénévoles » sur notre site Web.

Les bénévoles constituent l'essence même de l'Institut et je suis extrêmement fier d'en faire partie. 🇩🇪

## Letter to the EDITOR

### AIC's world-wide reputation

Georges Lozano's article in the last edition of *Canadian Property Valuation* highlighted the changes and success of the Appraisal Institute of Canada (AIC) education policy over the last 10 years, but somewhat understated the international recognition and standing this policy has brought to AIC and its members during the same period. As an AIC international representative over this period, I would like to reinforce that the changes highlighted by Georges have significantly enhanced AIC's reputation and standing with the leading valuation organizations in the world.

AIC is now seen to be a leader in the valuation profession and is playing a significant role in the recognized world bodies such as IVSC and WAVO. The high standards that we have established for

membership in AIC, including our education requirements, are recognized as being equivalent to those of other leading valuation organizations. As such, they provide AIC members with recognition and profile in the world valuation profession.

Further, the education policy has formed the basis for new international reciprocal arrangements with other leading valuation organizations. The degree requirement forms the fundamental platform for membership and designation in these allied organizations. With its education changes in the past 10 years, AIC has gained mutual and enhanced recognition.

AIC recently signed an agreement under the WAVO banner with four leading organizations in Australia, New Zealand, Singapore and Hong Kong to fully recognize each other's

designations, enabling the Institute's AACI members who wish to work in these countries to have their credentials accepted. The benefit of AIC membership is demonstrated by such recognition and I believe it will prove very beneficial to the AIC as well in this worldwide economy.

To maintain this recognition and to be a leader in the valuation profession, it is critical that we continue to build on the past 10 years of change and look to enhancing and modifying our education program to meet the ongoing challenges of the next 10 years. This will enable AIC to maintain its position as a leader in the valuation field which, in turn, will be an ongoing benefit of membership in the Institute.

*Keith Goodwin, AACI, P. App, Fellow and AIC Past President*

# CPD: more than just credits



Georges Lozano, MPA  
AIC Chief Executive Officer

Obtaining a professional designation marks an important milestone in the achievement of professionalism. While it may seem like the end of a long and arduous process involving many hours of study, examinations and hard work, it is, in fact, not an end in itself, but a new beginning. As a professional, your's is a life of continuous learning and self-improvement. The status of highly qualified professional will be achieved through years of experience, adoption of best practices, and the acquisition of new areas of expertise. In this respect, the Appraisal Institute of Canada (AIC) mandatory continuing professional development (CPD) program is an important element. As such, CPD should not be considered an obligation at best and a nuisance at worst, but an opportunity to advance your professionalism and develop new areas of expertise that will help your career to flourish.

In a previous article, I mentioned a number of emerging opportunities to expand your professional practice. I also suggested that, while the economy is in recovery mode, it might be a good time to prepare oneself and be ready to exploit these new business areas as the economy takes on new strength.

The CPD program is mandatory for all designated members of the Institute. Designated members must acquire a minimum of six CPD

credits annually and a total of no less than 60 credits over a five-year period. Carry-over credits do not count towards the six annual credit requirement. Credits are earned at a rate of one per hour of learning and can include a wide range of subject matter, including valuation and related courses that can help members to expand their business and technical skills.

Candidates are not required to acquire CPD credits for good reason. Candidates have a maximum of 10 years from the date of admission to candidacy to complete all education, curriculum and experience requirements to obtain their designation. In this respect, Candidates are required to successfully complete one university credit course towards designation each year to retain Candidate status.

The deadline for designated members to complete and record the minimum six credits is December 31 of each year. The deadline for Candidate members to complete the one university credit course is September 30 of each year. Both Candidates and designated members must record the courses they have taken using the online tool in the members section of the AIC website.

As mentioned before, continuing professional development should be considered more than just an obligation, but a great opportunity to expand one's career prospects. So, why not take

advantage of this by making the most of it? CPD course selection should not be based only on cheapest price or shortest time, but on the quality of the offering and its usefulness to you as a professional. There are a multitude of courses available to help you develop core skills, expand into new areas, and strengthen your business know-how.

Valid areas of learning are described in the CPD guidelines document which is available on the AIC website at <http://www.aicanada.ca/cmsPage.aspx?id=157>. It is highly recommended that you consult the guidelines to ensure that any courses you are planning on taking will be recognized as valid for the purposes of the CPD program.

It is important to note that not all CPD courses offered are guaranteed for credit by the Institute. Guaranteed credits are automatically awarded for courses developed or sponsored by AIC. Examples are AIC Conferences, AIC curriculum courses, UBC mini courses, etc. Guaranteed CPD credits will be awarded to those programs demonstrating that programs reflect currency, are delivered by qualified instructors, and incorporate a quality assurance mechanism. Nonetheless, if they fall within the CPD guidelines, there should be no problem if you are randomly audited. Questions regarding clarification about CPD offerings should be directed to your provincial association.

*"Continuing professional development should be considered more than just an obligation, but a great opportunity to expand one's career prospects."*

Continued on page 18

## University of British Columbia mini courses

As the Institute's primary English-language education partner, the University of British Columbia has worked with AIC to develop a series of mini courses that are recognized for guaranteed CPD credits. At the time of writing, there are 27 courses listed under UBC's Sauder Business School Real Estate Division. These courses are variously available as distance learning, in the classroom, and, now, as webinar offerings.

The new webinar program also known as *Feed Your Future with CPD Fridays* was launched early this year. On the first Friday of every month, the Real Estate Division offers selected courses in webinar (live online classroom) format. Students taking a webinar (or 'web-based seminar') receive a printed copy of the workbook in advance of the seminar date and are provided with access to supplementary materials online. Students are expected to complete two hours of self-study before taking the two-hour online seminar. Active participation in the seminar (e.g., through poll questions and evaluation surveys) is mandatory in order to receive AIC CPD credits – an online quiz is required in some courses. For more information, please go to the Sauder Business School Real Estate Division website accessible through this page: <http://www.aicanada.ca/cmsPage.aspx?id=157>.

The guaranteed UBC CPD mini courses cover a wide range including basic refresher courses such as *CPD 130: Residential Valuation Basics*, and *CPD 131: Commercial Valuation Basics*. There are also valuation related courses such as *CPD 115: Appraisal Review*. Most of these courses involve from one to four separate lessons and can be worth between four and 13 CPD credits, depending on the number of hours they require.

There are a number of CPD courses dedicated to the valuation of specific property types.

These include *CPD 103: Agricultural Valuation*, *CPD 104: Hotel Valuation*, *CPD 106: Multi-Family Property Valuation*, *CPD 107: Office Property Valuation*, *CPD 108: Seniors Facilities Valuation*, and *CPD 116: Land Valuation*.

Beyond appraisal, there are a variety of courses aimed at advancing the professional's analytical and critical thinking abilities, such as *CPD 105: Highest and Best Use Analysis*, *CPD 110: Real Estate Consulting: Critical Thinking, Research, and Risk Analysis*, *CPD 111: Real Estate Consulting: Decision Analysis* and *CPD 112: Real Estate Consulting: Forecasting*.

For those looking to expand their businesses development skills, there is *CPD 113: Request for Proposals (RFPs)* which is aimed at providing a good understanding of the RFP process and the various types of RFP proposal evaluation criteria and methodologies. The goal is to assist professionals by ensuring a better chance of success in responding to RFP opportunities.

There are also a few new offerings that explore emerging areas of valuation. One of these is valuation for financial reporting under the new international financial reporting standards that are coming into effect over the next few years. *CPD 114: Valuation for Financial Reporting - Real Property Appraisal and IFRS* is available as a distance learning program and is offered as a webinar also. This one-lesson course explains how Canada's adoption of *International Financial Reporting Standards (IFRS)* will impact the appraisal community. The course examines potential valuation opportunities arising from *IFRS* and what individual appraisers can do to take advantage of this opportunity.

The other new and emerging area of practice is the so-called green valuation. Increasingly, the importance of sustainable development in all industrial sectors is being

recognized. One measure of this recognition is in the market value of sustainable real property. In this respect, two CPD courses have been developed by UBC. The first, *CPD 125: Green Value – Valuing Sustainable Commercial Buildings* explores how contemporary environmental issues impact real estate decision-making. It describes architectural design and building construction practices that contribute to a building's 'green-ness,' international standards for rating green buildings, the business case for green building investments, and whether or not green features add to real estate's market value. The second is *CPD 126: Getting to Green – Energy Efficient and Sustainable Housing* and it outlines the benefits of energy efficient and sustainable real estate. The course focuses on 'green' construction and building systems as well as the economic, governmental, and market drivers. Together, these two courses provide a solid grounding in this emerging area of practice and will help appraisers be better prepared to handle green valuation assignments as the market demand for this work increases in the years ahead.

Other specialty areas such as the valuation of machinery and equipment and business enterprise valuation are introduced through course offerings of the same names. *CPD 118* addresses the basics of machinery, plant and equipment valuation, while *CPD 101* provides an introduction to business valuation, illustrating the use and application of business valuation principles.

Other CPD courses are in progress. In the near future, *Establishing and Managing a Real Estate Business*, *Exploratory Data Analysis in Real Estate*, and a course on preparing Letters of Engagement will become available.

Continued on page 18

# Le PPC – Beaucoup plus que des crédits



Georges Lozano, MPA  
Chef de la direction

Obtenir un titre professionnel marque une étape importante du professionnalisme. Bien que cela puisse sembler comme la fin d'un processus long et fastidieux faisant appel à de nombreuses heures d'étude, à des examens et à un travail difficile, il s'agit plutôt d'un nouveau début. Comme professionnel, votre vie en est une d'apprentissage continu et d'amélioration. Le statut de professionnel hautement qualifié sera atteint suite à des années d'expérience, à l'adoption et la mise en œuvre de pratiques exemplaires et à l'acquisition d'expertise dans de nouveaux domaines. À ce chapitre, le programme obligatoire de perfectionnement professionnel continu de l'ICE est un élément important. À ce titre, le PPC ne doit pas être considéré au mieux comme une obligation ou au pire comme une nuisance, mais plutôt comme une occasion de parfaire votre professionnalisme et d'acquérir une expertise dans de nouveaux secteurs qui vous aideront à mener une carrière florissante.

Dans un article précédent, j'ai mentionné un certain nombre d'occasions émergentes permettant d'élargir votre pratique professionnelle. J'ai aussi suggéré que bien que l'économie soit en mode de recouvrement, le moment est peut-être propice pour vous préparer à exploiter ces nouvelles occasions d'affaires avant que l'économie se remette à battre son plein.

Le programme de PPC est obligatoire pour tous les membres agréés de l'Institut. En effet, les membres agréés doivent obtenir au moins six crédits de PPC par année et un total de 60

crédits au minimum sur une période de cinq ans. Les crédits reportés ne peuvent s'appliquer contre l'exigence de six crédits par année. Les crédits sont obtenus sur la base d'un crédit par heure de formation et incluent une variété de sujets y compris des cours en évaluation et dans des domaines connexes qui peuvent aider les membres à accroître leur champ d'activités et leurs aptitudes techniques.

Les stagiaires ne sont pas tenus d'obtenir des crédits de PPC et il en est ainsi pour de bonnes raisons. Les stagiaires ont un maximum de dix années à compter de leur date d'admission comme stagiaires pour compléter toutes les exigences pédagogiques, des programmes et d'expérience menant à l'obtention d'un titre. Ainsi, pour maintenir leur statut de stagiaire, ceux-ci doivent réussir un cours universitaire par année donnant droit à des crédits et menant au titre convoité.

L'échéance pour l'obtention et l'enregistrement du minimum de six crédits est le 31 décembre de chaque année dans le cas des membres agréés. Pour les stagiaires qui doivent compléter un cours universitaire donnant droit à des crédits, l'échéance est le 30 septembre de chaque année. Les stagiaires et les membres agréés doivent enregistrer les cours suivis en utilisant l'outil en ligne dans la section des membres du site Web de l'ICE.

Tel que mentionné précédemment, le perfectionnement professionnel continu ne doit pas être considéré uniquement comme une obligation mais plutôt comme une excellente occasion d'accroître nos perspectives de carrière. Alors pourquoi ne pas en profiter?

Le choix de cours de PPC ne doit pas être fonction du meilleur prix ou de la durée mais plutôt de la qualité et de son utilité pour vous à titre de professionnel. De nombreux cours sont disponibles pour vous aider à développer des aptitudes de base, accroître votre champ d'activités et améliorer votre connaissance générale des affaires.

Les domaines acceptables de formation sont décrits dans les lignes directrices régissant le PPC qui sont accessibles sur le site Web de l'ICE à l'adresse <http://www.aicanada.ca/cmsPage.aspx?id=157>. Il est fortement recommandé que vous consultiez ces lignes directrices pour vous assurer que les cours que vous prévoyez suivre soient reconnus aux fins du programme de PPC.

Il est important de souligner qu'il n'est pas garanti que tous les cours de PPC seront crédités par l'Institut. Des crédits garantis sont automatiquement accordés pour les cours élaborés ou commandités par l'ICE. Par exemple, les conférences de l'ICE, les cours au programme de l'ICE, les mini-cours de l'U.C.-B., etc. Des crédits garantis de PPC seront accordés pour les programmes qui reflètent la pertinence, dont la prestation relève d'instructeurs qualifiés et qui comportent un mécanisme d'assurance de la qualité. Néanmoins, si les cours répondent aux exigences des lignes directrices régissant le PPC, il ne devrait pas y avoir de problème en supposant que vous fassiez l'objet d'une vérification aléatoire. Toute demande de renseignement au sujet des cours de PPC devrait être dirigée à votre association provinciale.

Suite à la page 18



# Les mini-cours de l'Université de la Colombie-Britannique

Comme partenaire anglophone principal de l'Institut dans le domaine de l'éducation, l'Université de la Colombie-Britannique a collaboré avec nous dans l'élaboration d'une série de mini-cours donnant droit à des crédits garantis. Au moment d'écrire ces lignes, 27 cours étaient offerts par la Division de l'immobilier de l'École commerciale Sauder de l'U.C.-B. Ces cours sont disponibles à distance, en classe et maintenant sous forme de webinaires.

Le nouveau programme de webinaires également connu sous le titre « Alimenter votre avenir avec les vendredis de PPC » a été lancé plus tôt cette année. Le premier vendredi de chaque mois, la Division de l'immobilier offre des cours sous forme de webinaire (salle de classe en ligne). Les étudiants qui participent à un webinaire (ou un séminaire en ligne) reçoivent une copie imprimée du matériel à l'avance et ont accès à des matériaux additionnels en ligne. Les étudiants doivent compléter la portion d'études autonomes de deux heures avant de participer au séminaire en ligne, également d'une durée de deux heures. La participation active au séminaire (par le biais de questions et de sondages d'évaluation) est obligatoire pour obtenir les crédits de PPC de l'ICE – un quiz en ligne est requis pour certains cours. Pour plus d'information, veuillez consulter le site Web de la Division de l'immobilier de l'École commerciale Sauder à l'adresse <http://www.aicanada.ca/cmsPage.aspx?id=157>.

Les mini-cours de PPC à crédits garantis de l'U.C.-B. couvrent une variété de sujets, y compris des cours de recyclage de base comme le cours PPC 130 sur les bases de l'évaluation résidentielle et le cours PPC 131 sur les bases de l'évaluation commerciale. Il existe aussi des cours liés à l'évaluation comme le cours PPC 115 sur l'examen d'évaluations. La plupart de ces cours comptent entre une et quatre leçons séparées et peuvent avoir une valeur de jusqu'à 13 crédits de PPC selon le nombre d'heures requises pour les compléter.

Il existe un certain nombre de cours de PPC qui portent sur l'évaluation de propriétés spécifiques. Entre autres, le cours PPC 103 :

Évaluation en milieu agricole, le PPC 104 : Évaluation en milieu hôtelier, PPC 106 : Évaluation de propriétés plurifamiliales, le cours PPC 107 : Évaluation d'édifices à bureaux, le PPC 108 : Évaluation de résidences pour personnes âgées et le PPC 116 : Évaluation des terres.

Au delà de l'évaluation, plusieurs cours sont disponibles pour parfaire les aptitudes analytiques et de pensée critique du professionnel comme le cours PPC 105 : Analyse de l'utilisation optimale, le PPC 110 : Consultation dans le domaine de l'immobilier : pensée critique, recherche et analyse des risques, le PPC 111 : Consultation dans le domaine de l'immobilier : analyse décisionnelle et le PPC 112 : Consultation dans le domaine immobilier : les prévisions.

Ceux qui cherchent à améliorer leurs aptitudes au niveau des affaires peuvent suivre le PPC 113 : Demandes de propositions (DP), un cours conçu pour fournir une bonne compréhension du processus de DP et des critères et méthodes régissant l'évaluation des propositions. L'objectif de ce cours est d'aider les professionnels à accroître leurs chances de succès lorsqu'ils répondent aux DP.

Quelques nouveaux cours sont également disponibles et portent sur les nouveaux secteurs de l'évaluation. L'un de ces cours traite de l'évaluation aux fins des rapports financiers à la lumière des nouvelles normes internationales d'information financière qui entreront en vigueur au cours des quelques prochaines années. Le PPC 114 : Évaluation aux fins des rapports financiers – l'évaluation immobilière et les IFRS, est disponible à distance et dans le format webinaire. Ce cours qui compte une leçon explique comment l'adoption des normes internationales d'information financière (IFRS) au Canada affectera le milieu de l'évaluation. Il examine les occasions potentielles découlant des IFRS et ce que les évaluateurs individuels peuvent faire pour en profiter pleinement.

