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COMPARABLE SALES DATA		
T PROPERTY	COMPARABLE END1	COMPARABLE END2
148 Armour Blvd	148 Armour Blvd	110 Armour Blvd
3 / 16	C1392747 / 23	C1886784
	6/8/2009	9/17/2009
	126400	121500
	50x80	50x80
1 good	1 good	1
2-story		2-story

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THE WORLDWIDE MOBILITY ASSOCIATION		
Client Name	123 client address	
Client Address	client state	client zip
Client Zip	client zip	client zip
Transfer Fee	transfer fee	transfer fee
Subject Property Address	12 village	
City	city	
Appraiser Company Name	appraisal company	
Appraiser	appraiser	appraiser
Appraiser Address	appr address	
City	appr city	appr city
Ph. #	appr ph	appr ph
Fax #	appr fax	appr fax
Anticipated Sales Price	\$ ANT VALUE	
SALIENT FACTS (p. 8)		

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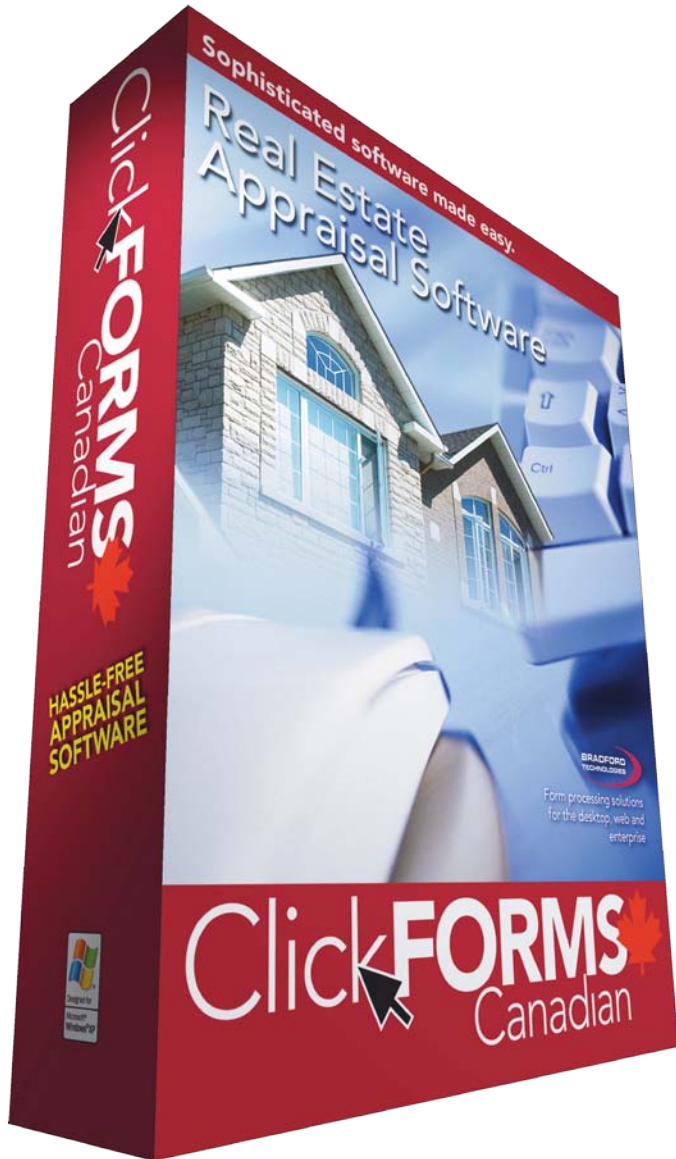
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ANNUAL CONFERENCE OF THE APPRAISAL INSTITUTE OF CANADA OTTAWA, ONTARIO, FAIRMONT CHATEAU LAURIER, JUNE 6-9, 2012



SHAPE OF THINGS TO COME

STRATEGIES FOR SUCCESS



The 2012 Organizing Committee is pleased to announce that Mark Tewksbury will be the Keynote speaker.

Mark Tewksbury is the star athlete who burst out of the water at the Barcelona Olympics; an Olympic champion with gold, silver and bronze medals, numerous awards, inductions into three major Halls of Fame, and a cover appearance on *TIME* Magazine.

He grew into the leader who traveled the world with the International Olympic Committee at age 28, was on the executive of Toronto's Olympic bid for 2008, and took a difficult and public stand for athletes' rights and ethics in sport against the IOC. He later co-founded OATH, an organization that challenged the IOC to live up to its own ideals.

Tewksbury has become a champion for a number of important causes. He has proudly supported sick children and currently sits on the national Boards of the Special Olympics and the Canadian Psychiatric Research Foundation. For his ethical leadership and active humanitarianism, he has received Honorary Doctorate of Laws degrees from the University of Western Ontario and the University of Calgary.

Mark has hosted television shows including *How It's Made* on Discovery Channel, authored three books, and performed seminars and workshops around the world. He is a popular media commentator, has been the Master of Ceremonies for the Dalai Lama's Canadian appearances in 2007 and 2009, and, in 2008, was invited by the Government of France to address human rights at the United Nations in New York City.

Mark is currently living in Calgary, and is the Chef de Mission for the Canadian Olympic Team competing in London in 2012.

**2012's conference theme is the
SHAPE OF THINGS TO COME – STRATEGIES FOR SUCCESS**

Come and explore our vision for the future of the profession, share information on the challenges and opportunities that we face, and leave with knowledge and tools that will help you succeed and thrive in our changing marketplace.

Your fellow members working on the 2012 Organizing Committee are enthusiastic and committed to making your 2012 conference experience a truly memorable one. Mark it on your calendar – June 6-9. See you there!

For more information please visit <http://aic2012.aicanada.ca>

NOTICE OF ANNUAL GENERAL MEETING

**Appraisal Institute of Canada AGM 2012
Fairmont Château Laurier
Ottawa, Ontario
Friday, June 8, 2012 – 15:15**

Agenda

1. To confirm the Minutes of the June 10, 2011 AGM.
2. To receive Reports
 - a) President
 - b) Management
 - c) AIC Committees
3. To receive audited financial statements for the past year and appoint auditors for the forthcoming year.
4. To elect the Board of Directors of the Appraisal Institute of Canada.
5. To consider resolutions submitted in accordance with the By-laws.
6. To consider all other business as may properly come before the meeting.

AVIS D'ASSEMBLÉE GÉNÉRALE ANNUELLE

**Institut canadien des évaluateurs, AGA 2012
Fairmont Château Laurier
Ottawa, Ontario
Vendredi le 8 juin 2012 – 15 h 15**

Ordre du jour

1. Approbation du procès-verbal de l'AGA du 10 juin 2011.
2. Présentation des rapports
 - a) du Président
 - b) de la direction
 - c) des comités de l'ICE
3. Présentation des états financiers vérifiés du dernier exercice et nomination des vérificateurs pour le prochain exercice.
4. Élection des membres du Conseil d'administration de l'Institut canadien des évaluateurs.
5. Examen des résolutions présentées conformément aux règlements.
6. Étude de tous les autres points dûment présentés à l'Assemblée.





Michael Mendela, AAI

FROM THE PRESIDENT

Collaborative leadership

At my request, the space that has traditionally been allocated to the President's Message in *Canadian Property Valuation*, will now be shared with all members of the Executive Committee.

The operation, management and, ultimately, the future of the Appraisal Institute of Canada (AIC) does not rest exclusively on the shoulders or whims of the Institute's president. The AIC is managed by a Board of Directors, with the day to day business decisions being made by the Chief Executive Officer (CEO), in conjunction with and under the guidance of the Executive Committee.

The members of the Executive Committee, by virtue of their senior Board appointments, are positioned such that their individual viewpoints, judgements, attitudes and opinions will collectively have an influence on the future direction this Institute. As well, some, if not all, of these individuals will someday be president of our Institute.

Therefore, this new 'Executive Corner' in *CPV* is intended to showcase these senior members of the Board, including their areas of responsibility, overall Board involvement, and individual opinions, which could, at times, differ. While this last item might raise eyebrows on those individuals who have served on other Boards, where 'solidarity' was expected and often strongly demanded, I welcome differing opinions and do not at all mind spirited discussions that could ultimately result in an agreement to disagree.

I am comfortable working with a Board that does not exhibit solidarity. Times have changed. It is unrealistic to expect the Institute membership to believe that all 15 AIC Board members are in complete agreement on every issue that requires a Board decision — and to subsequently be expected to vote in unison, if required to do so, in a public forum such as an AGM.

Diversity of opinion, subsequent debates and disagreement frequently bring out viewpoints that add additional substance to the issue, a so called third dimension, that often will result in a better, albeit sometimes reluctant, understanding of the opposing viewpoint.

"These differences will emerge as the building blocks upon which future collaborative decisions are made."

I believe that our Institute has sufficient maturity, strength and member understanding to appreciate that diversity of opinion, heated discussions and controversy will not lead to long-term divisiveness, as is often thought, but, rather, that these differences will emerge as the building blocks upon which future collaborative decisions are made.

By the time this message is printed in our *CPV* magazine, our national office will have experienced the loss of three senior staff members, namely the CEO, the Director of Marketing and Communications, and the Counsellor of Professional Practice. Two of these individuals have been with our Institute since our move from Winnipeg some 10 or so years ago — the third was in his fifth year. Their collective departure is no small issue. The individual loss of a CEO with a 10-year tenure is significant in itself. The additional departures simply add to the challenges in trying to maintain an acceptable service level

for the membership. I am happy to report that our Ottawa office staff has collectively pitched in and worked collaboratively to ensure that not only our Board of Directors, but also the members were fully supported during this period of reduced staff levels.

As you are now all aware, and as has been previously highlighted in *Communiqué Number 14*, the AIC's new CEO, Keith Lancaster, started his tenure in the second last week of September.

Hiring a new CEO is no small feat, as I experienced while participating on the CEO Selection Committee. In late spring, the CEO Selection Committee was formed under then President and Chair, Grant Uba. Committee members included myself, Vice President David Shum, Director Greg Bennett, Director Louie Poirier, Beverley Girvan and Larry Laverty. After several teleconferences, many emails and an exhausting two-day interview process in Ottawa, the committee made its selection and completed its mandate. I would like to thank all the participants in this endeavour and hope that they realize how important their contribution was to the future of this Institute. Over the last 30 or so years, the Appraisal Institute of Canada has had only two CEOs.

Often, change is not easy. It is sometimes accompanied by anxiety, doubt and negativity. Some people are strongly averse to change, however, and, at this particular point in time in our Institute's history, I view change as being both a necessity and an opportunity going forward.

I heartily welcome Keith to our Institute and look forward to his anticipated contributions for years to come.

Planning our work and working our plan



Scott Wilson, AACI

What is strategy? A key focal point of corporate and organizational boardrooms is the concept of strategy. Michael Porter, considered by many to be the authority on the topic, suggests: "A company can outperform rivals only if it can establish a difference that it can preserve." (*Porter, 1996, p.62.*) Porter suggests that strategy requires trade-offs, because it forces an organization to make informed decisions based upon its limited resources (*Porter, 1996*). This forced choice is similar to the concept of opportunity cost, an economic theory introduced to us in our introduction to appraisal theory.

With these concepts in mind, the Appraisal Institute of Canada (AIC) Board of Directors conducted a strategic planning day following the regular Board meeting in November 2010. During this guided session, the Board undertook an environmental scan of the appraisal industry in Canada; reviewed the last Strategic Plan document;

and, based upon mutual agreement, established seven high priority areas. The AIC Ad Hoc Strategic Planning Committee was established in November 2010 and tasked with developing a three-year strategic plan (2011-2014), based upon the outcomes of this planning session.

A follow-up strategic planning meeting was held at the February 2011 Board meeting, where the Board reviewed governance styles and the document prepared to date, and gave suggestions for further committee work. A final draft was then brought to the Board for their consideration at the Board strategy meetings held in Moncton, NB. Both the existing and new Boards were involved in this process, as the new Board would ultimately be charged with the final approval of the plan. This draft was approved in principle to be distributed to the provinces, chapters and membership for comment until mid-September. We greatly thank those AIC members

and staff who took time to offer feedback. Three versions of the plan, as well as a summary of the feedback, were presented at the October 18 Board meeting and a final Strategic Plan was adopted. Once this version has been issued in its final format, a copy of the 2011-2014 AIC Strategic Plan will be posted on the AIC website. Watch for further discussions in upcoming editions of *Canadian Property Valuation*.

Ultimately, any strategy must be readily adaptable in order to be considered effective. The current financial markets have reinforced that we have entered a period of rapid change and increased competition from both internal and external sources. But, as history continues to show us, *with great change comes even greater opportunity*.

Reference

Porter, M. E. (1996). What Is Strategy? *Harvard Business Review*, 74(6), 61-78.

Examining the Candidate experience



Dan Wilson, AACI

First of all, I wish to thank President Mendela for the opportunity to put forward my thoughts in this issue of the *Canadian Property Valuation* magazine.

As an AIC volunteer for the past 10 years, I have found there are several issues about which I am most passionate. They are the need for an expanded advocacy and government relations

role for the AIC, the review of the entire process of becoming a designated member, and the continued guidance to our members on matters dealing with appraisal management companies.

In this issue, I have been asked to provide an update on the work of the Ad Hoc Candidacy Committee. In November 2010, this committee

was formed by the Board to review the entire process or lifecycle of an AIC Candidate member, from recruitment, through the educational and designation process, to the awarding of the designation.

The purpose of this review is to provide an overview of the various AIC policies that have an impact on the process and how they

(continued on page 12)



MESSAGE DU PRÉSIDENT

Michael Mendela, AACI



Leadership en collaboration

À ma demande, l'espace dans la revue *Évaluation immobilière au Canada*, jadis réservé au message du président, sera dorénavant partagé avec les membres du Comité exécutif.

L'exploitation, la gestion et en bout de ligne l'avenir de l'ICÉ ne reposent pas exclusivement sur les épaules ou le gré du président de l'Association. L'ICÉ est géré par un Conseil d'administration alors que les décisions quotidiennes d'affaires sont prises par le chef de la direction en collaboration et moyennant les conseils du Comité exécutif.

Les membres du Comité exécutif, en vertu de leur nomination à titre de cadres, se retrouvent dans une position où leurs idéologies personnelles, jugements, attitudes et opinions auront, collectivement, une influence sur l'orientation future de cette Association. Aussi, certains membres de ce groupe, voire possiblement tous, occuperont un jour la présidence de notre Association.

Cette nouvelle section de la revue que nous appelons « Le coin de l'Exécutif » vise donc à présenter ces membres cadres du Conseil, y compris leur secteur respectif de responsabilité, leur participation générale au Conseil et leurs opinions qui, à l'occasion, sont divergentes. Bien que ce dernier point puisse semer la confusion chez les gens qui ont déjà siégé à d'autres Conseils où la solidarité était attendue, voire même exigée, j'accueille favorablement les opinions divergentes et n'écarte pas la possibilité de chaudes discussions qui peuvent éventuellement mener à une entente de désaccord.

Je suis à l'aise de travailler avec un Conseil où la solidarité n'est pas chose courante. Les temps ont changé et il est irréaliste que les membres de l'Association s'attendent à ce que les 15 membres du Conseil de l'ICÉ s'entendent parfaitement sur chacun des points discutés et pour lesquels une décision du Conseil est requise, et qu'ils votent à l'unisson si

« Ces divergences serviront de fondement aux décisions futures qui auront été prises en collaboration. »

nécessaire dans un forum public comme l'AGA.

La diversité des opinions, les débats qui suivent, et le désaccord produisent souvent des opinions qui ajoutent de la valeur à l'enjeu, une troisième dimension si je puis dire, qui résultera en une meilleure compréhension, bien que réticente à l'occasion, de l'opinion des autres.

Je crois que notre Association possède suffisamment d'expérience et de solidité et que ses membres comprennent parfaitement que cette diversité des opinions et que les chaudes discussions et la controverse qui en découlent ne mèneront pas à une division à long terme comme on le croit souvent, mais plutôt que ces divergences serviront de fondement aux décisions futures qui auront été prises en collaboration.

D'ici à ce que ce message paraisse dans notre revue *ÉIC*, notre bureau national aura perdu trois membres cadres du personnel, soit le chef de la direction de l'Association, la directrice du marketing et des communications et le conseiller en pratique professionnelle. Deux d'entre eux ont été au service de l'Association depuis son déménagement de Winnipeg il y a près de dix ans alors que le troisième entreprenait sa cinquième année à notre service. Leur départ collectif n'est pas une mince affaire. La seule perte d'un chef de la direction comptant 10 ans de service est plus qu'importante et les autres départs ajoutent aux défis de maintenir un niveau acceptable de services aux membres. J'ai toutefois le plaisir d'annoncer que le personnel du bureau d'Ottawa a déployé tous les efforts pour assurer que le Conseil d'administration et les membres reçoivent

les services de soutien nécessaires en cette période de dotation réduite.

Comme vous le savez maintenant tous et tel qu'annoncé dans le *Communiqué 14*, le nouveau chef de la direction de l'ICÉ, Keith Lancaster, est entré en fonctions à compter de l'avant-dernière semaine de septembre.

L'embauche d'un nouveau chef de la direction n'est pas chose facile comme j'ai pu le constater en siégeant au Comité de sélection du chef de la direction. Vers la fin du printemps, le Comité de sélection du chef de la direction a été formé sous la direction du président de l'époque, Grant Uba. Le comité était formé de moi-même, du vice-président David Shum, des administrateurs Greg Bennett et Louis Poirier, de Beverley Girvan et Larry Laverty. Suite à plusieurs téléconférences, de nombreux courriels et un processus exhaustif d'entrevues de deux jours à Ottawa, le comité a fait son choix et complété son mandat. Je remercie tous les participants et j'espère qu'ils sont conscients de l'importance de leur contribution à l'avenir de cette Association. Au cours des 30 dernières années ou environ, l'Institut canadien des évaluateurs n'a eu que deux chefs de la direction.

Il est souvent difficile d'effectuer ou d'accepter le changement. Il est parfois accompagné d'un sentiment d'anxiété, de doute et de négativité. Certains s'opposent fortement au changement mais à ce stade spécifique de l'histoire de notre Association, je considère le changement à la fois comme un besoin et une occasion pour l'avenir. Je souhaite donc à Keith une chaleureuse bienvenue à notre Association et anticipe favorablement sa contribution pendant années à venir.

Planifier notre travail, et travailler notre plan



Scott Wilson, AACI

Qu'est-ce qu'une stratégie?

L'un des éléments clés retrouvé dans les salles de conférences de toute entreprise ou organisation est le concept de la stratégie. Michael Porter, considéré par plusieurs comme étant l'autorité en la matière, suggère : « Une compagnie peut vaincre sa concurrence seulement si elle crée une différence qu'elle peut maintenir et protéger. » (Porter, 1996, p. 62). Porter suggère qu'une stratégie fait appel à des concessions étant donné qu'elle oblige une organisation à prendre des décisions bien avisées fondées sur ses ressources limitées (Porter, 1996). Ce choix obligatoire est similaire au concept du coût d'opportunité, une théorie économique que nous avons tous apprise dans le cadre de notre familiarisation avec la théorie de l'évaluation.

Forts de ces concepts, le Conseil d'administration de l'Institut canadien des évaluateurs (ICÉ) a tenu une journée de planification stratégique suite à sa réunion régulière de novembre 2010. Durant cette séance dirigée par modérateur, le Conseil a procédé à une analyse de contexte de l'industrie de l'évaluation au Canada, revu le dernier plan

stratégique et a, par consentement mutuel, établi sept secteurs hautement prioritaires. Le Comité ad hoc de planification stratégique de l'ICÉ a été créé en novembre 2010 et fut mandaté pour élaborer un plan stratégique triennal (2011-2014) fondé sur les conclusions de cette séance de planification.

Une séance de planification stratégique de suivi a été tenue en parallèle à la réunion de février 2011 du Conseil auquel moment celui-ci s'est penché sur les styles de gouvernance, revu le document préparé à ce jour et offert des suggestions concernant les travaux futurs du comité. Une ébauche finale a été présentée à des fins de considération par le Conseil lors des réunions stratégiques du Conseil à Moncton, au Nouveau-Brunswick. Le Conseil existant, ainsi que le nouveau, ont participé à ce processus puisque le nouveau Conseil serait en bout de ligne responsable de l'approbation finale du plan. Cette ébauche a été approuvée en principe à des fins de distribution aux provinces, chapitres et aux membres à des fins de commentaires jusqu'à la mi-septembre. Nous remercions vivement les membres de l'ICÉ qui ont pris quelques minutes

pour nous faire part de leurs commentaires.

Trois versions du plan et un résumé des commentaires ont été présentés à la réunion du 18 octobre du Conseil après quoi un plan stratégique final fut adopté. Une fois le format final de cette version convenu, une copie du plan stratégique 2011-2014 de l'ICÉ sera affichée sur le site Web de l'Institut. Surveillez les discussions prochaines dans les numéros à venir de la revue *Évaluation immobilière au Canada*.

Éventuellement, toute stratégie doit être facilement adaptable pour être efficace. Les marchés financiers actuels ont confirmé que nous avons amorcé une période d'évolution rapide et de concurrence accrue de la part de sources à la fois internes et externes. Toutefois, comme le montre l'histoire, à tout changement *sont liées de grandes occasions*.

Reference

Porter, M. E. (1996). What Is Strategy? *Harvard Business Review*, 74(6), 61-78.

Examen de l'expérience des stagiaires



Dan Wilson, AACI

D'abord et avant tout, je remercie le président Mendela pour m'avoir donné l'occasion de faire valoir mes idées dans ce numéro de la revue *Évaluation immobilière au Canada*.

Après avoir fait du bénévolat pendant mes 10 dernières années à l'ICÉ, plusieurs sujets

m'ont passionné. Entre autres choses, le besoin d'accroître le rôle de l'ICÉ dans le secteur de la représentation et des relations gouvernementales, l'examen du processus menant à l'obtention d'un titre, et l'orientation continue de nos membres dans les questions liées aux

compagnies de gestion en évaluation.

Dans ce numéro, je présenterai une mise à jour sur le travail du Comité ad hoc des stagiaires. Ce comité a été créé en novembre 2010 par le Conseil afin de revoir l'ensemble du cycle de vie d'un membre stagiaire au sein de l'ICÉ,

c'est-à-dire du moment où il est recruté, sa période de formation pédagogique jusqu'au processus menant à l'obtention d'un titre puis, enfin, l'obtention d'un titre proprement dit.