L'autre nouveau secteur de pratique est l'évaluation de bâtiments écologiques. De plus en plus, on reconnaît l'importance du développement durable dans tous les secteurs

industriels. Une mesure de cette reconnaissance repose au niveau de la valeur marchande des propriétés durables. À ce chapitre, deux cours de PPC ont été mis au point par l'U.C.-B. Le premier, le PPC 125 : Évaluation de bâtiments écologiques – l'évaluation d'édifices commerciaux durables, porte sur comment les questions écologiques contemporaines affectent les décisions dans le domaine de l'immobilier. Il décrit la conception architecturale et les pratiques de construction qui contribuent à la durabilité écologique d'un édifice, les normes internationales régissant l'évaluation des bâtiments écologiques, l'aspect commercial des investissements dans les bâtiments écologiques et si les caractéristiques écologiques augmentent la valeur marchande d'une propriété. Le deuxième cours, le PPC 126 intitulé Les bâtiments écologiques – Propriétés durables et à rendement énergétique efficace décrit les avantages d'une propriété durable et à rendement énergétique efficace. Le cours porte sur la construction et l'aménagement de bâtiments écologiques et les divers facteurs économiques, gouvernementaux et du marché à considérer. Ensemble, ces deux cours offrent une base solide à ce nouveau secteur de pratique et aideront les évaluateurs à mieux se préparer aux travaux d'évaluation de propriétés écologiques à mesure que croîtra la demande pour ce genre de travail au cours des années à venir.

D'autres secteurs de spécialité comme l'évaluation de la machinerie et de l'équipement ont des cours qui portent le même nom. Le PPC 118 porte sur les bases de l'évaluation de la machinerie, d'usines et d'équipement alors que le PPC 101 sert d'introduction à l'évaluation commerciale et illustre l'utilisation et l'application des principes de l'évaluation commerciale.

D'autres cours de PPC sont en développement. Très prochainement, un cours sur l'établissement et la gestion d'une entreprise immobilière, l'analyse de données exploratoires dans le secteur de l'immobilier et un cours sur la préparation de lettres d'engagement seront disponibles.

Suite à la page 18

*Continued from page 15.*


In addition to the courses provided through UBC, there are a number of other CPD credit-worthy seminars and courses available through AIC's provincial associations. Please be sure to check with the provincial association websites for further information.

It is important to remember that one or two CPD courses do not necessarily make you an expert in the field. Expertise in any area of practice requires both knowledge and skill acquired through formal education and practical experience. Care should be taken before promoting oneself as expert in any area of practice, including the core appraisal functions. For example, notwithstanding

their designation, appraisers who have not been involved in a particular area of practice for many years should not hold themselves out as expert in the field until such knowledge and skills have been adequately updated and refreshed. The same holds true for new skills acquired through CPD. Initially, new skills should be put into practice under the supervision of an acknowledged expert in the field before work is taken on independently.

In some cases, the acquisition of new skills may not make you expert, but can certainly help you work better with recognized experts in the field and assist you in team building when

taking on complex assignments. (*More on team building in a future article.*)

Finally, it is worth noting that AIC's professional liability insurance policy covers AIC members for those things that are in the *Standards* and that members have been trained to perform. Certain specialty areas, including areas addressed by UBC courses, may not be covered under the existing policy. Additional coverage may be required. When in doubt, contact a representative at Martin, Merry and Reid, AIC's insurance member services provider to find out. <http://www.aicanada.ca/cmsPage.aspx?id=100> 

*Suire de la page 17.*

En plus des cours offerts via l'U.C.-B., il existe un certain nombre de séminaires et cours donnant droit à des crédits et qui sont offerts par les associations provinciales de l'ICE. Assurez-vous de consulter leurs sites Web pour obtenir de plus amples renseignements.

Il importe de souligner que vous ne deviendrez pas nécessairement un expert en la matière en suivant un ou deux cours de PPC. L'expertise, peu importe le secteur de pratique, requiert des connaissances et des aptitudes acquises en suivant un programme pédagogique formel et un programme d'expérience pratique. Vous devez donc faire preuve de prudence avant de vous présenter comme expert dans un secteur de pratique, y compris les fonctions de base en évaluation. Par exemple, nonobstant leur titre, les évaluateurs qui n'ont pas pratiqué dans un secteur quelconque depuis quelques années ne devraient pas se présenter comme experts avant d'avoir suivi une forme quelconque de

**« Tel que mentionné précédemment, le perfectionnement professionnel continu ne doit pas être considéré uniquement comme une obligation mais plutôt comme une excellente occasion d'accroître nos perspectives de carrière. »**

recyclage. Cette règle s'applique également aux nouvelles aptitudes acquises dans le cadre du PPC. Au départ, ces nouvelles aptitudes doivent être appliquées sous la supervision d'un expert en la matière avant que les travaux ne soient entrepris sur une base individuelle.

Dans certains cas, l'acquisition de nouvelles aptitudes ne fera pas de vous un expert mais facilitera certes votre travail avec des experts en la matière et vous aidera à travailler en équipe lorsque les travaux sont plus complexes. *Je parlerai davantage du travail d'équipe dans un article ultérieur.*

En terminant, il mérite de souligner que la police d'assurance-responsabilité professionnelle de l'ICE couvre les membres de l'Institut pour ce qui est mentionné dans les normes et le travail qu'ils ont été formés pour faire. Certains secteurs de spécialité sur lesquels portent les cours de l'U.C.-B. peuvent ne pas être couverts par cette assurance. Une couverture additionnelle pourrait donc s'avérer nécessaire. Lorsqu'il y a doute, il est recommandé de communiquer avec le cabinet Martin, Merry et Reid, le souscripteur des services d'assurance aux membres de l'ICE. <http://www.aicanada.ca/cmsPage.aspx?id=100> 



# INTERNATIONAL **Valuation** CONGRESS 2009

*November 11-13, 2009*

Fiesta Americana Condesa Hotel  
**C a n c ú n , M e x i c o**



## **JOIN US!**

Join us for the International Valuation Congress in Cancún, Mexico and:

- Make new connections
- Gain fresh perspectives
- Attend Regional meetings and national programs

Come away with the tools you need to succeed in today's global marketplace!

[www.appraisalinstitute.org/ivc](http://www.appraisalinstitute.org/ivc)

Hosted by the Appraisal Institute (AI®) & Federation of Valuation Colleges, Institutes and Societies of the Mexican Republic, A.C. (FECISVAL).



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

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

Over the past decade, the Appraisal Institute of Canada (AIC) has embarked on an ambitious program to advance the profession, taking steps to enhance its professional studies curriculum, promote continuing professional development, expand the practice horizons of its members, and improve its professional practice model. The advice of clients, educators, government officials and legal experts from outside the profession has been invaluable in these endeavors.

The objective of the Institute's honorary designation program is to identify individuals who are ethically above reproach; publicly recognized as leaders in business, law, academia, and other professions; and who contribute to the AIC's advancement of the profile, respect, body of knowledge, and advocacy of the valuation profession. This honorary designation is with distinction, and comes with the expectation that these honoured and prominent individuals will play an important advisory role within the Institute and its committees, providing leadership and visibility that will assist in advancing our profession.

In 2008, 10 individuals were awarded the first ever honorary designations presented by the AIC. At the Institute's recently completed 2009 National Conference, two more influential individuals in Canada's real estate sector were selected to be recognized in this fashion.



## **Connie Fair, President and Chief Executive Officer, BC Assessment**

Connie Fair joined BC Assessment in 1993 as the Director of Policy, Audit and Legal Services. In 1999, she was appointed Executive Director of Corporate Services; in 2004, Executive Director of Assessment; in 2007, Executive Director of Business and Customer Services; and, in 2008, President and Chief Executive Officer.

Prior to joining BC Assessment, Connie worked as a real estate consultant and as Associate Director, Real Estate Division of the University of British Columbia, where she also taught at the Sauder School of Business. She obtained a Bachelor of Commerce Degree in 1984 and a Masters of Business Administration, majoring in Organizational Behaviour and Urban Land Economics, in 1988.

An accomplished author and speaker, Connie has been recognized as an expert in real property assessment and taxation and a leader of organizational change initiatives.

According to Connie, "I was overwhelmed at being honoured in this fashion by the Appraisal Institute of Canada, an organization that BC Assessment has always supported. We have encouraged our staff to become AIC members by covering membership fees and educational costs, and have encouraged them to serve on AIC committees. It is a matter of wanting our staff to be as professional as possible, and being involved with the AIC is certainly one of the best ways to achieve that goal.

"Education is absolutely vital in any profession and that is the strength of the relationship between BC Assessment and the AIC. I personally went the academic route in urban land economics and subsequently became an Associate Director with the UBC's Real Estate Division, where I was involved in authoring some of the material the AIC uses in its educational programs. I have a first-hand appreciation of the quality of UBC's education program and the role that the AIC plays in the education process.

"As is the case with every profession or industry, we are experiencing high turnover due to the baby boomers reaching retirement age. In fact, 30% of our staff has less than three years of experience. Fortunately, the people we are recruiting are so bright and well educated that, once they become accredited appraisers, they can most certainly fulfill the valuation profession's increasingly important and critical role. In today's high tech, informational world, people have access to all kinds of information, including modeling programs where they can determine a value. However, the key to the entire valuation process is in knowing what to do with that information in order to establish an honest and fair opinion of value.

"Even though it is not always the norm for assessment organizations, BC Assessment feels that it is absolutely critical to have accredited appraisers on staff in order to effectively carry out its job. Our staff must understand property valuation so that, when we talk to customers, we are not trying to explain a statistical model, but simply discussing market value through comparable sales.

"With our global economy, environmental issues (such as 'green' buildings), and incredible advancements in technology and communication, make it a fascinating and interesting time to be involved in the real estate profession. For example, at BC Assessment we now ensure we have specialized experts in specific markets throughout the province, so that we can offer province-wide

assessment support in the valuation of properties such as major hotels, shopping centres, big box retail and golf courses — one of our more popular choices. As well, we are currently exploring ways in which we can accurately collect inventory without physically visiting properties. We are trying out technologies like state-of-the-art geographical information systems (GIS), oblique image software (which can provide measurements down to the smallest increments), bird's eye ortho photos, street front photos, and many other remarkable innovations. It is a whole new method of efficiently and accurately bringing data to an appraiser, so that he or she can then add value to the information. We are actually in the process of developing and implementing a pilot project in Nanaimo that will allow us to evaluate and refine this process going forward."

"I certainly could not have predicted that I would spend most of my career in the assessment and valuation industry, but it has been a terrific journey with many interesting opportunities. To be recognized by the Appraisal Institute in this way is truly an honour and makes me thankful, once again, that I have been able to work alongside so many committed and exceptional valuation professionals in Canada."



**Jane Londerville, Associate Professor, Real Estate and Housing Advisor, University of Guelph**

Jane Londerville is an Associate Professor in the Department of Marketing and Consumer Studies in the University of Guelph's College of Management and Economics. Her teaching responsibilities include Real Estate Appraisal, Real Estate Finance, Property Management, and the capstone Real Estate and Housing project course. She is also the

Real Estate and Housing Advisor for students in the program. Jane's research interests include: big box retailing in rural communities, casino design effects on problem gambling behaviour, real estate market efficiency, housing tenure choice, mortgage backed securities pricing, real estate financing and valuation issues, real estate portfolio information, and property management.

Jane provides consulting services as a Senior Consultant with GGA Management Consultants and with DJL Consulting. She is also well published in academic journals. In addition to her academic and professional life, Jane is a volunteer chair of the Wellington-Guelph Housing Committee, a non-partisan

group of housing and service providers working to increase the supply of affordable housing in the City of Guelph and the Wellington County. She is also the first academic member of the AIC's Publications Sub-Committee.

"With many of my grads having gone into real estate appraisal careers, receiving an Honorary AACI from the Appraisal Institute of Canada makes me very proud," says Jane. "The designation will also mean a great deal to my students when I am encouraging them to take specific real estate courses or to pursue a career in the real estate industry.

"Throughout my teaching career at the University of Guelph, it has been very encouraging to see the strides being made in real estate education. For example, through collaboration with the University of British Columbia and the AIC, credit is now being given in the UBC program for some of the real estate courses in our program and we are encouraging a number of our students to take UBC online courses as electives. Many of our graduates do not go on to grad school, but they do tend to pursue professional designations such as the AACI, which is a great signal to potential employers. In that regard, I am very proud of the fact that organizations like Altus, AEC, the City of Calgary and BC Assessment all come to our campus to hire our graduates.

"During my teaching career, as well as in a previous life when I was a real estate consultant, the AIC has played an important role. From an education standpoint, the Institute has been very encouraging and receptive to our program and course development. Back when I was involved in doing receivership work on Crown Trust in the early 1980s it was clear that members of the Institute needed to be the watchdogs to prevent lending from getting out of hand by providing an objective point of view on value. A strong and independent Appraisal Institute of Canada that encourages training and education, supported by a strong set of ethical standards, is what keeps the industry on track.

"When the Institute asked me to serve on its Publications Sub-committee, I welcomed the opportunity. The experience has allowed me to interact with professionals in the field and to work with other volunteers who have a very strong desire to enhance the profession and make it the best it can be.

"As for going forward, I certainly plan to continue my involvement with the AIC to help us find instructors for our program and to get Institute input on how we can continue to keep our program relevant, so that graduates can eventually earn their AIC designations. I am also hopeful that we can pursue the possibility of having some of the post-graduate valuation certificate (PGVC) courses that are available online presented in the classroom here at Guelph. I believe there is a need to be filled where people can have personal interaction with instructors when working on the complex course material." 🌈

# AMC Task Force

# survey results

By Dan Wilson, AACI, P. App, member AMC Task Force

**In April 2009**, the AMC Task Force prepared and released a survey for Appraisal Institute of Canada (AIC) members. The survey was sent to 4,764 members of which 1,704 responded (36% response rate). **Over 1,000 responses were received in the first 24 hours of the survey.** This response rate is the highest ever received by the AIC and underscores the importance of the AMC issues with the general membership.

## What is an appraisal management company?

One of the first things the survey did was establish a firm basis or definition for an appraisal management company (AMC). Based on the survey results, the following definition has been noted by the AIC Board of Directors:

An appraisal management company (AMC) is a business entity that has been contracted by third parties (typically lenders) to manage the appraisal ordering and review process on their behalf.

*The AMC service replaces the in-house appraisal ordering and review process that the AMC's clients may have conducted on their own.*

## Who did we survey and why?

With respect to demographics, the survey targeted all AACIs, CRAs, Candidates and retired members and made no distinction for fee/non fee. This was done to garner the widest possible feedback from those active in the fee appraisal business and also from those who may have been doing fee work and recently changed positions or retired, as it was felt that they too had important feedback to provide.

## Who responded?

As indicated above, 1,704 members took the time to voice their concerns. Responses were received from every province in Canada, with the majority (78%) coming from BC, Alberta and Ontario. This is not surprising given the membership totals in these provinces. Ontario had the highest response rate at 35.9% of total responses.

Overwhelmingly, the highest number of responses came from the larger urban centres (i.e., populations of 100,000 or more).

There was balanced response representation by designation, with CRAs accounting for approximately 37% of the respondents, AACIs accounting for 34%, and Candidates accounting for the balance.

Of those in private practice, the majority of respondents work in offices of less than five people (56.2%) and, in those small offices, 84.3% of staff hold a designation.

## How are you retained (i.e., by contract or by quote)?

The survey identified that our members are working for AMCs either on a quote basis for individual assignments or under a contract to provide services.

45% of respondents reported that they had already entered into a contract with an AMC. As a follow up question the survey asked **'would you ever consider entering into an AMC contract?'** Responses were 56.8% affirmative and 42.7% negative.

Of those that had already entered into a contract, 66% reported that the AMC had set the terms of the contract and the majority (58%) of respondents were approached directly by the AMC to enter into the contract.

## What are the issues?

### Fees, Fees, Fees...

Not surprisingly, the survey indicated that the top concern of members in dealing with AMCs is the effect that these organizations are having on appraisal fees. This is also the #1 concern expressed in emails the Task Force receives from members. Concerns about fees are followed relatively closely by concerns over a fair distribution of workloads, lack of contact with banks, receiving full information from clients, and the time logs associated with AMC work.

### Top five concerns in working with AMCs, as reported by AIC members in the survey:

1. Fees	78.9%
2. Fair distribution of work	64.8%
3. Contact with bank	61.9%
4. Full information from client	60.5%
5. Time logs	58.8%

## Delving deeper into the appraisal fee issue

the survey indicated that, of those who actively work for AMCs, 58% of respondents report being on **both** a fee schedule and fee quote arrangement with AMCs.

The task force survey then looked at **what effect members felt AMCs were having on appraisal fees.** The response is somewhat surprising in that 55% of respondents report that AMCs have had a negative affect on the fees charged, while 41.6% reported that AMCs are having no effect at all. However, only 3.4% reported that AMCs have had a positive effect on fees.



<http://www.aicanada.ca/cmsPage.aspx?id=263>

Prior to the session, the AMC Task Force met with representatives of Nationwide Appraisal Services, Solidifi, Centract Settlement Services and FNF. A good dialogue was opened and the committee is optimistic that this will lead to further discussions between the AIC and these major corporations.