Le but de cet examen est de présenter un survol des diverses politiques de l'ICÉ qui exercent une influence sur le processus et comment cette influence est exercée; définir les défis que doivent relever les stagiaires et qui relèvent ou non de leur contrôle, définir les rôles administratifs et du comité à l'intérieur du processus et identifier les secteurs qui se chevauchent ou les lacunes, élaborer des recommandations visant l'amélioration lorsque possible et identifier les facteurs externes qui affectent nos membres stagiaires et qui pourraient limiter l'aptitude d'adaptation de l'ICÉ.

Dans le cadre de leurs activités quotidiennes, les membres accrédités et stagiaires de l'ICÉ se heurtent à de nombreux défis aux paliers interne et externe. L'objectif du comité est donc d'assurer

un environnement positif favorisant le recrutement, la formation et l'expérience des stagiaires en leur offrant une formation et une expérience conviviales à mesure qu'ils franchissent le cycle de formation professionnelle menant au titre. Ultimement, ceux-ci pourront exceller comme membres accrédités et apprécier une carrière à titre d'évaluateur professionnel, membre légitime de l'ICÉ.

Le comité est composé de membres représentant tous les comités permanents de l'ICÉ et de membres des niveaux provincial et national et s'est réuni tous les mois par téléconférence depuis le mois de janvier 2011. Au cours des huit derniers mois, le comité s'est penché sérieusement sur les diverses politiques et procédés en place, et a identifié plusieurs secteurs où des améliorations ou des modifications s'imposent. Le comité présentera ses recommandations au Conseil lors de sa réunion de novembre 2011. 🇵🇪

Examining the Candidate experience (continued from page 9)

do so; to define the challenges created for Candidates, both within and external to the Candidate's control; to define the committee and administrative roles in the process and identify areas of overlap or deficiency; to develop recommendations for improvement where required; and to identify external environmental factors that affect our Candidate members and that may limit the AIC's ability to change.

AIC designated and Candidate members face many challenges in their daily working lives. The goal of the committee is to ensure that a positive environment exists that contributes to the recruitment, education and experience of Candidates. This means providing them with a congenial environment of training and experience as they move through the professional development cycle to designation and, ultimately, to where they can excel as designated members and enjoy rewarding careers as professional appraisers and members of AIC.

The committee is comprised of members of all AIC standing committees, along with provincial and national staff members, and has met monthly via teleconference since January 2011. Over the course of the past eight months, the committee has taken a hard, objective look at the various policies and processes in place and has identified several areas where improvements or changes to the process may be required. The committee will present these recommendations to the Board at the November 2011 Board of Directors meeting. 🇵🇪

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Advice to authors

From the Editorial Board

Writing a paper for a professional or trade journal can be intimidating. Will my peers and others see my paper as relevant, well written, and with clear messages? What expectations or standards for publication will I need to meet? Who chooses the articles for publication? Will I receive assistance in writing and editing my paper? In this article, we answer the most common questions facing potential authors.

Every AIC member is a potential author. Our goal is to encourage and support members in sharing their valuation experience and expertise through articles published in the *Canadian Property Valuation*. When you share your knowledge with your colleagues across Canada, you have contributed to the body of valuation knowledge and enhanced our profession. Clients and other stakeholders can see the value we place on information sharing and continuous learning.

Q I have an idea for an article, but I do not want to invest a huge amount of time in writing if it will not be accepted for publication. What is my first step?

A Send a brief outline of proposed paper to Mary-Jane Erickson [maryjane@aicanada.ca]. Mary-Jane will circulate your idea to the *Canadian Property Valuation* Editorial Board. We will tell you if your concept has been recently covered or if it is likely to appeal to only a small number of members. We will also suggest changes to the outline that will broaden the appeal of the article, if necessary, and provide a target date for publication of the article.

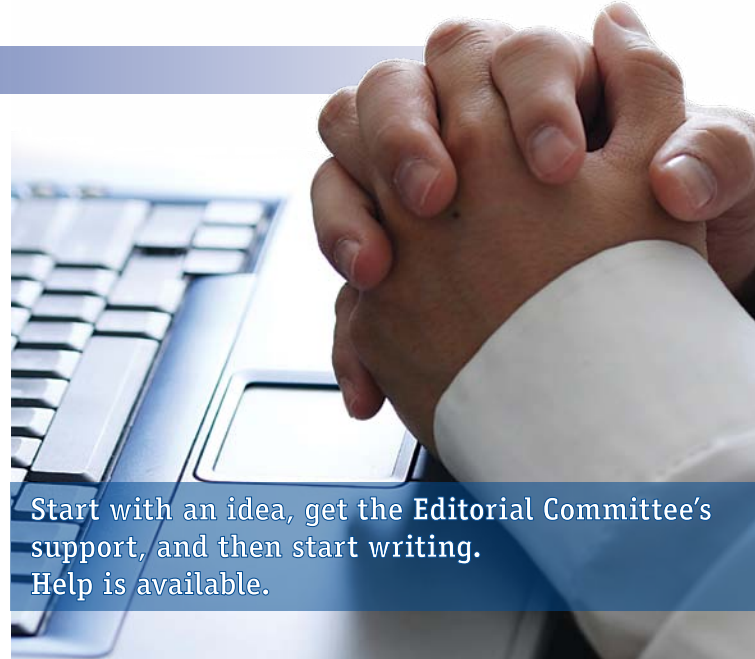
Q What type of assistance is available to authors?

A Once an article idea (outline) is accepted for future publication, editorial assistance will be provided to authors, either through our Communications staff or our magazine publishers, Craig Kelman & Associates Ltd. Keep in mind that the editorial process, which relies on blind peer review, involves flexibility on everyone's part; authors need to be prepared to have their work edited for style, content, and length.

Q Let's assume you accept my article for publication. What's next?

A We will provide you with a target date for publication in *Canadian Property Valuation*. If we cannot accept your proposal, we will provide an explanation.

Canadian Property Valuation is published on a quarterly basis. This publication schedule, along with the magazine budget, places limitations on the extent and timing of member content that can be included in any issue. There may be a significant delay between the date an article is accepted for publication and printing. We will try to give authors realistic timeframes and keep you in the loop.




Start with an idea, get the Editorial Committee's support, and then start writing. Help is available.

Q Do I need to meet professional standards for technical writing?

A We do not expect authors to write at the academic journal level or compete with Giller Prize candidates. However, keep in mind that, when you draw conclusions or express opinions in your article, the readers will generally expect a fact pattern to support your findings. The support may be through a case study, documentary research, interviews, or other research you have conducted. Writing a valuation article is quite similar to writing an appraisal report, identify the purpose and goal, state a hypothesis, conduct research, and reach a conclusion. Writing in an active rather than passive style will make your paper more interesting. Think about the articles that have captured your interest and those which are boring or mind-numbing.

A good source for technical or professional writing is the *Canadian Style Guide*. <http://www.fedpubs.com/subject/commun/cdnstyl.htm>. As well, there are many free online resources. Universities are great sources for writing resources. Here are a few recommendations:

- University of Victoria: <http://web.uvic.ca/wguide/>
- University of British Columbia: http://www.writingcentre.ubc.ca/online_resources.html
- University of Toronto Writing Lab: <http://www.ecf.toronto.edu/~writing/resources.htm>

For more information, please feel free to contact the *Canadian Property Valuation* Editorial Committee, through Mary-Jane Erickson at maryjane@aicanada.ca. 

New CEO looks to reach goals through collaboration



Keith Lancaster, MBA, CAE
Chief Executive Officer

On September 19, 2011, the Appraisal Institute of Canada (AIC) welcomed Keith Lancaster, MBA, CAE, as its new Chief Executive Officer (CEO). Taking the reigns from recently retired CEO Georges Lozano. Keith brings to the position years of experience working in and on behalf of various professions and industries. In the following interview, Keith shares some of his experiences, philosophies, aspirations and goals as they relate to his new position.

Q Can you share with us some of your background from more than 25 years' experience with not-for-profit organizations?

A What has turned into my lifelong career path started in 1982 when I went to work for the Automotive Service and Repair Association (Alberta). Ten years later I moved to Ottawa and joined the Canadian Automotive Repair and Service (CARS) Council, where I served as the Executive Director of the CARS Institute. In 1996, I left CARS to establish a consulting practice working with a number of national non-profit organizations, including national sector councils. I had the opportunity to launch a new organization in 2000 when I was appointed the first Executive Director of the Canadian Apprenticeship Forum and served in that role until 2006. Following that, I advocated on behalf of the Canadian Agri-Food Trade Alliance – a federation of agricultural exporters – in Geneva, Switzerland as well as in Canada during the

final stages of the Doha Round of World Trade Organization negotiations. That experience led to being appointed the first Executive Director of the Forest Products Sector Council in June of 2008, a position that I held until joining the AIC. From an educational perspective, I hold an MBA from Athabasca University and a CAE designation from the Canadian Society of Association Executives.

Q What prompted you to take on the CEO position with the Institute?

A I was very aware of the history of the AIC and the tremendous legacy that it has built over the years. I also know that both the profession and the Institute are facing significant challenges created by a rapidly changing world. I have been very fortunate to work in a wide variety of sectors and experience first-hand the remarkable impact that not-for-profit organizations can have

as they leverage their leadership and their expertise. I viewed the CEO position as an opportunity to honor the accomplishments, traditions and calibre of the Institute and its members, while drawing on my experiences to help both the organization and its members meet the challenges that lie ahead.

Q What are the challenges as you see them?

A The majority of challenges that we face today are created by a rapidly evolving marketplace. There are new players in the valuation profession; there is increasing pressure on lenders; economic conditions are extremely volatile; there is now a global perspective to everything we do; technology is changing at lightning speed; the cultural makeup of our population is more diverse than ever before; and people's aspirations and expectations are changing for everything from education and careers to earnings and lifestyle. Even the fact that members of the baby boom generation are reaching retirement is changing the face of our Institute, the workplace, and the services that are required to meet their needs. For example, 'boomers' have an incredible amount of wealth in the form of property that must be accurately valued in its transfer to the next generation. One thing is certain – change is an absolute given.

"I viewed the CEO position as an opportunity to honor the accomplishments, traditions and calibre of the Institute and its members, while drawing on my experiences to help both the organization and its members meet the challenges that lie ahead."

Q How is the Institute approaching these changing times?

A Not that long ago, I read a quote that said, “change is inevitable, growth is optional” – and that really stuck with me. Whether or not an individual or organization evolves and adapts to the changes taking place is a decision that each of us must make. Either we adapt and change (i.e., grow) or we do not. The Institute has chosen to make the changes that are necessary to ensure it is serving and supporting its members to the best of its abilities and that its programs are continually evolving to meet the demands of the marketplace.

Q How is the Institute doing that?

A The AIC serves an extremely valuable purpose in today’s marketplace, particularly through its designation and education programs. All parties in real estate transactions are best served by skilled, knowledgeable and ethical valuers being involved in the process. Major problems can arise when this type of professional approach is not in place. By ensuring that our designation and education programs are always improving, we will continue to fulfill one of our most important roles.