The next step for the Task Force is to delve deeper into the results of the survey and to make specific recommendations to the AIC Board of Directors regarding possible courses of action. The member concerns and results voiced in the survey and directly to the Task Force members are being compiled and will be presented to the AIC Board of Directors for their consideration. 🇨🇦

#### AMC Task Force

George Ward, AACI, P. App – Chair  
 Dino Giuliani, AACI, P. App  
 Richard Graves, CRA  
 Paula Malcolm-Schaller, CRA  
 Tony Miraglia, CRA  
 Dan Wilson, AACI, P. App  
 To contact the Task Force email:  
[AMC\\_Taskforce@aicanada.ca](mailto:AMC_Taskforce@aicanada.ca)

### Who are the big players?

The survey also asked members to consider which of the management companies are having the greatest impact on appraisal fees. As there are only a handful of AMCs actively working in Canada at this point, the results are not entirely surprising and are summarized as follows:

**Organizations which have had the greatest affect on fees, as reported by AIC members** (note: the survey question specified neither a positive nor negative affect):

1. Nationwide Appraisal Services (NAS) 30.2% of respondents
2. Centract Settlement Services 29.4%
3. Solidifi 23.2%
4. FnF 12.4%

### What about business practice concerns?

The Task Force has also received several concerns from members about issues related to business practices and the survey addressed this issue. Survey respondents reported the following business practice concerns:

#### Top five business practice concerns

1. Feel pressure to complete reports in very little time 81.7%
2. Feel that AMCs are monopolizing the market 81.4%
3. Feel pressured to accept a lesser fee 78.1%
4. Missed opportunities for an appraisal assignment because you do not respond quickly enough to an offer 76.4%
5. Experience increased administrative requirements in response to an AMC's need for updates and/or file progress reports 75.3%

### Are there other threats to the residential business?

While management companies top the list of perceived threats to business for our members, they are not the only concerns. Members also reported that EMILI and AVMs continue to compete with conventional appraisals.

This is followed by concerns over our own members' report quality and competition from other appraisal organizations.

#### Top threats to business practice, as reported by respondents

1. AMCs 73.1%
2. EMILI 60.4%
3. AVMs 54.0%
4. Report quality 44.6%
5. Other appraisal organizations 42.9%

### Looking forward

We then asked how the respondents foresee AMCs affecting the appraisal business in the future? Looking into the future of residential appraisal, fees and control over their own destiny top member concerns. This is followed closely by concerns over the quality of reports in general.

**70% of respondents foresee AMCs negatively affecting fees in the future.**  
**75% of respondents feel that they will have less control over the amount of work that they receive now or will receive in the future.**

### What are the next steps?

The Task Force mandate is to investigate the entire AMC issue, clarify what the AIC can and cannot change, make a request/report to the Board, and communicate information to the members.

Representatives from the four largest AMCs were invited to attend the National Conference in Mont. Tremblant in May 2009. They conducted a seminar followed by a Q & A panel that was well attended by conference participants. A summary of the session is available on the AIC e-library web site

# Primer on International Valuation Standards – Part 4

In previous articles dealing with International Valuation Standards (IVS), a brief summary of the content and makeup of the 2007 Edition was presented (Part 1). The next article provided a brief comparison between Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) and IVS as each deals with market value basis for appraising (Part 2). The third installment provided a refresher course on generally accepted valuation principles (GAVP) and identified the various property types covered in IVS. (Part 3). This article will briefly summarize **IVS 1 – Market Value Basis of Valuation and IVS 2 – Basis Other Than Market Value.**

## IVS 1 – MARKET VALUE BASIS OF VALUATION

The introduction of this section of IVS provides the following definition of market value as being “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”<sup>1</sup>

This very definition appears in *Canadian Uniform Standards of Appraisal Practice (CUSPAP)* in the Practice Notes at 12.16.3. However, IVS goes on to discuss in detail various words or phrases contained within this definition. Such as ‘the estimated amount. . .’, ‘a property should exchange. . .’, ‘on the date of valuation. . .’, ‘a willing buyer. . .’, etc. This discussion clarifies these important concepts that form part of the definition. For example, the ‘willing buyer’ is referred to as one who is motivated, but not compelled to buy; one that is not over-eager nor determined to buy at any price; one who purchases in accordance with the realities on

the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. While this explanation may be obvious to a professional appraiser, similar discussions appear throughout IVS and provide an excellent resource that can assist our members in understanding various valuation concepts. These discussions also contain verbiage an appraiser can use to assist the reader of a report in understanding these same concepts.

The *Statement of Standard* provides rules that an appraiser must adhere to when performing a market value appraisal. As previously pointed out, these rules are not unfamiliar. *CUSPAP Appraisal Standard Rules* and *IVS-1* basically mirror each other. Indeed, in the *IVS-1 Statement of Standard*, it appears that the only major difference from *CUSPAP* is the certification statement. In *IVS* ‘certification’ is referred to as ‘compliance.’ In order to adhere to *IVS-1* when performing an appraisal for financial accounting purposes, an appraiser must include a certification statement, which includes the following:

*“My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and the International Valuation Standards;”*

## IVS 2 – BASIS OTHER THAN MARKET VALUE

The objective of *IVS-2* is to identify, explain and distinguish bases of valuation other than market value and establish standards for their application. Alternative valuation basis may be appropriate in specific circumstances and *IVS-2* provides the distinctions between market value

and these various other valuation bases which generally require different assumptions, which, if not clearly identified, may result in a misinterpretation of the valuation.

These other valuation bases fall into three principle categories.

The first category reflects the benefits that an entity enjoys from ownership of an asset. The value is specific to that entity. Although, under some circumstances, it may be the same as the amount that could be realized from the sale of the asset, this value essentially reflects the benefits received by holding the asset, and, therefore, does not necessarily involve a hypothetical exchange. Investment value falls under this category. Differences between the value of an asset to a particular entity and the market value provide the motivation for buyers or sellers to enter the marketplace.

The second category represents the price that would be reasonably agreed between two specific parties for the exchange of an asset. Although the parties may be unconnected and have negotiated at arm’s length, the asset is not necessarily exposed in the wider market and the price agreed may be one that reflects the specific advantages (or disadvantages) of ownership to the parties involved rather than the market at large. This category includes fair value, special value and synergistic value.

The third category is value determined in accordance with a definition set out in a statute or a contract.<sup>2</sup> It is worthwhile to expand on these concepts in order to be able to distinguish them from market value.

**Fair value:** The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s-length transaction.

For most purposes, valuations under *Interna-*



tional Financial Reporting Standards (IFRS) require the use of fair value. This is a specific application of fair value that may require more restrictive assumptions than are required in general use.

A common application of *Fair Value* is for assessing the price that is fair for the shareholder in a business, where particular synergies between two specific parties may mean that the price that is fair between them is different from the price that might be obtainable in the wider market.

**Investment value:** The value of a property to a particular investor, or class of investors, for identified investment or operational objectives. This subjective concept relates a specific property to a specific investor, group of investors, or entity with identifiable investment objectives and/or criteria.

**Special purchaser:** A purchaser to whom a particular asset has *Special Value* because of advantages arising from its ownership that would not be available to general purchasers in the market.

**Special value:** An amount above the *Market Value* that reflects particular attributes of an asset that are only of value to a *Special Purchaser*. Such *attributes* can include the physical, geographical, economic or legal characteristics of an asset. *Market Value* requires the disregard of any element of *Special Value* because at any given date it is only assumed that there is a willing buyer, not a particular willing buyer.

**Synergistic value:** An additional element of value created by the combination of two or more interests where the value of the combined interest is worth more than the sum of the original interests.<sup>3</sup>

**Going concern:** This describes a situation where an entire business is transferred as an operational entity.

**Liquidation value:** This describes a situation where a group of assets employed together in a business are offered for sale separately, usually following the closure of the business.

**Salvage value:** This describes the value of an asset that has reached the end of its economic life for the purpose it was made. The asset may still have value for an alternative use for recycling.

In today's economic climate, appraisers are often faced with providing appraisals for 'power of sale' or 'forced sale' proceedings. *IVS* contains some valuable insight which is worth repeating. The term 'forced sale' is often used in circumstances where a seller is under compulsion to sell and/or a proper marketing period is not available. The prices obtainable in these circumstances may not meet the definition of market value. It will depend upon the nature of the pressure on the seller or the reasons why proper marketing cannot be undertaken. It may also reflect the consequences for the seller of failing to sell within a specified period. Unless the nature of, and reason for, the constraints on the vendor are known, the price obtainable in a forced sale will reflect its particular circumstances, rather than those of the hypothetical willing seller in the market value definition. The price obtainable in a forced sale will bear only a coincidental relationship to market value, or any of the other bases defined in *IVS-2*. 'Forced sale' is not a basis of valuation. It is a description of the situation under which a transfer takes place, not a distinct measurement objective.<sup>4</sup>

As with *IVS-1*, in addition to a 'compliance' or 'certification' statement that acknowledges conformity to *IVS*, there are certain disclosure requirements that are required over and above the requirements of *CUSPAP*. For example, an in-house appraiser (or internal valuer) must, within the report, disclose the existence and nature of the relationship between the internal valuer and the entity controlling the asset.

It is important to recognize that *CUSPAP Appraisal Standard Rule 6.2.3* requires that "an appraiser must identify the purpose of the assignment, including a relevant definition of value." The comments go on to require that the appraiser must identify the source of the definition. In other words, *CUSPAP* does not require a definition of market value, just value. So, depending on the assignment, *IVS* can be referenced for a valuation basis and related appropriate value definitions, other than market value. 📄

### End notes

- 1 *IVS*, 8th Edition – Standard 1
- 2 International Valuation Standards (*IVS*) – 8th Edition – *IVS-2* Discussion
- 3 International Valuation Standards (*IVS*) – 8th Edition – *IVS-2*
- 4 International Valuation Standards (*IVS*) – 8th Edition – *IVS-2* 6.11

### International Valuation Standards Sub Committee

Raymond Bower, AACI, P. App – Chair  
Larry Dybvig, AACI, P. App  
David Jenkins, AACI, P. App  
Louis Poirier, AACI, P. App  
Brad Wagar, AACI, P. App  
Paul Olscamp, AACI, P. App, Fellow  
George Ward, AACI, P. App  
To contact this committee email:  
[standards@aicanada.ca](mailto:standards@aicanada.ca)

# The value of a complaint

The aim of this article is not to consider the cost of maintaining a professional practice process to adjudicate complaints about a member's appraisal and business services, as that is the least the Appraisal Institute of Canada (AIC) is required to do as a self-governing body of professional appraisers. My aim is to articulate a view on the appropriateness of members complaining about their peers.

Before I proceed, it should be understood that the Institute will dismiss any complaints deemed to be frivolous, if they appear to have been lodged in order to gain a competitive advantage, or if they are otherwise improper. Therefore, members should not be concerned if they are the subject of such a complaint. In addition, they must understand that even these types of complaints require time for response from AIC.

Each year, formal complaints affect an average of about 2% of the membership. In 2008, 40% of these formal complaints originated from AIC members. Contrast that with an average 11% of member complaints against members to State regulatory bodies in the US.

At my Chapter, the Counsellor, Professional Practice facilitated a discussion of when it is appropriate to complain against a peer. The discussion ranged from never, to having a professional obligation to do so. In the end, there was a consensus that something in the middle ground was appropriate. That is, the issue has to be sufficiently serious to warrant a formal professional practice investigation based on sound

*“By proceeding in this cautious manner, we all benefit and the value of your designation is elevated.”*

reasoning that you can and should provide.

However, there was also consensus that, before you proceed with a complaint, professional courtesy suggests that you contact the member and discuss the concerns you might have, to at least alert that member that there appears to be something amiss. Depending on the circumstances of how you came into possession of someone else's appraisal, you should always discuss with your client that you believe the report may warrant submitting a formal complaint and seek their instructions.

I can say that, if one of my fellow appraisers believes that something appears offside in one of my reports, I would appreciate a call from him or her before the report is sent off to the Institute. Sometimes, there are circumstances that may account for deficiencies in our report.

As well, there are days when you may find yourself in possession of a fraudulent appraisal report. By contacting the appraiser, it can be quickly identified and preventative measures taken to minimize risk and liability.

*“There was also consensus that, before you proceed with a complaint, professional courtesy suggests that you contact the member and discuss the concerns you might have.”*

You may choose to avoid a difficult conversation, and that is one reason why the Institute created a full-time Counsellor, Professional Practice position. In the end, the value of a complaint lies in the betterment of the profession; for the individual, it is a learning process, and discipline sometimes results. As a professional, I can learn from my own mistakes only when they are brought to my attention, and, as a profession, we can improve the education process and identify trends when complaints are submitted. We also learn from the mistakes of others. In this vein, reviewing the case summaries and the peer review summaries available on the website can be helpful (<http://www.aicanada.ca/cmsPage.aspx?id=266>).

It is hoped that each time you contemplate “should I submit a complaint,” you reflect on the ultimate value of that complaint, what you hope can be achieved and, most importantly, how you would react if the complaint were lodged against you. By proceeding in this cautious manner, we all benefit and the value of your designation is elevated. 🌈

## Professional Affairs Coordinating Committee

Grant Uba, AACI, P. App – Chair  
President Elect

John Ingram, AACI, P. App  
Chair Adjudicating Committee

Leonard Lee, AACI, P. App  
Chair Appeal Committee

Darrell Thorvaldson, AACI, P. App  
Co-Chair Investigating Committee

Sheldon Rajesky, AACI, P. App  
Co-Chair Investigating Committee

Brian Varner, AACI, P. App  
Chair Standards Committee

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

# Professional practice process primarily aims to educate

By way of introduction, Darrell Thorvaldson and I were appointed Co-Chairs of the Investigating Committee in June 2009. I have served on the Investigating Committee for four years and have had the benefit of having been mentored, first by Dave Gabruch and then John Hutchinson. I intend to take the experiences gained from these gentlemen into my new role and I look forward to working with Darrell and the rest of our dedicated volunteer investigators.

With over 30 years in the appraisal profession, I have found that, by and large, my peers take great pride in their work and do their best to conduct themselves as professionals and uphold our standards. Still, once our reports leave our offices, we never know where they may end up and, certainly, they are subject to scrutiny, particularly when a party may not be happy with the result. It is important to bear in mind that anyone can lodge a complaint against us. The most common complaints appear to be from spouses at the short end of a marital settlement, mortgagors who did not get their mortgages approved, and lenders who have relied on the appraisal, but have suffered a loss on their investment. Numerous complaints also seem to come from other appraisers. The complainant does not necessarily have to be our client, but once a complaint is lodged, it is incumbent upon us to investigate the matter regardless of its origin.

Should a complaint be launched against you, that, in itself, does not mean that you have done anything wrong. While our heart rate undoubtedly goes up when we see that letter from the Appraisal Institute of Canada (AIC), it is important to keep your perspective and remember that

the mandate of the AIC Professional Practice process is, first, to educate our membership, and, second, to apportion discipline when necessary. If you should be the recipient of a complaint, the best advice that I can offer is to co-operate to the best of your ability with the Investigating Committee and allow the process to run its course.


When a complaint is received by AIC, the matter is first reviewed by Robert Patchett, the Counsellor Professional Practice. If the Counsellor determines that there is no merit to the complaint, the complainant is so notified and the file is closed. You would likely be advised of the inquiry and offered some advice should the matter arise in the future.

In other instances, the Counsellor may determine that there may be some *CUSPAP* infractions, but they are of a relatively minor nature. In those instances, the matter is referred to one of our two advocates, Michael Lee or Doug Rundell. It is the mandate of the advocate to work with the member toward the goal of reaching a timely resolution to the complaint.

Finally, the Counsellor may determine that the allegations warrant further investigation for a variety of reasons. In those instances, the file is delegated to a member of the Investigating Committee.

If one of your reports is deemed to fall into this latter category, in most instances, you will be asked to submit a true copy of your appraisal and a copy of your work file. Your work file should be complete and include all documentation from the onset of the assignment, including the order form, all notes, photographs, and the data relied upon. Not only is this good business practice, it is

much easier to remember details and support your position if you have a paper trail. Failure to maintain a proper work file may also find you in violation of *Ethical Standard Rule 4.2.9*. Upon our review of the data, an investigator will likely contact you directly by telephone or through written correspondence in order to ask questions which allow the investigator to best complete his/her function. Should the investigator determine that the infractions are serious, sanctions and recovery of our costs may be recommended. Of course, you have the option of having the matter heard before the Adjudicating Committee, subsequent to which you have the right of an Appeal Hearing.

In the end, should AIC members become the subject of a complaint, it is best that we leave our egos at the door and recognize that we play an important role in the investigative process. Working co-operatively within this process benefits all of us. Hopefully, we will all continue striving to uphold ourselves as true professionals, which, in the end, will mean less time required to complete an investigation and overall promptness in seeing the matter to its conclusion. 

## Investigating Committee

Sheldon Rajesky, AACI, P. App — Co-Chair  
Darrell Thorvaldson, AACI, P. App — Co-Chair  
Doyle Childs, AACI, P. App  
Gerry Gehlen, AACI, P. App  
Stan Jugovic, AACI, P. App  
Mike Schulkowsky, AACI, P. App  
To contact this committee, email:  
[investigating@aicanada.ca](mailto:investigating@aicanada.ca)

# Excuses, excuses

Previous articles written by members of the Adjudicating Committee (John Ingram, AACI and Michael Wootton, AACI) highlighted a number of common issues in reports arriving before the Adjudicating Committee (AC).

For this article, we thought it might be useful to discuss some of the reasons/excuses members being investigated have offered to the AC. It may help you to know that we have heard it before and, better yet, it may help you prevent the errors which led other members to the point where they needed to make these excuses.

1. ***I cannot produce my report or my file because it was stolen.*** It is amazing how many offices are broken into and the thief steals just one file. And there is generally a computer failure about the same time, so the report in question cannot be duplicated electronically. Keep copies of your reports safe with back-up offsite. Lack of a comprehensive work file will also hinder any defence in the event of an insurance claim.
2. ***"The computer" fills in that data and it (the computer presumably) was wrong.*** Accept it – you signed the report and you are responsible. Check your report. Proofreading a report is important, particularly for a co-signer.
3. ***Someone else put my signature on the report without my knowledge.*** It is your responsibility to protect your signature, letterhead, reputation and credibility.
4. ***My client really needed to get more money for this property.*** Some of us think it is our job to advocate for our client's position. It is not.
5. ***He/she no longer works for my company.*** At least this statement indicates that current work product may be better than the report(s) in front of the committee.

Nonetheless, if you signed the report as the review appraiser, you are responsible for the contents of that report.

6. ***They told me the renovations would be completed by the end of the week. Therefore, I did not point out in the report that, on the day I looked at the house, there was no carpet or floor covering and the windows were not in.*** If the appraisal is based on the improvements being complete, then either state that the value is hypothetical based on the extraordinary assumption of completion, or make sure the improvements are complete before you issue the report.
7. ***The banker who is complaining about me wanted a high number so he/she could get the deal done.*** Again, that is not your job. If you have clients, be they bankers, brokers or owners, who push you to values above what you have determined as appropriate, you should think about cultivating new clientele.
8. ***The broker did not tell me this bank was going to see the report.*** Once the report leaves your hands, you cannot control who gets it; make sure you are proud of the report and willing to defend it to anyone.
9. ***The guy complaining about me is my competitor and he is just full of sour grapes.*** If your report is professionally completed in accordance with *CUSPAP*, then a complaint based on 'sour grapes' or other bad feelings should not result in any harm to you. The Appraisal Institute of Canada (AIC) professional practice process will recognize a frivolous complaint and address it accordingly. The same applies if you are confronted by an upset consumer, threatened or intimidated with a complaint. In this instance, you should provide the AIC web link and phone numbers. If you have provided a quality professional report,

the investigation will recognize that and you will not find yourself in front of the AC, particularly if you have fully cooperated with the professional practice committees.

10. ***I issued the second report because I made a mistake in the first one.*** If you or your client find an error and you want to correct the error by issuing a revised report, then get the original report back. Issue the revised report only with a cover letter and a very clear notation on the revised report that this second report supersedes the prior report dated \_\_\_\_\_, 2009. DO NOT have two identical reports with different conclusions in circulation.

The reasons for a member appearing in front of the AC are many. The best advice we can give you is to cooperate – be open, honest and forthcoming. If you are not at fault, we will recognize that. If you are at fault, tell us what you have done to prevent coming before us in the future. The members of the professional practice committees want to see our members get better at what they do, so that members, clients and the general public will increasingly learn to respect appraisers and their work. The process of being investigated is not pleasant, but it need not be adversarial or damaging to your reputation, if you cooperate and learn from the experience. 🇨🇦

## Adjudicating Committee

John Ingram, AACI, P. App – Chair  
 Pat Cooper, AACI, P. App  
 Peter Lawrek, AACI, P. App  
 Kenneth Smith, AACI, P. App  
 Michael Wootton, AACI, P. App  
 Vesa Jarvela, AACI, P. App  
 To contact this committee, email [adjudicating@aicanada.ca](mailto:adjudicating@aicanada.ca)

# The Advocate's role

A number of changes have taken place within the Appraisal Institute of Canada (AIC) professional practice program over the past year, one of which was the introduction of a new volunteer position known as the Professional Practice Advocate. There are currently two Advocates – myself and Doug Rundell, an AACI who hails from Victoria, BC. Doug brings a great deal of experience to this position, as a Past President of the AIC and BC Assessment's former CEO and Assessment Commissioner.

The position of Advocate was created as part of an ongoing process to improve the interaction between the AIC and its members. The Institute is looking to create a more fair and open complaint process and subsequent follow through for both the complainant and our members. The goal is to have the complaint procedure become more of a learning process for the members and be less punitive. The current mandate for all those involved in the complaint procedure is to, whenever possible, guide and assist members to become better appraisers. For instance, if a valid complaint is received against a member and this is the first time a complaint has been lodged concerning this particular member, a much more lenient stand may be taken depending on the seriousness. However, if the complaint against the member is based on an ethical issue or the member has been through the process before, then the approach to that particular member may be much more severe.

All complaints made to the AIC about members go to Robert Patchett, the Counsellor, Professional Practice. The Counsellor reviews the complaint and, if he feels it has substance, he will deal with the file in one of three ways, depending on the nature and severity of the complaint. The Counsellor will either resolve the complaint himself, hand the file over to the Advocate, or

*“The Institute is looking to create a more fair and open complaint process and subsequent follow through for both the complainant and our members.”*

refer the file to the Investigating Committee (IC). The IC will investigate the complaint and, if the complaint is found to be valid, it will be dealt with by the chair of the IC or referred to the Advocate.

Remember, the AIC does not mediate value related issues. If it is the opinion of the Counsellor, Professional Practice that it is a value related complaint, the Counsellor will outline AIC's policy to the complainant and close the file.

When the Advocate reviews the complaint file, he can decide that the conduct of the member deserves either a Practice Sanction or Conduct Sanction, or that the complaint should be dismissed.


Practice Sanctions are designed to deal with technical or less serious mistakes. They are imposed for things such as invalid insurance, improper registration in the co-signor register, improper registration in the fee/non-fee category, technical appraisal related errors, and certain minor ethical violations. In the case of a Practice Sanction, the advocate can:

- provide advice to the member,
- direct the member to take action,
- direct the member to peer review,
- direct the member to attend seminars or courses,

- recommend mediation between the complainant and the member,
- impose a fine, and/or
- place a reprimand on the member's record in the national professional practice database.

Conduct Sanctions deal with more serious issues and will be imposed for things such as gross incompetence, multiple complaints, serious violations, ethical violations, non-cooperation and improper submission of a complaint. In the case of a Conduct Sanction, the Advocate can recommend any of the Practice Sanctions, and any one or more of the following:

- censure,
- suspension, or
- expulsion.

Over the past year, the files Doug and I have reviewed have been dealt with by varied means, ranging from closing the file to suspension. When we receive a file, we will review the background comments and recommendations that we have received from either the Counsellor, Professional Practice or the investigator from the IC. Following the file review, we will contact the member and discuss the problem. We have been able to resolve a number of files this way, often bypassing the time-consuming and stressful necessity for the member to appear before an Adjudicating Hearing. Unfortunately, not all files have been settled to the mutual satisfaction of both parties and Doug and I have files that will appear before the AC. In spite of this, I think that, generally speaking, AIC's professional practice program is taking positive action toward a process that will be much more educational than punitive. 

## Professional Practice Advocates

Michael Lee, AACI, P. App  
 Doug Rundell, AACI, P. App, Fellow  
[advocate@aicanada.ca](mailto:advocate@aicanada.ca)

# Inside the mind of a peer reviewer

The Appraisal Institute of Canada (AIC) Peer Review Pilot Project began in 2008, and was limited to review of residential appraisals. Now extended to December 2011, it is expanding to include commercial appraisals.

Most of us are familiar with the peer review process for academic papers, but how does peer review work for appraisers?

Peer Review is “a system using reviewers who are professional equals; a process used for checking the work performed by one’s equals (peers) to ensure it meets specific criteria.” In the case of appraisers, the specific criteria are found in The Appraisal Standard of CUSPAP (*The Canadian Uniform Standards of Professional Appraisal Practice*). The goals of peer review are “to verify whether the work satisfied the specifications for review, to identify any deviations from the standards, and to provide suggestions for improvements.”

The first definition was posted on a continuing medical education website, and the second on a software quality site – demonstrating that peer review is practiced in a variety of professions.

AIC Peer Review is educationally based, intended to provide members with constructive criticism in a safe learning environment, and is completely independent from professional practice investigation and the mandatory insurance program. Professional practice committees may refer a complaint to Peer Review if no conduct sanction is warranted. A member consenting to Peer Review can be confident that the review will not be part of the professional practice investigation record.

The member will receive a written critique of the appraisal report, along with suggestions for avoiding such problems in the future, and will have the opportunity to discuss the report and subsequent review with the peer reviewer.

A reviewer may suggest further training, an

article or book that may be helpful, or changes to the member’s practice in terms of research or data verification.

## How does AIC ensure consistency in the review process?

Potential reviewers complete UBC CPD 115 *Appraisal Review*, write a one-page memo outlining their reasons for volunteering, provide a work product sample, and participate in a one-day training session. Reviews are conducted on standard forms – a comprehensive checklist for CUSPAP compliance, format and presentation, and an executive summary describing each issue, explaining repercussions, and describing ways to avoid the problem. Reviewers are guided by a *Peer Review Manual* and *Peer Review Guidelines*.

So, what is the mindset of peer reviewers? Why would they volunteer? And how do they see the process?


Personally, I volunteered because I see it as a way I can work with and encourage other members, while continuing to keep my own skills sharp. Being a sole practitioner, it is important for me to keep current, and I see the peer review function as both a teaching and a learning experience. Reviews I have completed have reinforced the need to verify information, check for consistency, accuracy and logic, and make sure appraisal software is CUSPAP-compliant. I review my own reports more carefully now.

Reviewer Stan Katchen, AACI, P. App, offers the following insights:

“This is a service which has been a long time coming, and should help members to better represent themselves and their practices. If you have trouble explaining your report to a peer, who understands appraisal theory and practice, you will probably have trouble explaining it to a client or the ‘other side’ in litigation.”

Stan sees the peer reviewer’s job as “helping you take that little extra time to get it right in the future, so that, even though there may be questions and irate clients, the member will be able to logically explain the actions taken and conclusions reached.”

Linda Hastings, AACI, P. App, Chair of the Peer Review Pilot Committee, has experienced both sides of the peer review program offered by the BC association. She submitted a complex report for review and incorporated the reviewer’s suggestions in subsequent reports. As a reviewer herself, Linda reviewed residential reports for an appraiser who was employed by an appraisal company, but “wanted a third set of eyes to review her work.” Linda describes it as “a sharing of ideas” – discussing the review by phone and email.

In conclusion, the mindset of the peer reviewer is to review the report, rather than the appraiser; to critique, not criticize; to encourage a two-way learning process. 

## End notes

- 1 [http://cme.med.nyu.edu/files/libra/u4/1001\\_776\\_Glossary\\_of\\_Terms](http://cme.med.nyu.edu/files/libra/u4/1001_776_Glossary_of_Terms) 2009-07-08
- 2 <http://searchsoftwarequality.techtarget.com/sDefinition/> 2009-07-08
- 3 *Peer Review Guidelines, Appraisal Institute of Canada, Ottawa, Ontario, June 9, 2009 p.2*

## Adhoc Committee on Peer Review

Linda Hastings, AACI, P. App – Chair  
 Mike Garcelon, AACI, P. App  
 Cherie Gaudet, CRA  
 Gerald McCoombs, AACI, P. App  
 Bob Stewart, AACI, P. App  
 Greg Bennett, AACI, P. App  
 To contact this committee, email:  
[peerreview@aicanada.ca](mailto:peerreview@aicanada.ca)

# Expanding your CRA 'book of business'

For as long as I can remember in the residential fee appraisal field, there has been an urban myth that the vast majority of work we do will dry up and fade away. First, it was because of the dreaded Automated Valuation Models (AVMs), those mathematical risk management computer programs that lenders use as a way to cut costs and increase efficiencies by reducing the requirements for a full appraisal. The AVMs have been around for a few years, yet most residential appraisers are still doing the simple mortgage appraisal. They may not be doing as many today as in the past, however, when appraisers receive calls for them, they are typically for difficult properties that do not fit the AVM parameters. Maybe it is time to reconsider your fees.

Move forward a few years and we see the arrival of the Appraisal Management Company (AMC) in the Canadian marketplace. What have they done to your business besides add pressure to lower fees and establish how quickly the appraisal must be done? Is there still value in maintaining your relationship with your local banker or mortgage broker? Why have we given up contact with these people after already spending considerable effort in building a relationship?

For the most part, the lenders prefer working with the AMCs because they have one point of contact for all of their appraisal requirements and they have to write only one monthly cheque. Despite this, many lenders still have the option of choosing which appraiser is selected for the assignment.

So, what can a CRA do? Well, there are more opportunities out there than most of us can imagine. This article explores a few of the existing opportunities for appraisal services that a CRA can provide; all of which are within your scope of practice.

## • Estate settlement services

It is a fact of life that we will all die. If we own a property when this happens, it becomes part of the estate. As such, its value must be determined

and guess who gets to determine that value? A CRA does. As they get older, many seniors do tax planning to prepare for their eventual death. Lawyers and financial planners are both good contacts for this type of work. The lawyers and financial planners as well as accountants may be able to send work your way in situations relating to capital gains taxes in an estate or an estate freeze.

## • Family law – marriage and divorce

Many appraisers I know do extensive work for divorce lawyers. When couples split, they either sell the property or one side buys out the other. Partnership splits are very similar to divorces. Second marriages frequently have marriage or co-habitation agreements. These situations often call for an up front appraisal before the marriage or partnership takes place, if one or both parties own property. It is much easier to arrive at a current market value than a retrospective valuation from 10 or more years ago. After testifying in court to assist a judge in understanding the valuation, you may decide you enjoy the role and status of being an expert witness.

## • Relocation

Employee relocation benefits often include guarantees for home sales. These require a valuation and are another good source of business although, admittedly, there is more opportunity for this in large urban centres where government employees and major employers are located. Make contact with the relocation companies that manage these benefits for employers. It is also more likely that you will do this type of work if you get placed on a list of appraisers through federal or provincial service sites such as MERX.

## • Property tax assessment


Assessment appeals can also be a steady stream of specialized work. This may be more true today in a declining market, where assessed values are at the high-water value mark of last year for property tax purposes. Study and learn about the assessment appeal process and add this to your list of services.

## • Valuation for insurance

Have you thought of partnering with a high-end custom home builder? Determine the cost of construction and high-value features included in luxury homes to get a handle on costing these properties. While Marshall & Swift is helpful, this must be tempered with local contractor rates. This requires a specialized knowledge of the cost approach applicable for new construction. This is also an opportunity for repeat business. Speak with insurance brokers about their property valuation requirements.

## • Bankruptcies

In these current economic times, bankruptcies are on the rise. Establish a relationship with the bankruptcy trustees in your area. They always need the services of an appraiser. In some provinces, the courts have held that only AACI or CRA designated appraisers may perform this service.

The opportunities are only limited by your imagination. It is time to stop competing with commercial appraisers for commercial assignments, and time to expand and specialize within an established and highly regarded residential designation, the CRA. Remember that all of this work allows for higher fees than regular mortgage work and, generally, the time to complete an assignment will not be 24 hours. Do not be afraid to expand outside your current sandbox. 

## CRA Focus

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

# Why I matter



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

**A**t first blush, it is difficult to distinguish the difference between the individual and the post he or she occupies. My goal is not to talk about myself and the skills that I bring to the post, as well as what I have learned since joining the Appraisal Institute of Canada (AIC) in 2005; rather, I would prefer to have an objective discussion about why the post of Counsellor, Professional Practice matters to you.

The post has been in existence even before the AIC office moved from Winnipeg to Ottawa. The incumbent is assigned responsibilities to receive complaints and to support the administration of the professional practice committees. This single focal point provides a

venue for consumers to contact the AIC to inquire about appraisal standards, appropriate conduct and other matters of concern. The Counsellor provides advice to the consumer on how to address concerns with the member, and on the limits of what the Institute could do to assist him or her in achieving a resolution. Not every inquiry leads to a formal complaint. In fact, formal complaints were reduced by almost 50% per year with the advent of a full-time Counsellor.

This dialogue also extends to AIC members. The Counsellor works with the consumer and the appraiser to defuse intractable positions, to find a common ground and to resolve issues. Members can, should, and many do contact the Counsel-

lor for advice and guidance on how to deal with difficult situations. All of this has had the dramatic effect of reducing formal complaints and raising the level of professionalism and public confidence in the Institute's capacity to regulate its membership in a fair and consistent manner.

This reduction is also attributable to the time devoted to listening to the concerns of a consumer and the advice offered. Quite often, this time and effort invested by the Counsellor steers the consumer in another direction to find a resolution. Let's consider one topical example: I have been receiving inquiries about the fact that values reported by appraisers are decreasing compared to previous appraisals. While a discussion about the economic conditions and factors ensues, it focuses on who and why the appraisal was ordered. Without doubt, lenders and mortgage brokers will lay the blame for a mortgage denial squarely at the feet of the appraiser in order to deflect the responsibility for their decision. My role has been to turn that around in order to encourage the consumer to obtain a second opinion from a competent local appraiser or to educate them that, perhaps, it was something in the report provided by the appraisal management company (AMC) and not the appraisal report that led to the denial. Typically, consumers are not aware that the lenders receive a separate report from the AMC or that, perhaps, the AMC sent someone from out of town or in-house who lacks geographic competence in their community.

It is only through awareness of current issues affecting the profession, knowledge of appraisal standards and industry best practices that the effectiveness of the Counsellor position is best achieved. By providing a single point of contact for both the consumer and the member, the Institute has achieved a synergy of action that matters to the public and everyone affected. 🇨🇦

## 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)



# Your clients are online – are you?

When the economy is full speed ahead, the last thing we need is to seek out more clients; heck, we can't get the work completed we have already committed to. But, softer economic periods give us the opportunity to lift our heads from our regular workload, to examine our business practices, and to evaluate how we position ourselves with our clients and our employers.

Promotion used to be so simple. . . hang a shingle, place an ad in the Yellow Pages, give the local newspaper a call and voila! Our target market was covered. Today, this is no longer true. Our clients have changed both the way they look for solution providers and the way they seek professional advice. Our public is more sophisticated, and we are more sophisticated. Do we look the part?