On a broader scale, the AIC has developed a new strategic plan that will guide our decision-making and ensure that we are headed in the right direction in each case. But, it is important to remember that even the strategic plan will change as circumstances dictate. This does not mean that we will be chasing the flavor of the month, but rather that we will be taking a very measured approach to determining our goals and objectives and then having sound, strategic reasons for our actions. One of our major goals is to look for ways to best serve our members. To do so effectively, we have to listen and, more importantly, to hear what our members are saying.

“The Institute has chosen to make the changes that are necessary to ensure it is serving and supporting its members to the best of its abilities and that its programs are continually evolving to meet the demands of the marketplace.”

The Institute has many strengths on which to build. One of those strengths is the partnerships that exist with our 10 provincial affiliate organizations across the country. We are going to be looking for ways to build on the collaboration that exists with our affiliates to ensure that we are providing the services and the support that they and our members need.

Q How do you see your role in this?

A My objective is to work with our staff and our elected leadership to facilitate their efforts so that policies, strategies and programs are in place to serve our members. I see myself as a conduit to making that happen. If I were to work for the Institute for the next 20 years, I would never know as much about real property valuation as our members and leaders. My role is to work

in collaboration, to provide guidance and to add perspective. While I may not have direct contact with each and every member, I want to interact with them as much as possible so that they know who I am and know that we are working on their behalf. In this regard, my goal during my first year as CEO is to attend at least one event for each of our 10 provincial affiliates. While seeking perspective from members is a healthy thing for our organization to do, it must be done in a strategic and logical fashion. We will want to ask the right questions of the right people at the right time, to be sensitive to their needs, and then to facilitate quick, decisive and sound decisions.

Q In fulfilling that role, what is your management style or philosophy?

A I believe that the best management style or philosophy is situational, however, if you were going to use one word it would probably be collaborative. I like to be clear about expectations, provide the support and feedback that are needed to do the job, and then stay out of the way so that the job can get done. I also believe that every piece of work we do has value and should contribute to the success of the whole. I always remember hearing about a janitor who worked in a NASA warehousing facility more than 30 miles away from the space program’s launch site. When asked what he did for a living, the janitor replied, “I helped put a man on the moon.” I want everyone working for the AIC to know and believe that what they do is important to the success of the organization and, ultimately, to the success of the members we serve. 🌈

“I want everyone working for the AIC to know and believe that what they do is important to the success of the organization and, ultimately, to the success of the members we serve.”

Le nouveau Chef de la direction mise sur la **collaboration** pour atteindre les objectifs



Keith Lancaster, MBA, CAE
chef de la direction

Le 19 septembre 2011, l'Institut canadien des évaluateurs (ICÉ) accueillait Keith Lancaster, MBA, CAE, comme son nouveau chef de la direction. Remplaçant le chef de la direction Georges Lozano récemment retraité, Keith apporte à la fonction plusieurs années d'expérience de travail au sein et pour le compte de diverses professions et industries. Dans l'entrevue qui suit, il partage expériences, philosophies, aspirations et objectifs ayant trait à son nouveau poste.

Q Pouvez-vous brosser le portrait de plus de 25 ans passés dans le milieu des organismes sans but lucratif ?

R Ce qui est devenu le cheminement d'une carrière à vie a débuté en 1982 quand je suis allé travailler en Alberta pour l'Automotive Service and Repair Association. Dix ans plus tard, j'ai déménagé à Ottawa pour rejoindre les rangs du Conseil du service d'entretien et de réparation automobiles du Canada (CARS), où j'ai servi à titre de directeur exécutif de l'Institut CARS. En 1996, j'ai quitté CARS pour créer une firme de consultation travaillant avec de nombreux organismes nationaux sans but lucratif, y compris des conseils sectoriels nationaux. J'ai eu l'occasion de lancer une nouvelle organisation en 2000 quand j'ai été nommé le premier directeur exécutif du Forum canadien sur l'apprentissage, poste que j'ai occupé jusqu'en 2006. Par la suite, j'ai été le porte-parole de l'Alliance canadienne du commerce agroalimentaire — une fédéra-

tion d'exportateurs agricoles — à Genève, en Suisse, ainsi qu'au Canada durant les derniers stades de négociations du Cycle de Doha pour l'Organisation mondiale du commerce. Cette expérience a mené à ma nomination comme premier directeur exécutif du Conseil sectoriel des produits forestiers en juin 2008, rôle que j'ai joué jusqu'à mon arrivée à l'ICÉ. Pour ce qui est de ma formation, je détiens une maîtrise en administration de l'Université Athabasca, de même qu'une désignation CAE de la Société canadienne des directeurs d'association.

Q Qu'est-ce qui vous a incité à choisir la fonction de chef de la direction à l'Institut ?

R Je connaissais très bien l'histoire de l'ICÉ et le précieux héritage qu'il a constitué avec les années. Je sais aussi que les membres de la profession et l'Institut doivent relever de grands défis

dans un monde qui change rapidement. Ce fut une véritable bénédiction de pouvoir travailler dans des secteurs extrêmement variés et observer directement l'impact remarquable que les organismes sans but lucratif peuvent avoir grâce à leurs dirigeants et à leur expertise. Je voyais le travail de chef de la direction comme une opportunité d'honorer les accomplissements, les traditions et le calibre de l'Institut et de ses membres, tout en puisant dans mes expériences pour les aider à répondre aux enjeux qui les attendent.

Q Selon vous, quels sont les défis à relever ?

R La plupart des défis que nous rencontrons aujourd'hui proviennent d'un marché en évolution rapide. Il y a de nouveaux joueurs dans la profession d'évaluateur; les prêteurs sont soumis à des pressions croissantes; les conditions économiques sont très volatiles; ce que nous faisons maintenant tient compte de la mondialisation; les technologies changent à la vitesse de l'éclair; la composition culturelle de notre société est plus diversifiée que jamais; et les gens ont des aspirations et des attentes différentes dans tous les aspects de leur vie, qu'il s'agisse d'éducation et de carrière ou de salaire et de mode de vie. Le seul fait que les baby-boomers atteignent l'âge de la retraite change la face même de notre

« Je voyais le travail de chef de la direction comme une opportunité d'honorer les accomplissements, les traditions et le calibre de l'Institut et de ses membres, tout en puisant dans mes expériences pour les aider à répondre aux enjeux qui les attendent. »

Institut, le lieu de travail et les services requis pour répondre à leurs besoins. Par exemple, les membres de cette génération possèdent de grandes richesses sous forme de propriétés qui doivent être évaluées avec précision avant de passer à la prochaine génération. Chose certaine, le changement est incontournable.

Q Comment l'Institut aborde-t-il ces temps de transformation ?

R Il n'y a pas si longtemps, j'ai lu une citation qui disait « le changement est inévitable, la croissance est facultative » et qui m'a profondément touché. Qu'une personne ou une organisation évolue et s'adapte ou non aux changements qui surviennent est une décision que chacune doit prendre. Nous pouvons nous adapter et changer (c.-à-d. grandir) ou ne pas le faire. L'Institut a décidé d'apporter les changements nécessaires pour servir et supporter ses membres au meilleur de sa capacité et pour que ses programmes suivent l'évolution des exigences du marché.

Q Comment l'Institut parvient-il à le faire ?

R L'ICÉ remplit une mission extrêmement précieuse dans le marché actuel, notamment à travers ses programmes de désignation et d'éducation. Tous les intervenants des transactions immobilières sont mieux servis par des évaluateurs compétents, bien informés et éthiques participant au processus. L'absence de ce genre d'approche professionnelle peut occasionner de graves problèmes. En améliorant constamment nos programmes de désignation et d'éducation, nous continuerons à assumer l'une de nos responsabilités les plus importantes.

Dans un cadre plus large, l'ICÉ a élaboré un nouveau plan stratégique qui orientera notre prise de décision et assurera que nous sommes sur la bonne voie dans tous les cas. Mais il faut

« Un de nos principaux buts est de trouver les meilleures façons de servir nos membres. Pour le faire efficacement, nous devons les écouter et, encore plus important, entendre ce qu'ils disent. »

se rappeler que même le plan stratégique devra s'adapter aux nouvelles circonstances. Cela ne signifie pas que nous rechercherons la saveur du mois, mais plutôt que nous adopterons une approche très mesurée pour dégager nos buts et nos objectifs, avant d'appuyer nos actions sur des raisons éclairées et stratégiques. Un de nos principaux buts est de trouver les meilleures façons de servir nos membres. Pour le faire efficacement, nous devons les écouter et, encore plus important, entendre ce qu'ils disent.

L'Institut possède plusieurs forces que nous pouvons développer. L'une de ces forces provient des partenariats établis avec nos 10 organisations affiliées provinciales à travers le pays. Nous chercherons des moyens d'augmenter la collaboration avec ces organisations pour nous assurer de fournir les services et le soutien dont elles et leurs membres ont besoin.

Q Comment voyez-vous votre rôle dans tout cela ?

R Mon objectif est de travailler avec notre personnel et nos dirigeants élus pour faciliter leurs efforts afin que des politiques, stratégies et programmes soient en place pour desservir nos membres. Je me considère comme un canal qui favorise ce processus. Même si je travaillais pour l'Institut durant les 20 prochaines années, je ne

connaîtrais jamais autant l'évaluation immobilière que nos membres et nos dirigeants. Mon rôle consiste donc à collaborer, offrir des conseils et ajouter une perspective. Bien que je ne sois pas en contact direct avec chacun des membres, je veux interagir avec ceux-ci autant que possible afin qu'ils sachent qui je suis et que nous travaillons en leur nom. À cet égard, je compte durant ma première année comme chef de la direction assister à au moins un événement pour chacune de nos 10 affiliées provinciales. Alors que la recherche d'une perspective auprès des membres est une bonne chose à faire pour notre organisation, nous devons procéder de manière stratégique et logique. Il faudra poser les bonnes questions aux bonnes personnes au bon moment, être sensibles à leurs besoins, puis faciliter des décisions rapides, déterminantes et judicieuses.

Q En assumant ce rôle, quel est votre style ou philosophie de gestion ?

R Je pense que le meilleur style ou la meilleure philosophie de gestion dépend de la situation que l'on rencontre, mais si je devais la résumer en un seul mot, j'opterais probablement pour la collaboration. J'aime être clair au sujet des attentes, offrir le support et la rétroaction nécessaires pour faire le travail, puis laisser le champ libre à ceux et celles qui abattront la besogne. Je pense aussi que toutes les parties du travail que nous accomplissons ont de la valeur et qu'elles doivent contribuer au succès de l'ensemble. Je me souviendrai toujours de l'histoire du concierge qui travaillait dans un entrepôt de la NASA à presque 50 km de l'aire de lancement du programme spatial. Quand on lui demandait ce qu'il faisait dans la vie, il répondait « j'ai aidé à envoyer un homme sur la Lune ». Je désire que chaque personne à l'emploi de l'ICÉ sache et croit que ce qu'elle fait est important pour le succès de l'organisation et, en fin de compte, pour celui des membres que nous servons. 🇩🇪

Taking issue with an article on 'partial taking'

Editor's note: Mr. Sevelka submitted a much longer, detailed response to the McNair article. It was necessary to extensively edit his submission in order to meet our publication limitations for letters to the editor.

While conducting research on the Internet, I encountered the article *Expropriation and the partial taking appraisal* by Gordon MacNair, *Canadian Property Valuation*, Volume 53, Book 1, 2009.