Today, we can cover many of our bases by marketing and communicating with a website. This certainly is not news, but perhaps it is time to take a look at what your website is doing for you. So, depending on where you are in the lifecycle of a website, i.e., developing a new site or redeveloping an existing one, a first approach is to look at websites of your colleagues and other professionals, such as accountants, engineers and lawyers. You will find great ideas that will help when choosing your website design.

While looking at other sites, it is well worth your time to go to [www.aicanada.ca](http://www.aicanada.ca). By now, most members have been on our new website launched in November 2008. This site is leaps and bounds ahead of what we had previously. Our new AIC website is impressive, eye-catching and appealing to web-savvy types. It combines attractive visuals with quality data and information.

What type of site best meets your business model? Does an interactive site with the ability for clients to order an appraisal online work best for you, or is a brochure-like site leading clients to follow up with face-to-face meetings or telephone contact a better fit?

*“Our clients have changed both the way they look for solution providers and the way they seek professional advice.”*

An easily navigable website is paramount if you wish to engage visitors long enough for them to gather the required facts and enthusiasm that will motivate them to contact you and eventually establish a contract to employ your expertise.

These days, to a large extent, the importance of the sound of your voice and your demeanor on the telephone or in a face-to-face meeting is being replaced with how you present yourself, your talents and your firm online. The first point of contact is no longer the person who picks up the telephone in your office.

Your website is your most important promotional tool to reach your audience. Therefore, the development and design is immensely important in your portrayal. While recognizing that many of our members have expertise beyond valuation work, it still holds true that most of us are best served by hiring a professional web designer to achieve the results we are looking for and to present us in the optimum light.


Web design specialists will take your initial ideas and transform them into reality, or, if you are shy on vision, they will create a prototype so that you can offer input and critique it prior to the launch of the finished product. Also, they can maximize your web presence with effective use of search criteria. This point is key. The best looking website in the world is not very effective if search engines fail to find it.

Another benefit offered by websites is that

tracking the effectiveness of the site is possible with the use of analytics. Analytics can measure your marketing effectiveness and monitor traffic to your site, which will enable you to strengthen your marketing initiatives and create target ads.

Your website is an open book permitting you to network and reach the largest client base. So, it is a high priority to keep your contact information listed on your website current. While this seems a bit of a no-brainer, it is amazing how quickly the information you include can become stale or dated. An additional benefit to linking with a professional web designer is that they often take care of these types of maintenance issues.

You will recall that part of the offering of the marketing toolkit proposal from AIC is to assist members in creating a web presence. While we move this project along, we are currently working with two individuals as case studies. This will result in an opportunity for those looking to piggyback on the design work we have created on the AIC site. While this will not provide a custom website, it will allow members to achieve online visibility. This initiative was created because AIC recognizes the need for all members to better promote themselves in all market environments.

While “location, location, location” historically rolled off the tongues of valuation experts, we now need to focus on ‘promotion, promotion, promotion.’ 

## Marketing and Communications Committee

Beverley Girvan, AACI, P. App – Chair

Glen Power, AACI, P. App

Tom Fox, AACI, P. App

Laura Kemp, Candidate

David Babineau, AACI, P. App

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

# Keeping track of timing

**T**roubled economic times generally mean troubled real estate times, and troubled real estate times usually mean troubled times for vendors and, perhaps, not so troubled times for purchasers. For appraisers, the timing may be neutral (or even positive, if there are many appraisals required), but one thing appraisers must always keep in mind is the issue of timing.

Timing is everything in life we are told, or mostly everything, but, in the world of real estate, timing is only secondary to the old maxim of 'location, location, location.' Principally, timing in an appraisal relates to two central concerns:

- 1) exposure to the marketplace leading to a lease or sale at market value; and,
- 2) timing of comparables for purposes of evaluating present values.

It has been said in many contexts that appraising property is an art, as opposed to a science. How then is this art form best expressed when dealing with the timing issues relating to appraisals?

A fluctuating marketplace means that it is difficult to ascertain the proper time for computing sale exposures. What would have taken 30 days to sell in a soft market may take considerably longer in a hard market. But, there are exceptions to this rule. Some properties sell well

no matter what the economic circumstances, e.g., well-located property, property with certain commercial draws, property being assembled for development, etc.

How can you then determine the correct time for market exposure? Ultimately, there is no formula, no perfect rationale, no set understanding. You must use your judgement, but you must also take steps to show how and what you considered in arriving at that determination. How do you do that?

First, it might be appropriate to explain to yourself how you arrived at a market exposure time. Did you compare MLS listings to see how long comparable sales took to sell? Did you come to an average conclusion for a given area? Did you look at prices across a given area to see how quickly sales were progressing? Did you ask a realtor or several realtors for their view? If you used all or any of these methods, did you make a note for your file on what you did, when you did it, and the result of your study?


In commercial properties the hunt may prove even more difficult as sales are often not as frequent and comparisons more difficult. Still, some evidence should be in your file of how you arrived at your conclusion, so as to be able to demonstrate a rationale for exposure time.

The same goes for leasing. If your figures

come from some months ago, are they appropriate given the state of the economy? What about the season? What if there is some unforeseen circumstance particular to your area, e.g., the closing of the local source of employment. A mill town that loses its mill usually suffers on every account. Do property values correlate to this? If they don't today, will they in a month?

What about your comparables — how do they hold up over time? Using comparables over the past 90 days may be impossible if there are few to no sales. Your choice then is to adjust up or down on properties that have some semblance of relevance, or to adjust the sales that you could find to meet with current market conditions. Again, the methodology is up to you, but you must keep some record or proof of how you arrived at the result you obtained. Nothing hurts the credibility of an appraiser more than aged comparables that do not relate to a current market.

Because these issues are left to your judgement, you must be able to explain the rationale to your judgement. Many appraisers spend too little time developing a rationale to meet the market conditions that exist at the time of their appraisals. As well, few go to the effort of relating economic situations to their reports in a manner that provides sufficient caution to those who seek to rely upon their reports. Tough times may call for extended periods of exposure, or of listing or lessened prices as noted in an appraisal report.

Ultimately, the consumer of your report should understand the difficulties of sale in distressed markets. Your appraisal should prepare them for that fact, not what the market was months ago, nor an optimistic view of what may come. A proper conception of timing in your report will ideally keep you from wasting time defending your appraisal in court, however, proper, reasoned judgement will surely provide a good solid defence to any claim. 

Standard Life Real Estate Group

**Standard for building excellence.**

For more information visit [www.standardlife.ca](http://www.standardlife.ca)

The Standard Life Assurance Company of Canada  
July 2009



# World Association of Valuation Organizations update

## Best valuation practice

One of the objectives of World Association of Valuation Organizations (WAVO) is to support the consistent application of valuation standards, methodologies and practice; to set criteria for educational standards; and to raise the professional work of valuers. As part of our move to encourage practising valuers to apply consistent practices, the WAVO Board has decided to launch its first ever book compiling the best valuation practices in the world. Please let WAVO know if you wish to contribute by contacting AIC's WAVO representative Keith Goodwin.

## Best valuation report

As part of our move to encourage students undertaking a real estate program to be involved at an early stage, and to identify themselves with the valuation profession, the WAVO Board has decided to host a yearly competition for

the WAVO Best Valuation Report Awards. This competition is open to all students undertaking the valuation course. You may also obtain information of the awards from the WAVO website: [www.wavoglobal.org](http://www.wavoglobal.org). There are six award categories corresponding to different property types. The winner of the award for each category will be given a prize of US\$2,000.

## WAVO list of experts

WAVO has often been asked to supply a list of experts in the various valuation fields who can offer consultancy services. If you are an expert in any valuation fields, please let us know so that we can add you to our panel of experts.

## WAVO endorsed courses or workshops

To assist developing economies in building their valuation capacity, WAVO regularly conducts

workshops and courses for people in these countries who require the relevant training. WAVO is interested in hearing about any relevant training courses. The instructor will be compensated accordingly.

## 4th WAVO Valuation Congress in People's Republic of China

WAVO will be hosting its 4th WAVO Valuation Congress from November 23-26, 2009 in Guilin Waterfall Hotel. The theme of the congress is *Financial Market Security and the Valuation Profession*. AIC members are welcome to attend or speak at this congress. Details of this congress are available at the website [www.wavoglobal.org](http://www.wavoglobal.org)

For further information, contact AIC's WAVO representative Keith Goodwin at [kgoodwin.anw@telus.net](mailto:kgoodwin.anw@telus.net)



**Come to Victoria next year. Let us explore all of these provocative issues, have a drink together along the causeway, and watch the sunset that has a redder tinge now than a century ago. These concerns are not trivial. They are revolutionary. They are now!**

## AIC 2010 – SAVE THE DATE! ANNUAL CONFERENCE OF THE APPRAISAL INSTITUTE OF CANADA Victoria, British Columbia, Fairmont Empress Hotel June 2 - 5, 2010

Join the Appraisal Institute of Canada, Co-Chairs **Leonard Sherwood, AACI**, and **Gordon Cavanaugh, CRA**, as well as the organizing committee members in June 2010 for AIC's annual conference in Victoria, British Columbia at the Fairmont Empress Hotel. The conference opens with a welcome reception on Wednesday, June 2. The educational and companion programs begin on Thursday, June 3 with our opening ceremonies and end on June 5 with our President's Banquet.

The conference theme **Green and Global in the Garden City** will provide a stimulating and interactive platform for learning how we can aid and enhance the only world we will ever have. How can we change things? What effect does all of this have on value? Do people care enough to spend their money on effecting change? Is there a green dividend that might finally be reflecting itself in changes in market values for properties that are socially responsible? As appraisers and consultants, are we seeing these green dividends, but not realizing what we are seeing?

What about the remainder of the international appraisal community? Is our ever-shrinking electronic world coming together in recognizing fundamental valuation principles that we should be universally incorporating into our advice and reports? Does our own social responsibility require us to recognize the synergy between environmental consciousness and global symmetry in appraisal analysis and reporting?

Mark the dates on your calendar. Book your hotel room now by visiting: <http://www.aicanada.ca/cmsPage.aspx?id=230> or call the hotel at 1-800-441-1414  
Visit conference website at: <http://www.aicanada.ca/cmsPage.aspx?id=229>

For further information, please contact AIC's Conference and Meeting Planner, Marie-Louise Doyle at [maried@aicanada.ca](mailto:maried@aicanada.ca)

# FOR TANIA WARDLE, distance is NO BARRIER

By Christine Hanlon

These days, living abroad no longer precludes obtaining an AACI designation. No one knows this better than Tania Wardle. In 2008, the Candidate appraiser started her courses from a most unlikely place: Barbados.

After graduating with an Undergraduate Business degree from the University of Western Ontario's Richard Ivey School of Business in 2006, the Canadian-born Wardle decided to travel. Along the way, she stopped in Barbados to attend a cousin's wedding.

Because her father is from the island, she had the good fortune to already have citizenship. Then, when she decided to stay a little longer to spend time with her extended family and try out life in her father's stomping grounds, a job opportunity opened up in Scotiabank's Commercial Banking division. Tania could not resist. "Barbados is a great place to start for a young and ambitious person in business," she explains. "I got into it as a way to enter a career in finance, with a great opportunity to learn about the various areas of a bank as a management trainee. But, after a while, I realized it was not the right path for me." During her stint with Scotiabank, she realized that most of the projects she *did* enjoy related to financing real estate developments. So, in July 2007, when Tania heard that the Senior Real Estate Consultant for one of Barbados' leading real estate companies had resigned, she applied for the job.

"And I got it!" says Tania, who has been working with Altman Real Estate's Property Consultancy Services Inc. (PCS) ever since. "Almost immediately, my new boss decided that he wanted me to get accredited."

The company then asked Tania to find an internationally recognized program that she could

work into her schedule. As it turned out, the UBC-AIC Post-Graduate Certificate in Real Property Valuation (PGCV) was the only program available in a distance learning format that would lead to an international designation. Tania promptly enrolled. In January 2008, she started her first course in the fast-track program.

UBC mailed her the text books and Tania was soon busy doing online assignments and sending case studies by email. Exams, on the other hand, are written at a local facility arranged through the Ministry of Education, with a proctor in attendance.

"It has worked out well," says Tania. "The courses are designed for people working full-time and take into account that most of the students are working and studying with varying priorities." The program even allows her to defer exams, a feature that is particularly useful, given the fluctuations in her workload. In fact, last September, her work required Tania to be in St. Lucia on the same day her exam was originally scheduled. Thanks to the program's flexibility, she was able to change the date by paying an administration fee, without suffering any penalty to her final mark.

"The only thing I found to be challenging with being away to study is that many things are Canadian-based," says Tania. "While they make sense to me because I lived in Canada, the information is not always applicable in my work. It is a different market down here."

For instance, Barbados does not have anything that equates to a multiple listing service (MLS) system, nor does the island have stringent record-keeping for real estate transactions. Instead, sales agents fiercely guard their information, making it an extremely challenging environment for an appraiser.

As a consequence, even the land tax depart-

ment — which is mandated to conduct tax assessments on the basis of market value — has a difficult time obtaining the necessary information to do so. Although the land registry receives information on most real estate transactions, including the change in title, name of purchaser and overall price, the department often does not receive any information about the building. Furthermore, many of the transactions are completed offshore through Special Purpose Vehicles, by selling a company instead of the assets. As a result, it is difficult to perform the direct comparison approach to an international standard. A lot of the time, valuations are based on the cost method.

"Commercial property valuations are great," says Tania, "because the focus is on income potential, without as much need for finding comparable property information, except for supporting capitalization rates. We are fortunate to be attached to other areas of the real estate industry to inform our valuations as much as possible. Otherwise, our situation definitely poses some challenges."

One of those challenges involved being able to find examples of properties in Barbados that she could use to complete her last project for the *Foundations in Real Estate Appraisal* course (BUSI 330). It was impossible to find four standard sales within the required time range.

In Canada, the standard timeframe for sales used for comparisons is within 90 days. "That is impossible in Barbados," says Tania. "There is not that much turnover." Instead, the timeline for comparison is about three years, with companies using the government's consumer price index to make adjustments. Unsure of what to do, she emailed her tutor, AIC Past President George Maurice, who helped her find a solution.

Although the distance courses are designed to be done through self-study, tutors are also available to answer questions. In the end, Tania's connection with her tutor proved doubly fortuitous.

Upon realizing at that time that Maurice was the current president of the AIC, she wondered if his connections could help her with another dilemma. Although the AACI accreditation program now allows Candidates to complete their education and experience requirements concurrently, finding an appropriate mentor for the applied experience component can pose great difficulty outside of Canada.

AIC requires mentors to be an AIC designated member, preferably with expertise in the same discipline as the Candidate. In rare situations, a Candidate may apply to AIC's Professional Qualification and Competency Committee for an exception to this requirement. Exceptions may be granted, for example, in situations where distance or specialization prohibits mentoring by a designated member.

Tania's boss, Terry Hanton, is an experienced appraiser who is accredited under the Barbados Estate Agents and Valuers Association. While the UBC program would likely have allowed Tania to select him as a mentor based on geographical circumstances, he is not an AIC member and, not directly familiar with the Canadian standards AIC Candidates are required to follow. The legislation for appraisal standards and registration is only now being developed in Barbados.

"There is no such thing as an AACI where I live," explains Tania. "I am likely to be the first one."

To avoid being disadvantaged by geographical circumstance, she asked Maurice if she might obtain a secondary mentor – an AACI in Canada. In response to her request, he arranged for Tania to meet with two potential mentors working in the Greater Toronto Area (GTA).

Strengthening her Canadian ties is a solution that Tania's boss in Barbados had already been advocating. He felt that improving her training in this fashion would be an asset to the Barbados firm.

"The more AACIs there are around the world, the better it is for everyone."

PCS is an established real estate consultancy offering appraisal related services including valuations, feasibility studies and market studies, to name a few. Having Tania qualify under an international standard will be a great asset to the growth of the company. "My boss has been extremely supportive in this regard," says Tania.

Real estate consultants, accountants, project managers, quantity surveyors and property managers comprise the company's 13 employees. Presently, most of the advisory and valuation work is performed by Tania, along with her boss and the financial director, both of whom are chartered accountants.

While the appraisal industry in Barbados has been relatively unsophisticated, things are changing; the large projects with which the company is involved are requesting more information as well as a higher level of

qualification. Indeed, the timing of Tania's AACI studies could not be better.

Furthermore, most of the company's work is for offshore buyers in the luxury real estate and second home market. Many of the transactions are financed by foreign banks. "They expect our work to be conducted to the same standard they receive in the UK, Canada or the US," Tania explains. This makes having a knowledgeable AACI on board even more important. This all bodes well for Tania and the staff at Property Consultancy Services. "They feel that, for the well-being of our group, it is important that at least one of us is trained under international standards," she explains.

Tania encourages any international students to pursue the AACI designation from abroad and hopes that her experience paves the way to making things a little easier. She adds: "The more AACIs there are around the world, the better it is for everyone, right?" 🇨🇦



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



# Valuing an unregistered sewer easement

By **George Canning**, AACI, P.App, Canning Consultants Inc., London, Ontario and  
**Randall Cuthbert**, CRA, R.C. Cuthbert Real Estate Appraisal & Consulting, London, Ontario

## Introduction

The real estate issue involved determining the value of an unregistered storm easement under a single-family house and garage located in an above average older residential area within a SW Ontario city of approximately 300,000 people.

The house was purchased in May 2006 for \$255,000 through the MLS system. Unbeknown to the purchaser, there was an unregistered prescriptive storm sewer easement that runs diagonally under the full length of the house and the detached garage. The easement was not identified on the MLS listing. The easement is a channelization of the Carling Creek and was installed sometime between 1913 and 1925. The subject house was built in 1930.

The new owner of the property wanted to demolish the house and rebuild it as an exact replica of the original house. When a demolition permit was applied for it was denied because of the unregistered easement that was under the house. The cost of moving the easement was \$300,000. The owners launched a claim under the title insurance program. Since they were never advised by the lawyer that an easement existed, they wanted compensation as a result of the unregistered easement, since it prohibited the future plans of the owner. Since there is title insurance, there is no obligation by any lawyer to search title or to contact the local municipality regarding any issues with any property.

## Real estate loss

Do easements have an impact on value? We know that, when an easement is 'taken' from a fee simple, interest compensation is required at the time the easement is granted. Obviously, the owner of the fee simple wants some type of payment for 'giving up' part of the fee simple rights that run with any property.

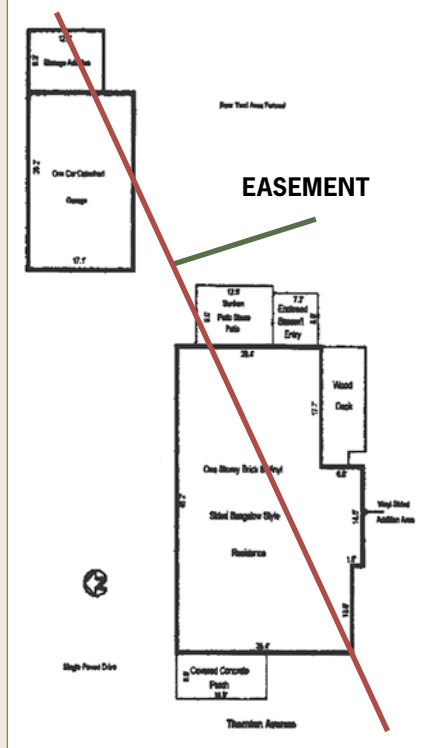
What about after the fact? Do easements continue to play a role in terms of a loss in value? It is an interesting question. No formal, published study on easements and their effects on value has ever been published in appraisal magazines. Generally, there has been a lot of guess work by real estate practitioners, which should be discouraged. Either we know the answer or we do not. Fortunately, there are modern technological tools that are available to aid real estate practitioners in determining a number of answers about real estate. The accompanying diagram shows the easement through the property.

## Proposed real estate solution

When asked if easements have an impact on property values, all appraisers will default to the timeless solution known as 'paired sales.' The use of paired sales is not an option in this situation because they do not exist in the market place. The confusion for appraisers is the difference between 'identical' and 'similar.' A paired sale is an identical sale in every respect to the property under review, with the exception of a singular property characteristic under review. Where the confusion lies is in the term 'similar.' Many appraisers think that, because they have similar sales, they are identical. Unfortunately, that is not the case. How appraisers analyze similar sales is to make some type of ad hoc adjustments (based upon no evidence) of the differences between the sale properties and the property in question. The problem with this type of analysis is that the appraiser cannot hold these physical differences between the similar sales and the subject property constant. We need a tool that is able to hold constant all the variables that impact real estate value while the appraiser is studying the real estate item that he or she wants to examine.

The only real estate model that can actually hold constant all the variables that interact on price in a given real estate market place is multiple regression

Diagram showing subject's site improvements



analysis (MRA). The phrase 'multiple regression' is somewhat of a backward phrase. There are two types of regression analysis. The first is single-variate regression and multiple-variate regression or multiple regression analysis. They both do the same job in that they are used to predict a value, a behaviour, a choice, etc.

Single-variate regression is when one variable, such as lot size, is plotted against another variable, such as price, to see the relationship between these characteristics. When lot size and price are plotted on a graph (xy), there would be a pattern of dots. A formula can be applied to the dots or data that would draw a line that perfectly fits between all the data points on the graph. This line is called a regression line, which is a misnomer. The word 'regression' applies to the fact that each observation or dot on the graph 'regresses' back to the line or the average of all the dots. So, the word regression does not imply 'going backward,' but that each observation is linked to the regression line by the shortest possible difference. In order to create the line, we can either 'guesstimate' by drawing the line in free hand or more accurately use the formula  $Y = ax + b$ . The Y is the actual line that hits on the y axis (say sale price) itself. In order

to have a line, one has to have two points. The point that is necessary is the one on the Y axis (sale price line). This is the start of the regression line. The small 'a' is the distance along the y axis from 0. This is the actual spot whereby the regression line attaches itself. The small 'b' is the slope of the line. The small 'x' is the variable selling price. Thus, one can take the lot size of the subject property and draw a parallel line until it hits the regression line. Then, a perpendicular line can be drawn down to the selling price (x) axis to determine a value. This type of analysis is somewhat useless in real estate analysis, because it assumes that the only characteristic or variable (called lot size) drives the entire model. We know that many property characteristics can interact on price and that is why multiple regression analysis works best.

With multiple-variate regression, it is defined as the relationship between one or more independent variables (e.g., lot size, house size and age) to sale price known as a dependent variable. Multiple-variate regression lines can only be graphically seen up to several independent variables, simply because there are no graphics available that would show what a regression line would look like if there were 50 independent variables used in the analysis. Most likely, it would look like a flat plane. The reason why multiple-variate or multiple regression analysis is preferred is that it can determine relationships between many independent variables (e.g., lot size, time, basement finishing, house size, garages, condition, age, etc.) relative to one singular dependent variable called price. Since the valuer does not know which independent variable (s) are most influential on sale price, it is best to throw everything into the hopper to see which independent variable has the most influence on price. The formula for a multiple regression line would be written as follows:

$Y$  (sale price) = a (distance along Y axis) times 1 (lot size) times 2 (house age) times 3 (house size) times 4 (basement finished area) to as many variables as one likes + b (the slope of the line).

The reason why we would use multiple regression analysis over single regression analysis is that, in the case of examining the effects of easements on property values, the appraiser does not know which variable (e.g., easement, house size, age, lot size, etc.) has the strongest

influence on sale price. Second, multiple regression analysis has a unique mathematical ability. Multiple regression analysis can hold all the other variables that effect price such as time, lot size, basement finishing, house size, etc. constant, while determining the effect of each of the variables one at a time.

Regarding the issue with the impact on easements, in our data base, we need to include sales that had easements and those that did not have easements.

## Data gathering

The identification of residential properties with storm sewers easements began with a review of the City of London's mapping department, with the criteria being residential properties in similar settings in old north and old south areas of the community. The results were a total of some 160 sales identified. These were cross referenced with the MLS system and concluded that there were 65 sales extending back to 1983 that had storm sewer easements (registered and unregistered). We then cross referenced these sales against sales that did not have a storm easement. In the end, we analyzed 133 residential sales of which three had registered easements, 62 had non-registered storm easements, and 68 had no easements. The data spanned a 23-year period from 1983 to 2006.

## Variables considered in the analysis

Variables are those real estate characteristics that are felt to have an effect on price. In our model, we used the following variables:

AgeYrs	=	Age of house in years
BldgSF	=	Above-grade living area in square feet
BsmntSF	=	Finished basement area in square feet
E1/0	=	Categorical variable: 1 – property has easement, 0 – otherwise
ESev1/0	=	Categorical variable: 1 – easement affects house, 0 – otherwise
Gar1/0	=	Categorical variable: 1 – property has garage, 0 – otherwise
RE1/0	=	Categorical variable: 1 – easement is registered, 0 – otherwise
LapdQtrs	=	Lapsed quarters of a year (three-month periods) since earliest sale
LocRate	=	ocation quality rating
LotSF	=	Lot area in square feet
NoExtAm	=	Number of exterior amenities
NoIntAm	=	Number of interior amenities
RealSP	=	Sale price adjusted for inflation by CPI
RealSPSF	=	Sale price per square foot adjusted for inflation by CPI

To keep the results as clean as possible, we also removed the effect of inflation on the response variable selling price and selling price per square foot.

### Using box plots to see differences

We first placed the sales into two groups and identified them using a box plot. Box plots have been around for 50 years and are very good for graphically showing the differences between two variables. In this case, it is the difference of sale prices of properties with and without an easement. We wanted to know if there is any variation in price between those sales with a registered/unregistered sewer easement and those without. The following box plot graph outlines the result of the analysis.

The line in the centre of the boxes is the median price. The lower line of the box plot represents the lower quartile, while the upper line of the box plot is the 75 percentile. The actual box area represents the 50th percentile. The small parallel lines at the top and bottom of the lines represent the smallest and the largest value within that data set.

Box plots do not take into consideration statistical distributions. In other words, any difference in the median prices of houses with an easement and without an easement may also reflect other influencing characteristics such as location, lot size, etc. However, they do allow the analyzer a visual presentation that differences do exist.

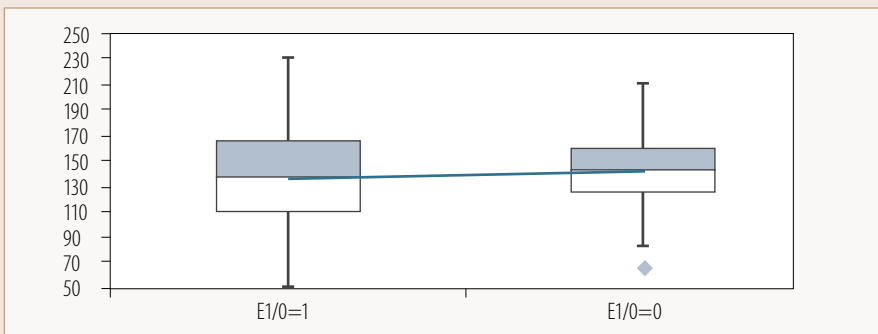
This box plot shows that there is a difference

in the median price range of those houses with an easement and those without. The  $e1/0=1$  box on the left are of houses with an easement. You can see its median price level is lower than the  $e1/0=0$  median box plot price, which are of houses that do not have an easement. At this stage, we can only say that there is a difference in price. Some of that difference may be explained as a result of either having an easement or not having an easement.

### Multiple regression analysis

The adjoining MRA run is shown with the Variable  $E1/0$ , which represents the effect of an easement on the data set. If the easement is deemed to have a negative effect, then we would expect the coefficient to be a negative number. We see that this variable has a negative number of  $-7,792.93$ . This would be expressed as dollars.

The  $\$7,792.73$  means that, if there is an easement on a property, there would be a loss in value of  $\$7,792.73$ . Since we know that the average selling price of all the houses in the data set was  $\$165,145$ , then we can convert the dollar amount of the easement as a percentage. Thus,  $\$7,792.73/\$165,145 \times 100\% = 4.7\%$  rounded to  $5\%$ .



## The Replacement Costs You Need

Choose costs in manuals, software or online.  
Free support. Online training available.



- 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.



Save 10 percent on new and renewing subscriptions. Call with code MAGCPV0809. Not good with any other offer. Expires October 30, 2009. Ask about further discount for credit card payment.

1-800-544-2678

350 S. Grand Ave., Los Angeles CA 90071  
www.marshallswift.com  
Sales and Service: 1-800-544-2678  
M-F 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.



**Coefficient estimates**

Label	Estimate	Std. Error	t-value	p-value
Constant	72985.8	28595.0	2.552	0.0120
BldgSF	-44.0509	30.7765	-1.431	0.1550
BsmntSF	30.6087	8.36977	3.657	0.0004
<b>E1/0</b>	<b>-7792.73</b>	<b>4839.26</b>	<b>-1.610</b>	<b>0.1100</b>
Gar1/0	19825.5	5005.83	3.960	0.0001
LapdQtrs	206.495	103.344	1.998	0.0480
LocRate	6468.25	3265.87	1.981	0.0500
LotSF	3.34722	0.954809	3.506	0.0006
NoExtAm	17033.6	3620.33	4.705	0.0000
NoIntAm	6810.75	1998.34	3.408	0.0009
<b>RE1/0</b>	<b>-22515.3</b>	<b>13808.3</b>	<b>-1.631</b>	<b>0.1057</b>
BldgSF^2	0.0317681	0.0104885	3.029	0.0030

In this output, there is also the variable RE1/0. That is for those properties in which the easement is registered. Therefore, the difference between houses with a registered easement against those that have an unregistered easement is \$22,515.30. When applied against the average selling price of the houses, the effect is 14%. We need to take the results of the MRA a little further. We see that the standard error for houses with easements against houses with no easements is \$4,839.26. This means that the figure of \$7,792.73 could either be  $(\$7,792.73 - \$4,839.26 =) \$2,953$  (rounded) or  $(\$7,792.73 + \$4,839.26 =) \$12,632$

(rounded). This would be equivalent to between 2% and 7.6% of the average selling prices of the houses in the data set. Likewise, when comparing those properties with a registered easement and ones that are unregistered, this difference could be  $\pm \$13,808$  around \$22,515.30 or expressed as a percentage range between 5% and 22.0%.

**Summary of the study results**

In summary, the MRA model identified that properties with unregistered sewer easements as being 2.0 % to 7.6%, with registered easements against non-registered sewer at 5% to 22%. The easements found on the sales that had registered and unregistered easements were either across the front of the properties or along the side. There were very few observations of houses sold with easements that ran diagonal to the property.

As a result of our findings, we suggested that the compensation paid for this easement because it was diagonal was outside of the 2.0% to 7.6% range. We suggested a settlement at 15%. Our logic is that the easement should have been registered and any future buyer of the house would be notified through the MLS system as a disclosure.

**The rest of the story**

Approximately 11 months after the owners bought the property and discovered it had an unregistered easement, they sold the property on the MLS system. The property sold in June 2007 for \$233,000. The property was purchased in May 2006 for \$255,000. Therefore, the loss in value was \$22,000 or 8.63%. This was a direct result of the easement, because the owner now knew about it. Unfortunately, it was not disclosed on the MLS May 2006 sale.

Why the difference between the appraiser's selected rate at 15% and the market at 8.63%? We gave the landowner the benefit of the doubt regarding the fact that the easement was diagonal as opposed to being across the front or along the side of the property. We felt that a diagonal easement would increase the chances of further restricting the use for the property, therefore, a greater chance of loss should be realized.

Second, the assumption was made that a registered easement has more of an impact on market price than easements that are not registered. 🇩🇪



**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)



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)

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

# Demystifying the digital signature

New business technologies have dramatically changed the way in which members of the valuation profession work on a day-to-day basis. As the trend continues towards an increasing dependence on technology to transmit information, members of professional organizations must ensure the integrity of their electronically transmitted information as well as provide non-repudiation for the authors of any electronic documents. This not only provides assurance to clients and other users of this information, but helps strengthen the reputation of the appraiser as a true professional.

Partnering with Notarius, AIC provides its members with access to a digital signature service that ensures that members can comply, in complete confidence, with specific aspects of the *Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)*. Notably, *CUSPAP* requires that “appraisers must take steps to meet the ‘reasonable appraiser’ test to protect the integrity of transmitted reports.”

Charles Tremblay, Business Manager, Member Services, at Notarius is in charge of marketing the digital signature. As part of his duties, he must not only promote the digital signature, but also explain to organizations and professionals the challenges associated with the use of electronic documents. In this article, he considers some of the factors involved in assisting organizations with the transition to use of digital signatures.

## Providing professionals with a reliable digital signature

In 2003, Charles Tremblay joined Notarius, the technological branch of the *Chambre des notaires du Québec*, when the *Chambre* decided to make its public



key infrastructure services available to other professions. The aim was to provide all professionals with a digital signature issued by a reliable source. “As far as I know, there is no other such system dedicated to professionals anywhere else in Canada,” said Mr. Tremblay. Several professional associations outside Québec have expressed interest in what is happening in Québec. Since dematerialization and digital archiving are at the crux of the productivity challenge confronting companies, marketing the digital signature has taken on considerable significance for him. Notarius is a not-for-profit organization and, consequently, its marketing context is different than that of for-profit organizations. Furthermore, the solution developed by Notarius also comes at a time when environmental protection ranks high on its list of concerns. “It is very motivating to promote a tool that will enable clients to transform an environmental challenge into a competitive advantage,” said Mr. Tremblay.

## The challenge: getting people to understand the risks

The daily work of the Notarius business manager is to raise awareness among professionals and businesses regarding the risks they face when they produce, archive and share unprotected and legally non-compliant electronic documents. “Once they grasp the potential risks, professionals find our digital signature tool very compelling,” said Mr. Tremblay. After that, the job is to reassure users that digital signatures are legally equivalent to handwritten signatures.

## Convincing organizations of the advantages

“We have to convince professionals and businesses that the digital signature meets businesses’ productivity needs. Not only are electronic documents more economical and considerably more ecological than hard copy, but they can be produced, archived and shared more productively than hard copy,” said Mr. Tremblay.

All digital signature pilot projects and trials have been conclusive and resulted in implementation projects. Several firms from different professions have confirmed that, after some time, significant savings were achieved in terms of production time and archiving cost. Over 98% of the people who migrate to the digital signature continue to use it and renew their subscription. Out of the less than 2% that do not renew their subscription, retirement ranks as the number one reason for not renewing at 60%. Businesses that remain sceptical are those that produce electronic documents with little or no attention to document security. They compromise document integrity and leave themselves open to document repudiation. “These professionals and businesses have not yet understood the risks they leave themselves open to,” said Mr. Tremblay.