The article's principal focus is on partial takings, and two methods of calculating compensation are presented, namely the 'before and after method' and the 'summation method.' The author describes the before and after method as simply the difference in value between the before and after conditions [of the property], cautioning that, "in some circumstances, [the before and after method]... may result in no payment for the part taken and, therefore, benefits the expropriation authority."

That the property-owner may receive less than the contributory value of the taking, as a function of the property as a 'whole (larger parcel),' only holds true if the sum of the contributory value of the taking as a function of the 'whole' (before the taking) and the after-taking value exceed the value of the property as a 'whole,' before the taking. Ensuring that the property owner always receives at least the value of the land taken necessitates inclusion of an intermediate computation in executing the before and after method, as demonstrated in

the following formats illustrated in *Expropriation Appraisal Review*.

It is the contributory value of the taking as a function of the property as a 'whole' that reflects the measure of compensation for the land taken, and, so, it does not necessarily hold that "the part taken would have the same unit value as part of the larger parcel. . .," as suggested by the author. For example, the part taken might consist of undevelopable land, whereas the property as a 'whole' might consist essentially of developable land valued at a significantly higher rate, with no value assigned to undevelopable land.

As for the summation method, the only time that the land taken can be valued independent of the value of the property as a 'whole,' before the taking, is when the taking has an independent highest and best use distinct and separate from that of the property as a 'whole,' and when there is no injurious affection sustained by the remainder.

Courts in Ontario have carved out an exception to the before and after method by allowing a non-viable partial taking to be valued as a function of the property as a 'whole,' before the taking, without requiring an after-taking value if *no* injurious affection is claimed. However, as a practical matter, it may not be possible to

ascertain whether the remainder has sustained any injurious affection without the benefit of an after-taking valuation and recognition of the scheme.

Any attempt to establish a highest and best use for a non-viable partial taking is an 'artificial and fictitious' exercise. Moreover, it is impossible to ascribe an estimate of market value to a non-viable partial taking that has no independent highest and best use. Highest and best use and market value are linked, and both are premised on economic principles. Land must have (economic) utility in order to have value in exchange.

Accordingly, it follows that damages to a remainder can only be determined by use of the before and after method, with the inclusion of the suggested intermediate computation to ensure that a property owner always receives at least the market value of the land taken.

Before-taking and after-taking valuations, including an appropriate intermediate computation, provide the essential benchmarks for computing the diminution in value occasioned by the taking of a non-viable parcel, and any measure of injurious affection or betterment. Of course, both the before- and after-taking valuations must be supported by a separate and independent analysis of highest and best use, with the scheme



Letters to the Editor

We welcome letters on a subject related to the appraisal profession, but reserve the right to condense and edit them. Please be succinct and state your opinion with 200 words or less. Include your name and contact information. Anonymous letters will not be published. Please send your submissions to maryjane@aicanada.ca. Remember to state your opinions in a professional manner. Keep in mind that there may be a delay of several months in publishing your letter, if accepted, given the publication schedule of *Canadian Property Valuation* magazine. If you are commenting on a *CPV* article, we will provide the author an opportunity to respond.

ignored in the before-taking scenario and taken into account in the after-taking scenario.

While MacNair's article is informative and provides a number of helpful pointers for those appraisers that might be considering undertaking expropriation appraisal assignments, the article

has the unintended consequence of potentially encouraging faulty and misleading appraisals. Anyone wanting to gain a better understanding of expropriation principles and relevant case law should consider enrolling in UBC's CPD 122 *Expropriation Valuation* course.

End note

Tony Sevelka, "Expropriation Appraisal Review," *The Appraisal Journal* (Spring 2008), 162-163.

Respectfully submitted,
Tony Sevelka, AACI, FRICS, SREA, MAI, CRE

MacNair responds

As stated in my article, the purpose was to discuss the complexities associated with a partial taking appraisal and to provide a brief understanding of the various concepts related to appraisal principles and case law.

Mr. Sevelka's comments are focused on my comments related to the two valuation methods used in partial takings. We both agree that there are two recognized valuation methods for partial takings, but he seems to take exception to my comments about the use of the 'before and after method.' The point of my article when

discussing the before and after method was that, in the truest sense, there could be certain situations where this method could result in no payment to the owner, which is not acceptable. As well, certain jurisdictions in Canada, including the province of Ontario, cite that this method *may* be used in certain instances. As well, according to *The Law of Expropriation and Compensation in Canada* by Eric C.E. Todd, "The Canada Act precludes the use of the before and after method." (pg. 349) At no point in my article was I suggesting that appraisers not consider this method. The before and

after method is a very important method in partial takings and needs to be fully understood by the appraiser before being employed.

Mr. Sevelka makes a good comment in his last paragraph, where he suggests that a better understanding of expropriation principles and relevant case law could be obtained by enrolling in UBC's CPD 122 *Expropriation Valuation* course. I agree with this comment, as I referenced this as a source of information in my article. I was also one of the contributing authors to this course. 🇩🇪

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Stacey Wilks, AACI Ready for any challenge



When Stacey Wilks, AACI, was in her first few years of the Bachelor of Commerce (B. Comm.) program at the University of Guelph, one of her professors mentioned that Farm Credit Canada (FCC) had an appraisal division. “At the time, I thought, ‘I want to work at FCC,’” recalls Wilks. But, as she learned more about the commercial real estate sector in her third and fourth years, she gradually shifted her focus to commercial and industrial properties.

What did not change was her interest in valuation, a field she first came across in the Housing and Real Estate Management program (now Real Estate and Housing), while completing her B. Comm. In subsequent courses, she found further satisfaction in learning about the income approach and discounted cash flows, while working with spreadsheets and formulas.

“I am a numbers person,” she explains. “I love math and calculations. That is what initially drew me to appraising.”

After graduation in 2007, Wilks was hired by a Toronto consulting company specializing in real estate and property tax management. While there, she worked on appraisals of commercial, industrial and multi-residential properties, mainly for assessment appeals.

She focused on her work under manager Charles Johnstone, AACI, an experienced appraiser heavily involved in preparing Candidates for the Appraisal Institute of Canada’s (AIC) interview and exam. It was Johnstone who helped Wilks map out a development plan towards obtaining her AACI accreditation. “He was totally committed to my success,” says Wilks. “Charles was an inspiration. I do not think I would be in the position I am today if it were not for him.”

Under Johnstone's tutelage, Wilks registered as a Candidate and began undertaking the courses and applied experience she would need to obtain her AACI. Her B. Comm. in real estate allowed her to take the 'fast track' program and reduced her courses from six to four. Taking **BUSI 331**, she found that it was a mirror of the appraisal course she had taken at the University of Guelph. "For some people, that would be a challenging course, but I had already taken most of the content, so it was more like a review for me," she explains.

While she was studying, Wilks continued living and working in Toronto. But, having grown up in a small town of fewer than 1,000 people, she soon felt worn out by the hustle and bustle of the city. "I liked my work," she recalls, "but I no longer enjoyed living in the city, and, because of where my office was, I could not commute."

As fate would have it, she was rescued by a possibility she had almost entirely forgotten: working for FCC. When a position opened up in FCC's Guelph office in 2008, Wilks jumped at the opportunity. As if it were not already obvious that the stars were aligning, one of the FCC panel members conducting her interview was from the same cluster of small towns where she grew up. "It was as if it was meant to be," says Wilks.

At Farm Credit Canada, the young Candidate found a good mentor. "Any time he went on an inspection, I tagged along to take pictures and learn about different kinds of properties," notes Wilks. "Once you have seen one dairy farm, the next one is similar. But, if you have not seen a dairy or hog facility, you do not know what to look for." To alleviate this problem, she developed a checklist for different types of properties, so she would remember what to look for when making the visits on her own.

By this time, Wilks had only one course left for her AACI designation and was poised to start



on her demonstration report. Selecting a single-tenant industrial building in the City of Vaughan, she found the guided case study to be very challenging due to the high level of detail required. The building was located in a mature area with

a history of numerous sales. But, while working on her report in 2009, the number of industrial building sales in the area had dropped.

Nonetheless, she persevered, establishing a strict schedule of working and studying on weekdays and planning her upcoming wedding on weekends. Learning about the different types of agricultural operations proved to be very interesting. "You are valuing their property, so you need to know what is going on," notes Wilks, adding that, she often speaks to the FCC relation-

She developed a checklist for different types of properties, so she would remember what to look for when making the visits on her own.

ship (account) manager to get an explanation of the operation before she goes on an inspection. "I have definitely learned a lot working at FCC. Seeing the passion people have for their properties and operations is really inspiring."

As an agricultural lender, FCC conducts appraisals of agricultural businesses for the purpose of issuing loans. "All the valuation work we do is internal, for FCC use only," explains Wilks. "Our customers are the FCC relationship (account) managers."

Valuation work at FCC involves various types of agricultural properties and sometimes includes not only land and buildings, but equipment as well – trucks, trailers and specialized equipment. Wilks fondly remembers walking out of a commercial bakery with a fresh loaf of bread after seeing huge hoppers dropping flour into giant mixers.

On the other hand, she is not so fond of hog barns. "When you do a site inspection, you usually smell bad when you leave," she explains, with a laugh. "That is a dilemma for me because I want to look my best when meeting the property owner, but I do not want to wear good clothes that get dirty and smelly when going through the barn."

The variety certainly makes the work both interesting and challenging. The valuation process and analysis becomes interesting in situations involving unusual zoning or multiple residences on one property, which is not unique to agricultural properties. "It comes back to what is the highest and best use of the

"Whenever I complete an appraisal, I write it as if the person who will be reading it does not have the same background I do."

property," notes Wilks. "It is about getting back to the appraisal principles that were instilled in me when I did my demonstration report."

FCC appraisers operate within strict service standards. Depending on the level of detail and analysis, the appraisers are given anywhere from five to 20 days to complete a valuation.

"I go where the work is," says Wilks. "I have been anywhere from Owen Sound to Niagara-on-the-Lake to Windsor to Stayner [on Georgian Bay]. It depends on who is available and what work needs to be done."


Recently, she started doing an occasional rotation in the Mississauga office where the appraiser has gone on maternity leave. Wilks has also accepted a term position as an analyst, which involves updating valuation guides and assisting with the redesign of FCC's valuation software for national use. She has been conversing with appraisers from FCC offices across Canada to obtain their input.

"It has been very interesting to develop the attributes we need to consider for each different

building, land type and area," says Wilks, adding that she finds herself relying on the knowledge she used in her guided case study. Though difficult at the time, documenting her work in such great detail was good practice in making explicit what later becomes internalized.

It is an approach she applies, in a more limited way, to her valuation work. "Whenever I complete an appraisal, I write it as if the person who will be reading it does not have the same background I do," she explains. "It is also for my own benefit. When I go back to the report, I can easily follow my own train of thought."

She notes that valuation work in the agricultural sector is not so different from appraising residential, commercial and industrial properties. Each property type has its own set of characteristics, but the principles, methods and processes are the same. She continues to learn through multiple channels such as working on the job and taking formal appraisal training through UBC.

Wilks is uncertain what the future will hold, but, for now, she is very happy to continue her work, while helping colleagues with their UBC courses and taking summer students out on inspections. One former summer student recently asked about the process of becoming an accredited appraiser and Wilks was only too happy to oblige. Having your AACL, she told the student, opens a whole world of possibilities. For Stacey Wilks, exploring those possibilities has just begun. 