## Challenges faced

Another aspect of the business manager’s work is seeing to the development of new products with a view to ensuring that the digital signature is even better suited to the processing done by professionals during the course of their work. The development of a digital signature kit is probably the product of which Mr. Tremblay is most proud. This kit makes the digital signature more accessible and user-friendly. “This was quite a challenge because, initially, the only application the digital signature could be used with was Adobe Acrobat Standard

and Professional, English version 5.0. In those days, implementation of the digital signature required further development and the purchase of a licence, which could get quite costly for companies,” said Mr. Tremblay. Today, Notarius provides a digital signature kit that contains all the tools needed to convert documents to PDF format, for rapid batch signature by one or more persons, without the need to develop or acquire any software. The kit also eliminates tedious steps that are time-consuming, thus permitting resources to be better allocated to value-added activities. Mr. Tremblay notes that “a greatly improved version of our toolkit is scheduled for release this fall.”

### Where will this take Notarius?

“Ironically, I believe that the Notarius digital signature will have more rapid success outside Québec, simply because several professional associations outside Québec appear to want to impose use of the digital signature on their members with a view to complying with e-commerce legislation,” said Mr. Tremblay. “My advice to individuals in the valuation field is: prepare for the electronic revolution. The later you get into it, the more work it will take to rapidly adapt to these significant changes.”

For information contact:

Charles Tremblay

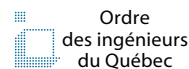
Business Manager, Member Services, Notarius

[charles.tremblay@notarius.com](mailto:charles.tremblay@notarius.com)



## NOTARIUS' DIGITAL SIGNATURE

### THE OFFICIAL SIGNATURE AND THE ELECTRONIC SECURITY SEAL FOR PROFESSIONALS MEMBERS OF:



[http://www.notarius.com/en/clientele\\_ICDE\\_en.html](http://www.notarius.com/en/clientele_ICDE_en.html)  
For more information contact Notarius at  
514-281-1442 or toll free 1-800-567-6703



## Canada's BEST source of environmental risk information for real estate

### ERIS reports include and identify:

- Waste disposal sites
- PCB storage sites
- Spills
- Contaminated sites
- Fuel storage sites
- Nearby industrial facilities

Information Services include:

Aerial Photographs • City Directory Search • Database Reports • Fire Insurance Maps • Property Title Search • Topographic Maps

**Visit [www.eris.ca](http://www.eris.ca)**

**Call toll free: 1-866-517-5204**

**Email: [info@eris.ca](mailto:info@eris.ca)**



## FEED YOUR FUTURE with CPD FRIDAYS



On the first Friday of each month, the Real Estate Division offers selected courses in webinar format for professionals who wish to participate in a live, online classroom. [www.realestate.ubc.ca/webinar](http://www.realestate.ubc.ca/webinar)

Today's successful real estate professional is creative, analytical, adaptable, and committed to lifelong learning. The Real Estate Division at UBC's Sauder School of Business offers a suite of short online professional development courses in a self-study or live webinar format, designed to broaden your marketable skill set and enhance your professional future. Completion of a CPD course will earn you a UBC award of completion, plus continuing professional development credits towards designation requirements.

### CURRENT COURSES

All courses are available in self-study format unless indicated

(0 / 4 / 7 / 10 / 13) = CPD Credit Hours

Courses marked with  are also available as webinars (subject to enrolment) - See [www.realestate.ubc.ca/webinar](http://www.realestate.ubc.ca/webinar) for details

Scope of Work – Establishing “New Horizons” For Your Valuation Services (4) (webinar only)  next webinar: Oct 2

Getting to Green – Energy Efficient and Sustainable Housing (7)  next webinar: Oct 2

Business Enterprise Valuation (7)  next webinar: Nov 6

Creative Critical Thinking – Advancing Appraisal to Strategic Advising (10)  next webinar: Nov 6

Decision Analysis – Making Better Real Property Decisions (10)  next webinar: Dec 4

Valuation for Financial Reporting – Real Property Appraisal and IFRS (4)  next webinar: Dec 4

Adjustment Support in the Direct Comparison Approach: Hybrid Adjustment Technique (4)

Green Value – Valuing Sustainable Commercial Buildings (7)

Land Valuation (7)

Requests for Proposals (RFPs) – Winning Strategies (7)

Submerged Land Valuation (7)

Machinery and Equipment Valuation (7)

Appraisal Review (7)

Valuation of Property Impairments and Contamination (10)

Hotel Valuation (7)

Real Estate Consulting: Forecasting (13)

Office Property Valuation (7)

Highest and Best Use Analysis (4)

Seniors Facilities Valuation (4)

Multi-Family Property Valuation (7)

Lease Analysis (7)

Exposure & Marketing Time: Valuation Impacts (4)

Urban Infrastructure Policies (7)

Residential / Commercial Appraisal Basics (0)

Urban Infrastructure Applications (10)

Expropriation Valuation (4)

Agricultural Valuation (10)

Find out more about these and more professional development courses at [www.realestate.ubc.ca/cpd](http://www.realestate.ubc.ca/cpd)



#### Contact Us

Toll-free: 1.877.775.7733

Fax: 604.822.1900

Email: [cpd@realestate.sauder.ubc.ca](mailto:cpd@realestate.sauder.ubc.ca)

Web: [www.realestate.ubc.ca](http://www.realestate.ubc.ca)



**SAUDER**  
School of Business

Real Estate Division

# Spotlight on Continuing Professional Development

## FEED YOUR FUTURE with CPD FRIDAYS



The UBC Real Estate Division is presenting a series of live, online, web-based seminars or *webinars*. These professional development webinars are offered on the first Friday of every month (excluding summer months), from 8 am -10 am Pacific time (11 am-1 pm Eastern time). The sessions consist of a two-hour presentation with an expert instructor who will present an interactive online classroom session and answer any questions you may have. By attending the session and completing two hours of pre-reading on your own, you will receive four guaranteed AIC CPD credit hours. There is no quiz or exam required to receive these credits.

In this article, we highlight two upcoming webinars in the UBC Real Estate Division's CPD Fridays series. Feed your future!

### CPD 124: Scope of Work – Establishing 'New Horizons' For Your Valuation Services

Presented October 2, 2009 by John Clark, AACI, P. App

Owners and investors in real property frequently need advice and appraisers are in an excellent position to provide this service. Reasons why owners or investors need advice range from needs that are simple to very complex. As such, the necessary due diligence in any real property assignment can extend along a continuum. This course highlights how *CUSPAP* offers flexibility to provide advice along this continuum. Our goal is to help AIC members address client needs in differentiating assignments by their complexity and by the assignment's intended use.

*CUSPAP* states that valuation professionals "must identify the problem to be solved, determine the scope of work necessary to solve the problem, and cor-

rectly complete the research and analyses necessary to produce credible results."

*Scope of work* can be defined as follows:

Scope of work gives appraisers the ability to customize assignments in order to better serve their clients. In an ever-changing business environment, and an expanding global economy, such flexibility is increasingly important. Scope of work allows appraisers to expand their range of services beyond the traditional ones and opens doors to new opportunities. (from Stephanie Coleman, MAI, SRA. 2006. *Scope of Work*. Chicago: Appraisal Institute)

*Credible* is a key concept in defining scope of work. A credible result does not mean 'the right number' or 'an irrefutable conclusion.' Basically, it implies that assignment results must be believable to any and all who may be in a position to judge. Another term that may be used as a synonym for credible is *duly-founded*. The foundation of an opinion must be reasonable, and supported by relevant evidence and logic. The objective of any assignment can be restated, then, as a credible or duly-founded opinion that is useful in solving the client's problem.

The first step in establishing scope of work requires interviewing the client. You have to understand their problem and their intended use, such that you can design a solution that is credible (duly-founded) and that answers their question. In simple terms, establishing scope of work means telling the client what you propose to do, the anticipated research you plan to do, and the level of detail in reporting results. In other words, establishing scope of work is like giving a speech: start by telling the audience the points you will talk about, then tell them the story, then wrap up by telling them again the points that you just made. You first develop the work plan and communicate this to the client in advance of the assignment being started.

### KEY PRINCIPLES IN SCOPE OF WORK

#### Identify the problem

- Plan the solution - advise the client what you plan to do
- Apply the solution - undertake the assignment
- Report the outcome - advise the client what you were able to accomplish and how this differed from the intended or proposed scope of work.



Establishing scope of work means you should not immediately respond to the question 'What is the cost of an appraisal?' Instead, reply with questions to determine what needs to be done in order to answer the client's question. An appraisal can mean many things, ranging from a simple drive-by check to a narrative presentation accompanied by expert testimony in a court of law. The scope of work and due diligence involved in these two scenarios will completely differ and the 'answers' you find may differ too, based on the due diligence reasonably expected in the circumstances.

This session will use case study scenarios to highlight how the scope of work may vary in a given situation. Letters of engagement will be explored as a way to communicate to the client in writing what scope of work is proposed prior to accepting an assignment.

### CPD 110: Creative Critical Thinking – Advancing Appraisal to Strategic Advising

Presented Nov. 6, 2009 by Bruce Turner, AACI, P. App

This course explores the mindset that underlies real estate consulting. The following examples illustrate areas in which real estate consultants might expect to provide advisory services:

- Valuation services that might range from single property appraisals to evaluating large and diverse portfolios, and completion of market analyses and feasibility studies in support of property development and investment decisions.
- Financial advisory services that might involve single asset or portfolio

acquisitions, dispositions, or reinvestment.

- Financial modeling services including the analysis of assets, development opportunities, and new business opportunities.
- Due diligence activities through undertaking market surveys, site inspections, operating statement analysis, normalization of income statements and lease abstracts.
- Litigation support services including valuation consulting, producing expert reports and credible testimony.

Many appraisers work in a highly technical role focused within a very narrow area of specialization, and may be reluctant to advise beyond this very limited capacity. Thus, a common criticism of appraisers is that, when they are asked a strategic question, they might respond with a value estimate, even though this does not answer the question – or perhaps it only addresses one narrow slice of the strategic advice the client needs.

The valuation professional who wishes to evolve their client base or service offerings must adopt a more strategic problem-solving perspective. In other words, the valuation professional must consider the broader picture of WHY the client needs their work in order to help them make better business decisions. And, increasingly, they need to reflect a property's incremental contribution in a corporate real estate environment.

Providing real estate advisory services requires:

- thinking strategically and critically,
- carefully defining problems,
- conducting effective research,
- recognizing the different points-of-view of key stakeholders, and
- identifying and managing risk.

This course focuses on developing a creative critical thinking foundation, with an overall goal of fostering effective problem-solving. Research is one important part of this and risk analysis is another key area. This session will focus on group work and student participation in order to emphasize the thinking processes and skill set necessary to help practitioners advance from technician to strategic advisor in a real property context.

#### Upcoming CPD Friday webinars:

Friday, October 2, 2009:

- CPD 124: Scope of Work – Establishing 'New Horizons' For Your Valuation Services
- CPD 126: Getting to Green – Energy Efficient and Sustainable Housing

Friday, November 6, 2009:

- CPD 101: Business Enterprise Valuation
- CPD 110: Creative Critical Thinking – Advancing Appraisal to Strategic Advising

Friday, December 4, 2009:

- CPD 114: Valuation for Financial Reporting – Real Property Appraisal and IFRS
- CPD 111: Decision Analysis – Making Better Real Property Decisions

For more information on these and other UBC CPD offerings, please visit our website: [www.realestate.ubc.ca/webinar](http://www.realestate.ubc.ca/webinar) or [www.realestate.ubc.ca/cpd](http://www.realestate.ubc.ca/cpd)

**Housing market intelligence you can count on**

When you're looking for housing market data to help you make vital business or financial decisions, turn to Canada Mortgage and Housing Corporation (CMHC).

The housing industry trusts CMHC for reliable, impartial and up-to-date housing market reports, analysis and knowledge.

Visit [www.cmhc.ca/housingmarketinformation](http://www.cmhc.ca/housingmarketinformation) to view, download or subscribe to our free e-reports.

**Canada**

**CMHC SCHL**  
HOME TO CANADIANS

# The behavioural descriptive interview – the final step toward designation



Dominique  
Racine-Dickie, CAE  
Manager, Professional Affairs

## What is the behavioural descriptive interview (BDI)?

The purpose of the BDI is to provide a formal, face-to-face meeting between appointed AIC designated members and the Candidates. The meeting is to assess the Candidate's qualities and competencies in areas considered critical for success in the appraisal profession. The five competencies being tested include market analysis, integrity, communication, critical thinking, relationship-building and self-development.

## What it is not?

It is not about evaluating the Candidate's technical competencies. The fact that the Candidate was successful at the AIC final written exam establishes that he or she has acquired the knowledge, technical abilities and skills required to do the job.

The BDI allows AIC to verify that the Candidate has mastered the five professional competencies associated with superior performance in areas of appraisal. The AIC professional competency interview is designed to test only **behavioural** competencies. These must be observable, measurable, linked to professional requirements for designated members of AIC, and based on strong performance.

## The process:

You will be asked one interview question about a subject from each of the five competency categories and must provide a satisfactory answer for each, in order to succeed in the interview. Candidates must be prepared to discuss at some length their personal experience related to each of the five AIC-identified competencies.

It is helpful to keep a file of experience gained in these competencies from the beginning of your Applied Experience program. This will assist you in selecting your best examples prior to your interview.

When answering the questions, be sure to provide full details to the interviewers – include the five Ws (Who, What, Where, When and Why) and How of the situation as well as what your specific role was, what follow up you did, and how you communicated throughout the situation. It is important to note that the Candidate must be prepared to **verify all examples** for the panel.

It is suggested that the Candidate use the STAR method (Situation – Task – Action – Result) to review the list of topics that will be

addressed for each competency in the interview, as per below. The BDI model of interview utilizes the STAR method, which helps you structure your response to the interview questions:

**Situation:** What was the situation? What was the background and context?

**Task:** What specific task did you need to accomplish?

**Action:** What specifically did you say and do? What were the actions you took?

**Result:** What were the results of your actions? What was the impact? What did you learn? 🌈

To read more about preparing for the BDI, please visit the AIC website at: <http://www.aicanada.ca/cmsPage.aspx?id=173>



## 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 April 4, 2009 to July 10, 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 4 avril au 10 juillet 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.*

#### ALBERTA

Sehim Nizam Ergil  
Kevin Kocher  
Gisele Purdy  
Brian Taylor  
Jason Tucnik  
Patrick A. Woodlock

Pedro Tavares  
Bronwen O. Vaughan

#### NOVA SCOTIA

Mark C. Fielden  
Darlene M. Ward

#### ONTARIO

Friederike A. Baayen  
Chad Bradshaw  
Gus Dal Colle  
Gina W. Genge

Monique Roszell  
Julianne M. Wright  
Chung-Kei Philip Yu

#### PRINCE EDWARD ISLAND

Boyce D. Costello

#### SASKATCHEWAN

Terrance E. Hegel

#### BRITISH COLUMBIA

William D. Ethier  
J. Glen Neufeldt  
Greg C. Rounis  
Eugene M. Steckley

### 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

Sheree Boisvert  
Royce R. Carey  
Patricia A. Felske  
Glenn C. Geddes  
Gregory E. Kennedy  
Ryan S. Ramage  
Kevin Steckler  
Corwyn P. Warwaruk

Lisa Janette Martin  
Rod True

#### NOVA SCOTIA

Jennifer J. Clarke-Hines  
Carol Louise Wetmore

#### ONTARIO

Mary Ann Awde  
Jenny A Barry  
Peyman Etemadi  
Shirley A M Hill

#### BRITISH COLUMBIA

Janet Yat Ping Au  
Jordanna L. Holmes

Marie-Josée Landry-Morneau  
Leo W. Mirtitsch  
Chaitanya A. Patel  
Sharon L. Von Schoenberg

#### PRINCE EDWARD ISLAND

James D. Johnston

#### QUEBEC

Marco Brunet  
Patrick Lafleur

## Candidates / Stagiaires

AIC welcomed the following new Candidate members during the period April 4, 2009 to July 10, 2009:

*L'ICE souhaite la bienvenue aux personnes suivantes qui ont joint les rangs des membres stagiaires durant la période du 4 avril au 10 juillet 2009:*

#### ALBERTA

Kurri S. Carlson  
Jason Forster  
Christopher Lee Gusa  
Steven Norman Hill  
Ryan Ho  
Darren A. Ingram  
Robert John Irwin  
Mark Poechman  
Elias Taboulchanas

#### BRITISH COLUMBIA

David Deng  
Derek Funk  
Ting Fei (Fay) Lin  
Monika C. Parkes  
Elaine Sela  
Brian C. Smith  
Giang (John) Tran  
Jason S. Tse  
Cynthia Wright

#### NEW BRUNSWICK

Darren A. Melanson

#### NOVA SCOTIA

Robert H. Santilli  
Veronica Gail Singer

#### ONTARIO

Mohammad Mohsen  
(Mason) Amini  
Michael Alexander Di Staulo  
Luke A. Di Tosto  
Michael P. Harrison  
Owen M. Hughes  
William James LePage  
Yu (Liza) Liang  
David P. Maddiss  
David M. Marco

Matthew R. McWatters  
Kaiser Saeed Mian  
Jonathan W. W. Sobottka  
Stacie VanEvery  
Nancy Nan Chi Wun

#### QUEBEC

Kelley Fawthrop

#### SASKATCHEWAN

Wendy Sydoruk

## Students / Étudiants

This category of membership 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 category of membership.

*Cette catégorie de membre 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 contemplant une carrière comme évaluateur professionnel sont bienvenus à joindre cette catégorie de membre.*

#### BRITISH COLUMBIA

Shaun R. Blythen

#### MANITOBA

Barjinder S. Thind

#### ONTARIO

Somino Chhoeng  
Jason Zhong



PROPERTY TAX  
VALUATION  
**IFRS**  
CONSULTING  
ADVISORY

**WE'RE THERE**



When you need the most sophisticated advice regarding your real estate holdings for the transition to IFRS, only one consultancy has the technical expertise and unrivalled global platform to respond.

With valuation professionals in 90 offices across the globe, including Montreal, Ottawa, Toronto, London, Calgary, Edmonton and Vancouver, Cushman & Wakefield Valuation & Advisory group has Regional, National and Global insight.

Our clients and professionals benefit from access to the latest technology and resources, enabling us to deliver in-depth appraisals and valuations with insightful market commentary on time and within budget. **We're There.**

**Sheila Botting**

Senior Managing Director Capital Markets  
416.359.2378  
Sheila.Botting@ca.cushwake.com

[www.cushmanwakefield.com/valuation](http://www.cushmanwakefield.com/valuation)





# Recognizing

# EXCELLENCE

*The Appraisal Institute of Canada (AIC) Annual Conference held in Mont Tremblant, Quebec, from May 27 to May 30, 2009, provided the occasion for AIC to recognize a number of individuals for contributions to the Institute in particular and to the valuation profession in general.*

## Presidential Citations

Outgoing President, George Maurice awarded a presidential citation to Beverley Girvan, AACI, Paul Olscamp, AACI, Fellow, and Craig Soderquist, AACI. The Presidential Citation is awarded by the Institute to recognize in a meaningful way an individual or organization who has made a significant contribution to the growth and enhancement of the appraisal profession. In presenting the citations, Mr. Maurice thanked each of the recipients for their specific contributions to AIC. He noted that, among Paul Olscamp's many contributions, his most notable was his leadership of the group of staff and volunteers who undertook the historical marketing feat for AIC – developing and launching a new brand and image for the Institute. Beverley Girvan was

thanked for her years of service on the AIC Board, Institute committees and her most recent work with the Marketing and Communications Committee, where she assisted with the development and launch of the new brand. He also thanked Ms. Girvan for accepting the role of Chair of this committee for the coming year, where she will continue along the course established by Paul Olscamp in developing innovative marketing programs. Craig Soderquist was thanked for his long-term volunteerism with the Institute at local and national levels, including his most recent tenure on the Board of Directors and his new role with AIC's insurance program, where he will serve as a member of the FPLIC Board.



*Outgoing President George Maurice, AACI, Fellow, presented retiring Board member Gordon J. Tomiuk, AACI, Fellow, with a plaque marking his contributions to the AIC Board (2003-2009).*



*President Sheila Young, AACI, thanked Laurent Brosseau, AACI, Fellow, who was awarded the title of Fellow in recognition of his numerous contributions to AIC initiatives (1988-2009).*

## Fellows

The title of Fellow is granted to designated members who have distinguished themselves by their exemplary contributions to the profession. This is demonstrated by a high level of excellence and achievement that has contributed to the advancement of the profession.

Laurent Brosseau, AACI, Brossard, Quebec was awarded the title of Fellow in recognition of his numerous contributions to AIC initiatives. In presenting Mr. Brosseau with his Certificate of Fellowship, President Sheila Young spoke of his active involvement with the Institute during his long-standing tenure and his work as a Director on the AIC Board, a member of the Standards Committee, a Standards instructor, as well as his extensive contributions towards translating AIC course materials.

Ms. Young noted that, although Mr. Brosseau retired from the Institute and his position with Canada Revenue Agency late last year, he continues to be actively involved with AIC and she thanked him for his tremendous contribution while serving as Chair of the Conference Planning Committee for the Mont Tremblant Conference.

Outgoing President George Maurice, AACI, was also honored by



*Outgoing President George Maurice, AACI, Fellow, acknowledged new AACI designate Don Edey, AACI from Perth Ontario.*

being named a Fellow of the Institute. Thanking him for all his work for the Institute, President Young presented him with a commemorative gavel and plaque recognizing his accomplishments during his presidential term.

## Retiring Board members

Outgoing President George Maurice introduced each of the following retiring Board members and thanked them for the contributions to the Institute, as they were presented with plaques recognizing their contributions during their tenure on the Board of Directors:

- Craig Soderquist, AACI
- Michel Colgan, AACI
- Beverley Girvan, AACI
- Gerald McCoombs, AACI
- Gordon J. Tomiuk, AACI, Fellow
- Paul Olscamp, AACI, Fellow

## New designates

The Annual Conference provided an opportunity to recognize all who have earned their designation in the past 12 months, and a ceremonial presentation of the designation to those attending the conference. At the conference luncheon on Saturday, May 30, the names of the 72 new CRA and 42 new AACI members were presented to attendees in a scrolling PowerPoint presentation. Outgoing President George Maurice then presented Don Edey, AACI with his designation certificate. Don is employed by the Perth, Ontario firm of Rivington Associates. He joined the Institute in December 2005 and, in September 2008, received his AACI designation. Congratulations were extended to all AIC members on achieving their new designations during the past year.

## Volunteer recognition

The Saturday awards luncheon also featured a volunteer recognition component, during which the names of 165 volunteers who serve on AIC committees were presented to the members. President Young asked that members join her in saluting the contributions of these individuals, noting the Institute's debt to the dedication of the many volunteers who devote countless hours to assisting the Institute reach its ambitious goals. 🇨🇦

## ATTENTION STUDENTS & CANDIDATES

### THE JACK WARREN EDUCATIONAL TRUST

The Jack Warren Educational Trust Committee would like to bring to your attention the availability of a \$500.00 scholarship.

**The annual scholarship is available to individuals from across Canada pursuing a career in real estate appraisal.**

For more information or to obtain an official application form, please contact the Appraisal Institute of Canada – British Columbia, #845 – 1200 West 73<sup>rd</sup> Avenue, Vancouver, BC, (604) 266-8287, or visit the Appraisal Institute of Canada – British Columbia website [www.appraisal.bc.ca](http://www.appraisal.bc.ca), click on publications, brochures and the Jack Warren Educational Trust.

This scholarship is an annual award available to all Canadian students in the real estate appraisal field.

**Applications are available by contacting the Appraisal Institute of Canada – British Columbia or by visiting**  
<http://www.appraisal.bc.ca/publications/index.php/listings?c=6>

**DEADLINE FOR APPLICATION IS AUGUST 31 ANNUALLY.  
 DON'T DELAY—APPLY TODAY!**



## GORDON MACNAIR APPOINTED DIRECTOR WITH CITY OF OTTAWA

Effective July 16, 2009, Gordon MacNair, AACI, P. App was appointed to the position of Director of the Real Estate Partnerships and Development Office, City of Ottawa.

Gord brings a wealth of experience to the position, having been a long-time employee of both the Regional Municipality of Ottawa-Carleton (RMOC) and the City of Ottawa. In 1993, he began his career with municipal government in Ottawa as a Property Officer for the RMOC. Prior to taking on the role of Acting Director of the Real Estate Partnerships and Development Office earlier this year, he was the Manager of Real Estate Services for the City of Ottawa.

Reporting to the City Manager, Gord is responsible for leading key development initiatives set out in Council's Strategic Plan, enhancing the value of the City's real estate assets, and setting long-range strategic real estate asset rationalization and management plans.

Gord has facilitated seminars across Canada and the US for the Building Owner's & Managers Association (BOMA), International Right of Way Association (IRWA) and the Appraisal Institute of Canada on real estate matters ranging from valuation, commercial leasing, and expropriation, to asset management and real estate investment finance. In 2004-2005, he became one of only a few Canadians to serve as president of the IRWA.

## 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.*

**Karl Harck, AACI, P. App**  
 White Rock, BC

**Matthew Proudfoot, Candidate**  
 Calgary, AB

**George Godfrey Caswell, CRA**  
 Brantford, ON

**John Walker, AACI, P. App**  
 Crapaud, PE

## CRITICAL DATES

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

**Friday, October 16, 2009** – Deadline for article submission for next issue of *Canadian Property Valuation* magazine.

**September 30, 2009** – Candidates must successfully complete a university level course between October 1, 2008 and September 30, 2009 and report same electronically as per AIC policy.

**September 30, 2009** – Due date for payment of AIC membership dues. eInvoices sent August 24, 2009.

**December 31, 2009** – AIC designated members must complete and post electronically the completion of a minimum six new CPD credits obtained between January 1 and December 31, 2009. Random audits will take place during January 2010.

**January 1, 2010 – New Policy** – As of January 1, 2010, experience gained as of the date of enrolment in the Applied Experience Program (AEP) will be considered valid for the purpose of obtaining the AACI or CRA designation.



VISIT US AT:  
[www.aicanada.ca](http://www.aicanada.ca)

Click HERE to return to Table of Contents



**Real Estate  
Data Builders**

Come and visit our new website:  
[www.jlr.ca](http://www.jlr.ca)

**MORE THAN 25 NEW FUNCTIONS ARE WAITING FOR YOU IN THIS NEW VERSION**

- > 2.5 Million buildings are classified, more than 50% are photographed
- > 3.5 Million real estate transactions of all types
- > The information is updated daily

Become a member of JLR and gain access to one of the most complete real estate databases of Québec!  
All sales are categorized " Even those without a real estate agent "

To find out more, please visit: [www.jlr.ca](http://www.jlr.ca)



## deliberately Different

Want to be rewarded for your appraisal experience? Need room to grow? If you're looking for a career where you are valued as much as your expertise, we think you'll love it at FCC.

### Got your resumé ready?

We'd like to talk to you about positions that may be opening up in the future. Quote file AIC09-09/10 in your cover letter and email both to [hr-rh@fcc-fac.ca](mailto:hr-rh@fcc-fac.ca).

10-033-151-07 E 07/09/09 KMB



Canada



**NAS**  
NATIONWIDE APPRAISAL SERVICE INC.



### Solutions by Appraisers...for Appraisers

*NAS takes the 'Appraiser Friendly' approach to Appraisal Management. Promoting quality, service and integrity, we are strong supporters of the standards and designations of the AIC. With flexible and independent fee schedules, we expand your relationships and offer innovative solutions to broaden your portfolio of business services.*

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

*"Canada's Comprehensive Source for Real Estate Valuations"*

<b>AIC</b>	<p><b>GREEN &amp; GLOBAL IN THE GARDEN CITY 2010 Appraisal Institute of Canada Annual Conference</b> June 2-5, 2010 – Fairmont Empress Hotel Victoria, British Columbia For information contact: <a href="mailto:info@aicanada.ca">info@aicanada.ca</a> or <a href="http://www.aicanada.ca">www.aicanada.ca</a> or 1-888-551-5521</p>	<b>ON</b>	<p><b>OA-AIC Academy</b></p> <ul style="list-style-type: none"> <li>• Development Approvals Process</li> <li>• Dismissing an Employee</li> <li>• Customer Relationship Building</li> <li>• Disclosure and Disclaimers</li> <li>• Appraisal and the Human Rights Code</li> <li>• Negotiation for Results</li> <li>• Immigration, Culture and Appraisal</li> <li>• Achieving Balance: A Guide to Achieving a Balanced Life!</li> </ul> <p>September 18 and 19 – North Bay</p> <p><b>Professional Standards Seminar</b> September 25 and 26 – Toronto September 25 and 26 – Ottawa</p> <p><b>Expropriation Law Update</b> <b>Liabilities: Update for Appraisers</b> <b>Rent Control Regime in Ontario</b> <b>Road and Bridge Closings</b> <b>Business Law</b> October 23 – Toronto</p> <p><b>Appraisers and the Ontario Human Rights Code</b> <b>Understanding Immigration and Culture</b> October 30 – Windsor</p> <p><b>Legal Impact of Grow House Operations/Legal Issues to Consider in the Appraisal</b> December 4 – Burlington To register for the above events, please go to <a href="http://www.oaic.on.ca">www.oaic.on.ca</a> For information contact: Lorraine Rigas at <a href="mailto:lrigas@oaic.on.ca">lrigas@oaic.on.ca</a> (416) 695-9333 or check <a href="http://www.oaic.on.ca">www.oaic.on.ca</a></p>
<b>BC</b>	<p><b>2009 Professional Practice Seminar</b> Formerly the Standards Seminar <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: Kathy Porter at <a href="mailto:kathy@appraisal.bc.ca">kathy@appraisal.bc.ca</a> or (604) 266-8287 or check <a href="http://www.appraisal.bc.ca/">www.appraisal.bc.ca/</a></p>		
<b>AB</b>	<p><b>Professional Practice Seminar (Standards)</b> Fall 2009 Date and location TBA For information contact: AB AIC at <a href="mailto:info@appraisal.ab.ca">info@appraisal.ab.ca</a> or (403) 207-7892 or check <a href="http://www.appraisal.ab.ca">www.appraisal.ab.ca</a></p>		
<b>SK</b>	<p>For information contact: Marilyn Steranka at <a href="mailto:skaic@sasktel.net">skaic@sasktel.net</a> or (306) 352-4195 or check <a href="http://www.skaic.org/">www.skaic.org/</a></p>		
<b>MB</b>	<p><b>Professional Practice Seminar</b> October 2 and 3, 2009 Victoria Inn, Winnipeg Allan Beatty, AACI, P. App, Instructor</p> <p><b>Candidate's Forum (For Candidate Members Only)</b> Wednesday, November 4, 2009 2:15 to 3:45 PM Norwood Hotel, Winnipeg</p> <p><b>Manitoba Association Reception and Annual General Meeting</b> Wednesday, November 4, 2009 4:00 to 6:30 PM Norwood Hotel, Winnipeg For information contact: Executive Director at <a href="mailto:mbaic@mts.net">mbaic@mts.net</a> or (204) 943-1177 or check <a href="http://www.aimanitoba.ca">www.aimanitoba.ca</a></p>		
		<b>QC</b>	<p>For information contact: Ginette St-Jean at <a href="mailto:aqice@qc.aira.com">aqice@qc.aira.com</a> or (450) 454-0377 or check <a href="http://www.aqice.ca">www.aqice.ca</a></p>
		<b>NB</b>	<p>For information contact: Jennifer Nemeth at <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>For information contact: Davida Mackay at <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>PEI</b>	<p>For information contact: Suzanne Pater at <a href="mailto:peiaic@explornet.com">peiaic@explornet.com</a> or (902) 368-3355</p>
		<b>NL</b>	<p>For information contact: Sherry House at <a href="mailto:naaic@nf.aibn.com">naaic@nf.aibn.com</a> or (709) 753-7644</p>

## Advertiser 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.

Company	Page	Website	Phone Number
A Bound Corporation	5	<a href="http://www.abound.ca">www.abound.ca</a>	888-622-6863
ACI	2, 3, 56	<a href="http://www.appraiserchoice.com">www.appraiserchoice.com</a>	800-234-8727
Altus Group Ltd.	55	<a href="http://www.thealtusgroup.com">www.thealtusgroup.com</a>	416-204-1100
Appraisal Institute	19	<a href="http://www.appraisalinstitute.org">www.appraisalinstitute.org</a>	888-7JOINAL
Atlantic Realty Advisors	37	<a href="http://www.ara.ca">www.ara.ca</a>	
Business Information Group	43	<a href="http://www.ecologeris.com">www.ecologeris.com</a>	887-512-5204
Canadian Resource Valuation Group	32	<a href="http://www.crvg.com">www.crvg.com</a>	780-424-8856
Marshall & Swift	40	<a href="http://www.marshallswift.com">www.marshallswift.com</a>	800-544-2678
Notarius	43	<a href="http://www.notarius.com">www.notarius.com</a>	800-567-6703
Personal Home & Auto Group Insurance	41	<a href="http://www.thepersonal.com/aicanada">www.thepersonal.com/aicanada</a>	888-476-8737
Sauder School of Business	44	<a href="http://www.realestate.ubc.ca">www.realestate.ubc.ca</a>	877-775-7733

Market intelligence.

*Connaissance de marché.*

Industry leadership.

*Leadership de l'industrie.*

International expansion.

*Expansion internationale.*

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

- > Real estate market forecasting and analysis
- > Market information and perspective
- > Annual property and portfolio valuation
- > 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 d'envergure nationale 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*
- > *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)*



Research, Valuation & Advisory  
Cost Consulting  
Realty Tax Consulting  
Geomatics



Évaluation et fiscalité municipale  
Analyse immobilière  
Solutions technologiques  
Géomatique



# ACI365™ Your Appraisal Office—Online

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 manage your appraisal office!

## Order Management from the Field

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

## Faster Payments

- › Automatically send customizable past due E-Mail notices to clients.

## Management Reports at the Touch of a Button

- › Run reports on past and present appraisals, appraisers or clients.

## Better Client Communication

- › Market to your clients quickly and easily.
- › Create and manage your mailing list.
- › Customize your E-Mails, select a delivery schedule, and ACI365™ will do the rest.



## Web Designer

- › Showcase your company's services including Product Pricing, Coverage Area, Your Appraisers, and more, to make your site look unique.
- › Enjoy a simple set-up with our Implementation Specialists who virtually walk you through the process and stay with you until your website is up and running.



## Marketing Postcards

- › Market your business with E-Mail postcards.
- › Send reminders for special occasions.
- › Keep in touch with clients on a regular basis.

## Outlook Calendar Feature

- › Automatically see inspection notifications populate in your Outlook calendar.

## Google Map Links in ACI365™ Calendar

- › Reference Google Map links in your ACI365™ calendar for quick access.

## Updated Website Templates

- › Choose from dozens of templates with different themes and color combinations available to tailor to your company's specific offerings.

## Call Today!

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



## Complete Solution

Website & Worksite

**\$365\***

Website Only

**\$249\***

\* Payable in US Dollars

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