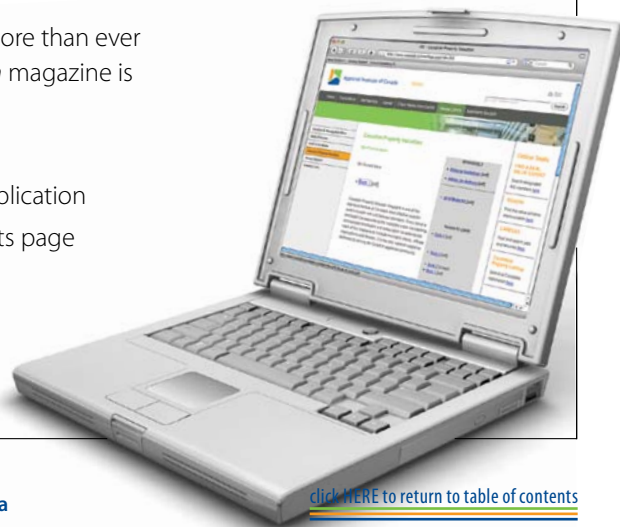
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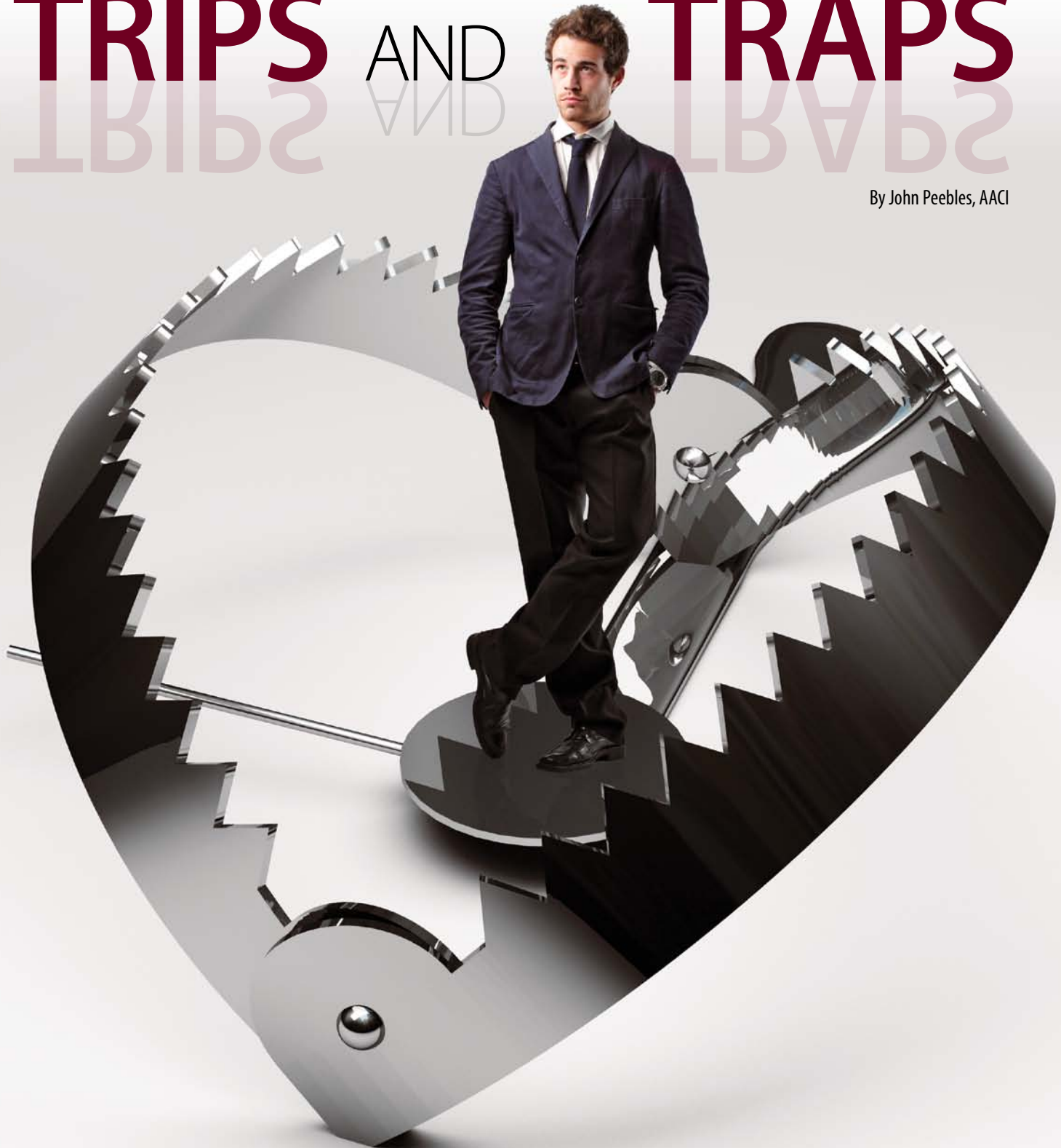


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Commercial lease analysis

TRIPS AND TRAPS

By John Peebles, AACI



Analysis of the commercial lease agreement is the core of IC&I appraisal and value added consulting work. Yet, the problem appraisers face is the pressure to trade-off the due diligence required for thorough lease analysis with the need to produce valuation advice to clients at the ever-increasing speed of business.

My goal in this article is to offer tips for appraisers to reduce the risk of errors in lease analysis by avoiding some common traps and still achieving a manageable balance between research and report production.

First, let's accept that no one is perfect. We have all made mistakes in lease analysis and I am willing to put up my hand up first. The key is whether we learn from our mistakes, grow from our experiences, and continue to advance our professional development. In my career in the public and private sectors, I have seen all types of lease agreements, from the back of a napkin and handshake deals in the Cariboo-Chilcotin to a Sears 100+ page department store lease. I have hired appraisers and reviewed their appraisal reports, some the size of a phone book. Believe me, size does not matter when comes to appraisal reports.

Here are the most common lease analysis errors that I have encountered.

1. Reliance on the rent roll or lease abstract without a review of the lease documents.

This may seem like a no-brainer. Relying only on the rent roll is high risk and contrary to the direction in our education program, standards and every appraisal text. However, a review of lease agreement may not be practical when dealing with a large business park or office building with 30+ lease agreements.

In cases where you are dealing with an overwhelming volume of lease documents, you need to apply the 'reasonable appraiser' test. The test is pretty simple. Talk to five or six appraisers who value this property type and ask them what level of due diligence they feel is appropriate – this will be your research benchmark. A common sense approach I have used is to rely on a combination of sources: rent

roll, lease abstracts, sample lease documents and advice from the property manager. This approach should be adequate when valuing a building with fairly uniform lease documents. In other scenarios, you may find the building has a combination of semi-gross and net leases reflecting the landlord's efforts to move tenants to contemporary net lease agreements as leases roll-over. My advice in this scenario is to quote a decent fee – there is a lot of work in reviewing documents and adjusting all rents to net for consistent analysis.

2. A belief that the lease consists of only one document.

Did you know that the lease is actually a number of documents including the original agreement, addendums, modification agreements, assignments, and other documents that modify the lease terms? When you contact the landlord or property manager for the building leases, ensure you ask for all

the related documents. You will also want to see Offers to Lease (a conditional contract) for new deals that have not yet been solidified in a formal lease agreement.

Some appraisers may feel that a lease abstract or detailed summary of the lease is sufficient for valuation purposes. Here is the problem with this shortcut. Unless the landlord has a very competent lease administrator, there is a risk that the information recorded in rent rolls and lease abstracts will not agree 100% with the actual lease documentation. In addition, the lease abstract may not identify all the lease clauses that impact value.

Landlords may also relax rent or other lease conditions through an informal letter to the tenant. I recently valued a large commercial centre and assumed the landlord provided all the lease documents. However, the rent for a specific CRU noted on the rent roll did not agree with the lease agreement. I questioned the landlord and learned that the rent for this



TRIPS AND TRAPS

CRU had been reduced by an informal letter for a 12-month period in recognition of the tenant's struggle with sales. The intention of the parties was for the rent to return to the contract level for the remainder of the term. However, I would not have accounted for the short-term income loss and subsequent value impact if I had not questioned the landlord.

3. Assuming that lease renewal, assignment, and termination clauses are boilerplates that require no interpretation.

Lease renewal provisions impact the appeal of a property to investors, its re-development potential, and, ultimately, market value. Consider this example. You are valuing a commercial strip plaza in Brampton, Ontario with eight CRUs and a freestanding restaurant. You examine the CRU leases and two things stand out: (1) the CRU leases rolled over in 2008-2010, and (2) the landlord has granted each of the tenant's options for 1-5-year renewal. The rents for about one-half of the CRUs appear below market.

Are there risks associated with this scenario? On the surface, it appears that the tenant has shifted market risk to the landlord, since the landlord has effectively eliminated the option of re-leasing CRU space occupied by under-performing tenants. While the loss in potentially achievable rent is somewhat mitigated by the reduced risk of tenant vacancy, most landlords want their assets performing at market levels. It is understood that you will value the strip plaza using market rent for each CRU, but you also need to recognize the lease-up costs in getting to market rent and a potential 5+-year delay, using either a lease-up expense or overall cap rate adjustment.



4. Failure to understand and recognize the distinction between assignments and sub-leases.

An assignment is the legal transfer of the lease contract by the lessee (the assignor) to another party (the assignee) willing to assume the lease. When a tenant completes a lease assignment, the assignee becomes bound to all the terms and conditions of the lease. The parties (landlord and new tenant) will sometimes use this opportunity to negotiate modifications to the lease agreement, such as renewal options and rent escalation. In contrast, a sub-lease is created where the tenant transfers only a portion of their leasehold interest to a third party. The landlord retains a legal contract with the tenant, but has no legal relationship with the sub-tenant. In general, a sub-lease creates greater risk for the landlord than an assignment, because of a lack of control over the sub-tenant, particularly the sub-tenant's covenant or ability to pay rent.

A building with multiple sub-leases,

expected to be more common as economic conditions decline, is a significant market risk. The landlord has likely played no role in pre-qualifying the sub-tenants. If the sub-tenants cannot pay the rent, the landlord still has recourse to the tenants – but they may have left the local area, adding to the cost of collections. A simple clue to missing lease documentation is when you learn that the business occupying the leased premises is different from the party who signed the lease agreement – red flags go up!

5. Failure to understand the connection between rentable area and rent.

Rent is typically defined in the lease as all the money owed by the tenant to the landlord for occupation of the demised area. Rent includes 'base rent' for the rentable area and 'additional rent,' the tenant's share of the building expenses and other charges such as property taxes, insurance and management fees.

What if the landlord has recently engaged a

space measurement firm to accurately measure the building's common and useable areas? The report identifies a building rentable area that is 6,000 square feet larger than the total of the rentable area in all building leases. The landlord provides the report and instructs you to rely on it for valuation purposes, since it instantly boosts the overall value of the building. The problem with the landlord's instructions is that the contract rentable area and related monthly, annual, and square foot rents in the lease agreements will continue to be the legal basis for rental income. The potential bump in rent associated with the corrected measurements cannot be achieved until the lease is modified or renewed. Using the space measurement numbers for your appraisal report would be misleading to any intended user and result in an incorrect value estimate.

6. Terminology confusion.

Leases can be defined and described according to the calculation of rent (flat, step-up, percentage, revaluation) and method of expense recovery (gross, semi-gross, triple-net or net, absolute net). In the 'good old days,' or as my daughter would complain... "when you, mom, and dinosaurs roamed the earth," commonly used lease terms were single-net, double-net, or triple-net rent. A single-net lease implied payment of base rent plus property taxes. A double-net lease required payment of base rent, property taxes and building insurance, while a triple-net lease meant payment of base rent, property taxes, insurance, and building repairs and maintenance.

The world has now moved on and these terms are beginning to fade from our lexicon. There are two contributing factors: (1) each

lease is unique – meaning great variability in expenses that are included, and (2) the general desire of landlords to recover virtually all building operating expenses from tenants, meaning a preference for absolute net leases.

Analysis errors will occur when relying on rent comparables that are identified in MLS listings as absolute net, when the rent is based on a different expense recovery formula. If a broker describes the rent as absolute rent, one way to confirm the degree of net is to ask them to confirm this statement: "you mean the tenant pays for all expenses and structural repairs and the landlord has no non-recoverable expenses?" You also need to deliver a clear and concise valuation report to clients and others who will rely on your report. A good practice is to define potentially confusing real estate terms, such as lease jargon, in the glossary of your report, in order to avoid costly confusion.

7. Failure to understand the motivation of the parties.

As an appraiser, I am always curious how the parties arrived at the lease deal – were the negotiations long and difficult, or routine? I have found that the outcome of a lease deal can often be explained by understanding the motivation of the parties.

Landlords want tenants with a good covenant, who will keep the premises in good repair and be compatible with other tenants. Landlords also want to minimize cash outflows for lease incentives such as free rent periods, fixturing allowances, caps on operating cost escalation, and rights of lease renewal. Tenants want pretty much the opposite and focus on total costs of occupancy along with environmental risks. Prevailing market conditions during lease negotiations will determine who has the upper hand in the tug of war that results in the lease deal. If you are privy to the motivation of the parties (brokers will often share this information), you have a better chance of understanding lease terms that appear unusual or unexpected. Here are some examples.

- A prospective retail tenant who is attempting to lease space in a community shopping



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centre will likely be motivated by the potential for a successful business enterprise in the centre rather than retail space which is available for the most competitive rent.

- In contrast, a medical practitioner seeking suburban space with good parking and access to major routes may have many leasing options and the overall cost of occupancy will be a major factor in the final decision to lease space.
- In a more unusual case that I have encountered with a lease termination clause, the owner of a small service commercial property with re-development potential decided that he did not want to commit to a five-year term with a new tenant. Conversely, the tenant was uncertain whether the new premises and location would be a good fit for his business. In this case, both parties had mutual interests and negotiated an early termination clause that either party could trigger after the first 12 months of the term, by giving six months written notice.

In summary, please learn from some of these common mistakes and avoid the lease analysis traps. To reduce your risk in lease analysis, first ensure you understand the basics of commercial leasing; then ensure you have all relevant lease documents. Know which parts of the lease documents deserve the most attention; and finally, ensure you pose follow-up research questions to landlords, property managers and brokers.

From traps to opportunities

Increasing your lease analysis skills will pay off in other ways. Have you considered how you can add value to your valuation or consulting advice to clients by offering an analysis of their leased commercial assets in relation to the market norms?

One opportunity for a value added service for building owners is typically associated with older office and retail properties. As discussed above, you may find that the common area apportioned to the tenant only covers floor rentable area (*BOMA 1980 Standard*) and the landlord can increase 'recovery income' upon lease renewal using the *BOMA 1996 Standard*.

Under BOMA 1996, additional common areas like lobbies and mechanical rooms are allocated to tenants, meaning the landlord can recover a much higher percentage of operating expenses as leases rollover. The *BOMA 2010 Standard* provides new treatment of storage area, floor common area, and additional space measurement options for landlords.

There is no dispute that leases are legal contracts. Interpretation and drafting of lease agreements and clauses is typically the

domain of the legal profession. However, you can still offer your expert opinion on value implications of lease clauses and terms. This advice extends beyond the scope of what most legal professionals can offer clients. Landlords, property managers and tenants can benefit from your opinion on appropriate term of lease, lease incentives, risks associated with lease clauses, and clauses that should be re-negotiated at renewal, before giving instructions to legal counsel. 🌈

End notes

- ¹ The City of Brampton with a population of 450,000+ is part of Greater Toronto. According to City economic development sources Brampton has 19,586,750 ft² of retail space.
- ² It would be appropriate to comment in your report that the building has been re-measured and there is potential for rent upside in the short-term.

Further reading

I have assembled a small, annotated bibliography and web-links that readers may find useful in expanding their lease analysis skill-set.

- UBC Sauder School, *CPD 109 Commercial Lease Analysis*, updated to 2011.
http://www.sauder.ubc.ca/Programs/Real_Estate_Division/Credit_Programs_and_Professional_Development_Courses/Professional_Development_Courses.
This two-part CPD course is available as a live webinar or through self-study.
- Harvey Haber, *The Commercial Lease: A Practical Guide*, 4th edition, *Canada Law Book*, http://www.iceworld.net/html/haber_pg.htm.
Haber is the Canadian authority on commercial lease agreements.
- Robert Wickett and Monica Klimo, *Problems Encountered by Tenants: Occupation, Use, Enjoyment of Premises*.
http://www.mackenziefujisawa.com/News_Articles/Robert_Wickett-Commercial_Leasing_Disputes.pdf.
Disputes between landlords and tenants commonly arise over use and occupation of the premises.
- Appraisal Institute of Canada and Appraisal Institute (US). 2010. *The Appraisal of Real Estate (3rd Canadian Edition)*. Vancouver: UBC Real Estate Division.
Chapter 6: Real Property Ownership and Interests Chapter 21: Income and Expense Analysis
- Building Owners and Managers Association (BOMA) International. 2010. *Standard Method for Measuring Floor Area in Office Buildings*. New York: BOMA International.
- Real Property Association of Canada website: www.realpac.ca
Leasing terminology summarized here: <http://www.realpac.ca/terminology/>
- The Commercial Leasing Blog. <http://leaselaw.wordpress.com/a-note-on-comments/>
Interesting US blog on a variety of leasing issues
- Mark Fredrick and Denis Rivard, *The appraiser in commercial lease disputes*, *Canadian Property Valuation Magazine*, Vol. 51.2 (2007).
- John Busey Wood, *Navigating the Dangerous Shoals of a Commercial lease for Beginners*, Thomson and Knight LLP, 2009.
<http://www.lulu.com/product/paperback/navigating-the-dangerous-shoals-of-a-commercial-lease-for-beginners/16299762>.
Well known New York commercial real estate lawyer with extensive lease resources available on homepage.
- Commercial Leasing: pitfalls and pratfalls http://www.nelligan.ca/publications/e/Commercial_Leasing.pdf
A good, easy to read legal summary of the key issues encountered by landlords and tenants in drafting lease agreements.

Challenges to our professionalism

By Darrel Mitchell, AACI
Property Agent – Appraiser, Peace River, Alberta

AS an AACI member working for the Government of Alberta, which hires appraisers to prepare reports based on the *Expropriation Act of Alberta*, I have received reports which do not meet the requirements or needs of the assignment. Some reports have caused concern for the overall professional image of the Appraisal Institute of Canada (AIC).

I have asked others (e.g., those in government and the legal system) for their impressions of the appraisal work they review. Their answers supported my own findings, and urged me to write this article in the hope of raising the standard and quality of work AIC members produce.

The courts look to experts to provide clarification of the appraisal of real estate questions before the courts. The AIC and its members have worked hard to build the image that AIC members are the best professionals to use in this type of situation. When our members do not live up to this standard, the courts are highly critical.

The primary areas of concern are in the adjustments used, and in the appraiser's inability to support those adjustments and to explain why they were used and how they were derived. This comes after the fact that the explanations and analysis were not adequately explained or laid out in the report in the first place, so that the questions do not have to be asked. One lawyer mentioned that this is the largest hit to the credibility

of the appraiser and the reliability of the report, which can turn the outcome of the proceedings in a different direction from what was anticipated.

Some examples of why I believe the appraiser did not meet the level of expertise expected in this type of assignment are stated below.

The assignment

The assignment was to estimate market value for a country residential property on 10 acres. There were a number of outbuildings of various ages and sizes. The house was built in the 1960s and had substantial upgrades in 2000. It should be a fairly straightforward assignment. The landowner wanted a full buyout, which

reduced or eliminated costs that are applicable under the *Expropriation Act*.

Questions arose when the appraisal was done with the cost approach alone. First, this is an older home with varying degrees of depreciation that are difficult to measure accurately. Second, there were a number of sales within the immediate and general area. When questioned why he had not used the direct comparison approach (the method expected), the appraiser said he did not believe that any of the sales were comparable (another appraiser who did a subsequent appraisal on this same property did not have any trouble finding comparable sales). Apparently, the comparable sales did not match his estimate based on the cost approach.

Concerns

This was an assignment which may have gone before the courts. The type of evidence or support for a cost approach conclusion is extensive. Saying that the appraiser used a cost manual and the numbers obtained were supported by local contractors is not sufficient to support the accuracy of the estimates provided. No contractor names or copies of the quotes were provided. There were no details pertaining to how the depreciation was calculated, and no explanation of the appraiser's conclusion.

There has to be good, reasonable support for large adjustments. I had one report done on a country residential property that

The AIC and its members have worked hard to build the image that AIC members are the best professionals to use in this type of situation. When our members do not live up to this standard, the courts are highly critical.

professional Challenges

made adjustments for location differences in the amount of 60% and 70%. The only explanation was that the comparables were in inferior locations to the subject.

An appraiser was doing a country residential property and used three non-arm's-length sales, when only four sales were used, and further complicated the issue by using adjustments of 50% and 60% for motivation and condition of sale. No other explanation was provided. There was no paired sales analysis and no discussion with the parties to the agreement. Additional damages applicable to the *Expropriation Act* were based solely on what the landowner said the compensation should be – no discussion or data were supplied to show how the appraiser confirmed that the owner's estimates were reasonable in the marketplace.

These incidents raise concerns for the perception of AIC members and their work. A change in perception affects appraisers across

the spectrum, from new appraisers to senior, experienced appraisers.

The department I work for can reject these appraisals for what we deem to be incompetent or misleading work; however, that does not solve the problem of how the industry is perceived when such appraisals are provided to the marketplace, particularly to sophisticated users of appraisal reports. There are other organizations trying to make inroads into the property appraisal industry. Incompetent work lacking expertise by members of the AIC will make it easier for these organizations to make gains at our expense.

There have been too many incidents where the work quality falls below the required and expected standards. This tarnishes our reputation as a professional organization. If we want to retain and build our reputation, we must be diligent and we must provide expert work. 🚩

“There are other organizations trying to make inroads into the property appraisal industry. Incompetent work lacking expertise by members of the AIC will make it easier for these organizations to make gains at our expense.”

Editor's Comments Related CUSPAP Standards

A consistent phrase used in the *Standards* is the requirement to “describe and analyze” market data, market conditions, and valuation practices. The overall goal is to ensure that the report is credible and not misleading. Here are some specific *Standards* which are related to the author's article.

Appraisal Standard Rule 6.2.15: In the report, the appraiser must describe and analyze all data relevant to the assignment (see *Standards Comment 7.16*).

7.16.1: The appraiser must take reasonable steps to ensure that information and analyses provided are sufficient for the client and intended users to adequately understand the rationale for the opinions and conclusions.

Appraisal Standard Rule 6.2.18: In the report, the appraiser must detail the reasoning supporting the analyses, opinions and conclusions of each valuation approach (see *Standards Comment 7.19*).

7.19.1: Reasoning requires the logical review, analyses and interpretation of data in a manner that would support the conclusions, not mislead the reader, and be to a level consistent with the “Reasonable Appraiser” standard.

Appraisal Standard Rule 6.2.17: Appraisers must provide support for exclusion from the appraisal of one or more approaches to value.



Communication and professionalism

I have long admired the commitment and ability of fee appraisers to convey their professional knowledge in ways and words that reach so many audiences – fellow appraisers, analysts, property owners, lenders, insurers, and, yes, sometimes a court judge or two.

The company I work for is a national insurance company with major and varied real estate holdings across Canada. The valuation reports produced by fee appraisers assist us greatly in our work, especially in these more challenging and turbulent times. As senior analyst for our real estate team, a steady stream of reports, from appraisal firms large and small, crosses my desk. This is one of the toughest, yet most fun and interesting parts of my job. Our external appraisers are infinitely patient and are always ready to respond to my queries. As a bonus, my valuation knowledge is ever evolving, due to these unsuspecting teachers.

Piecing together well executed appraisal reports day after day must be a tremendous challenge. I understand that the industry has never been under such pressure with stringent deadlines, new forms of interruptions, fierce competition and narrowing profit margins. And although tools have become increasingly sophisticated, so have assignments. So much goes into a report that errors are bound to happen. Serious inconsistencies or lack of flow throughout an appraisal, however, are a different story altogether. They may create confusion, extra work and frustration for the client. Worse still, they may lead readers to question the overall quality of the work, an appraiser's skills and/or the value determination. Here are a few examples:

- Repeated inconsistencies throughout a report (e.g., cap rates, IRRs or dates – sometimes on the same page).
- Occupancy well exceeding 100% or the omis-

sion of substantial rentable areas (e.g., leaving out an entire floor).

- Exclusion of a traditional approach to value that would be considered pertinent (an extraordinary limiting condition) without reasoning or disclosure.
- A reconciliation using nothing but a discounted cash flow conclusion and a direct capitalization conclusion, which are actually two methodologies under the same (income) approach.
- Exposure time following the effective date of the appraisal instead of preceding it.
- A scanned signature (copied and pasted) in lieu of a true electronic signature.

It is sometimes said in business that you are only as good as your last report, so you might as well pack up and go home if you get it wrong. Appraisals are a main mode of communication with customers and they establish and spread our reputation like nothing else can. They may be read by many people within a client company and contain valuable facts and figures that decision makers depend on daily. Leave no room for doubt by assuring before it leaves the office that each appraisal is clear, concise and error free. The importance of this cannot be overstated and another article on page 28 of this publication – *Challenges to our professionalism* by Darrell Mitchell, AACI – drives home this point.



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Spotlight on Continuing Professional Development

FEED YOUR FUTURE with CPD FRIDAYS



The UBC Real Estate Division continues its series of live online **webinars** on Friday, November 4 and December 2, 2011, from 9 am -11 am Pacific time (12 pm – 2 pm Eastern time). The webinars are two-hour presentations by expert instructors, in an interactive online classroom environment. By attending the session and completing two hours of pre-reading on your own, you will receive four AIC CPD credit hours. There is no quiz or exam required to receive these credits.

This article highlights one upcoming webinar in the UBC Real Estate Division's *CPD Fridays* series, CPD 132 'More than Just Form-Filling: Creating Professional Residential Appraisal Reports.' **Feed Your Future!**

CPD 132: More than Just Form-Filling: Creating Professional Residential Appraisal Reports

Presented Friday, December 2, 2011.

Instructor: Deana Halladay, CRA

Residential appraisers . . . pause for a moment and reflect on your work . . . and now consider these excerpts from a provocative *appraisalbuzz.com* article:

"Are you form-filling ... or communicating? If you are not communicating, then your . . . 'form-filling' abilities are functionally obsolete, out of date, and no longer needed. To get paid more, you have to make yourself worth more. Do something positive about your problem, increase your skills and knowledge and make more money."

The author of this excerpt differentiates between true valuation professionals and those who have "only enough dated knowledge to fill out an appraisal form and not enough skill to analyze the transaction and meet today's needs."

Form appraisal reports can be a major advantage in residential appraisal – facilitating an expedited, summarized report, while at the same time ensuring that both standards and client expectations are met. Clients appreciate the standardized format, so they can quickly find the information they need. Appraisers like the tidy, self-enclosed, and comprehensive format – fill in what's required and get 'er done.

But, for all these benefits, the forms can also be abused when they become 'fill in the blank' exercises without adequate due diligence. The forms were created in line with the AIC standards, but it is ultimately the appraiser's responsibility to verify that his or her appraisal report conforms to professional appraisal practice.

Of particular concern is where the form becomes a substitute for providing truly professional work. If the form constrains the appraiser from showcasing his or her knowledge and expertise, then a powerful tool may become a source of lost business opportunities.

This course explores how residential appraisers can use appraisal forms to their full advantage, yet still produce professional results. In light of challenges from AMCs and AVMs, residential appraisers must re-think the 'value' relationship in terms of both the credibility of their market value conclusions and the value they offer clients. More detail in appraisals helps achieve both

goals – not only do you avoid difficult questions later, but you also produce a more detailed, more professional appraisal that may better address your client's needs and thus better support your desired fees – win-win! This webinar explores the common areas for difficulties in residential form reports and suggests practical solutions to avoid these issues.

The webinar instructor, Deana Halladay, CRA, has over 23 years of professional property valuation experience. Deana is a Certified Lecturer for the Professional Practice Seminar and was a member of AIC's Investigating Committee for nine years. She will share her experiences, both in using forms effectively in her own work and in the shortfalls she has seen in others' work. Along the way, she will outline potential liabilities faced by AIC members and offer suggestions for how to avoid these problems.

See you online!

Upcoming CPD Friday webinars:

- Friday, November 4, 2011: CPD 144 *Geographic Information Systems and Real Estate*
- Friday, November 4, 2011: CPD 103: *Agricultural Valuation*
- Friday, December 2, 2011: CPD 132: *More than Just Form-Filling: Creating Professional Residential Appraisal Reports*
- Friday, December 2, 2011: *CPD 116 Land Valuation*

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

Mortgage lender insurance – a risk for the appraiser

One of the largest growth areas in appraisal negligence claims involves mortgage lender insurance. This article will explain who these ‘insurers’ are, how they work, and what they mean to your practice.

Mortgage lender insurance involves a commitment by an insurer to support the borrowing of a lender’s customer. A typical example is John. John has a ‘cash only’ income that he earns as a roulette dealer and astronaut-in-training. John wants to purchase a new home, but has very little down payment. The nature of his employment means he has no real savings and has not had an opportunity to file for taxes for some years. His credit rating mirrors the average mean temperature of Edmonton in the winter. He does manage to drive a nice car, owns a speedboat and vacations at Zermatt.

John decides the best place to borrow money is from the Bank of Nottalot. However, on application, the bank will not loan him money because John has no record of steady employment or income and has little in the way of demonstrable savings. Because he pays for everything in cash, no one will give him a credit card, except for Canadian Tired Stores, to whom he owes \$4,000 over 10 months.

John would be forestalled from any house purchase in a normal transaction. No lending underwriter would accept John’s business. There would be too much of a risk that John would default.

However, banks make a lot of money in lending to people like John, even if you or I would

not. If they get enough borrowers like you or me, and several like John, any loss they incur will be outweighed by the potential of making profit on lending to a class of persons, like John, to whom they would otherwise never lend, but who will accept abnormally high interest rates and fees to justify them taking a chance.

So the bank, in order to cut its risks, purchases an insurance policy from a mortgage lending insurer – or rather it charges the cost of it to John and deducts it from the money it is loaning him to make it a sure thing that it will get paid. Before the mortgage insurer issues the policy, it may look at the lender’s application and any underwriting work done by the bank. The insurer then calls up Mr. Appraiser and asks him to do an appraisal on the property John wishes to buy.

John makes the purchase and the cost of the insurance is added to his mortgage.

When John defaults, the Nottalot Bank makes recovery for all or a portion of his loss from the insurer. The insurer is then stuck with the loss. But, it will try to recover from any source. Many banks do this through obtaining an appraisal which they will seek to rely upon, not for lending, but as an extra insurance policy should they have made the wrong decision to lend in the first place. The action against the insurer would be to recover any deficiency that the lender suffers.

Originally, this type of mortgage insurance was developed by the Canadian government in

the postwar housing crunch, as the government sought to encourage borrowers to acquire real property when they otherwise could not qualify for traditional bank mortgage lending. What became known as the Central Mortgage and Housing Corporation (CMHC) began insuring first time home buyers who required up to 90% financing, instead of the traditional 75%.

This insurance required the buyer to pay for the premium and was typically sold on the basis of the buyer being able to demonstrate financial wherewithal to pay the premiums and the mortgage obligation.

The last 20 years has seen a different take on the CMHC concept. Now, mortgage insurers target banks and trust companies to provide them with an insurance product to cover borrowers who would not qualify for traditional or even non-traditional financing. These include self-employed individuals, bankrupts, tax evaders, un-established immigrants, and others who would or could never qualify for any type of financing due to personal circumstances and lack of definable credit records.

The mortgage lending insurer typically operates on a portfolio or a deal-by-deal basis with a bank or trust company lender. When a borrower does not qualify for a loan, the bank will seek to get the loan ‘insured’ so that it can meet underwriting guidelines or achieve an exemption from them. The bank will forward loan application materials to the mortgage lender insurer who will then underwrite the loan. The mortgage lending insurer approaches the loan for underwriting in a similar fashion to a bank, with the exception that the lending parameters are discounted or ignored.

While banks concentrate on the quality of the borrower, the mortgage lending insurer concentrates on the portfolio of business it can access from banks. Part of the analysis for the mortgage

“So who is the big loser in this process? Mortgage lending insurers want it to be the appraiser they involve whose report they will attempt to use to ‘insure’ the insurance commitment that they have made.”

“The appraiser, who has had no input into the loan or the underwriting, is left to defend himself in a situation where the mortgage lending insurer seeks to avoid all scrutiny of any mortgage lending process, saying that they relied upon the appraisal to issue the insurance policy.”

lending insurer includes obtaining an appraisal addressed to it, even though it has no interest in lending any money to any borrower.

Whereas the typical appraisal is done for financing purposes, as part of a mortgage underwriting process (which typically views first and foremost the credit and asset position of the borrower), this does not apply to the mortgage lending insurer, who, in effect, seeks to portray the appraisal as ‘insurance’ of its own, in the event that a loan fails and it is left holding the bag for the funds it has advanced. In some cases, the mortgage lending insurer will provide insurance coverage of lending ratios that range from 85-105%. At such rates, failure of a borrower to pay means that the mortgage lending insurer must pay out the bank and then seek to recover against the appraiser.

This puts the appraiser in a very unfair position. In providing any appraisal, the appraiser has the right to expect that a lender to whom it has provided a report will undertake due diligence on the borrower’s ability to pay before approving a loan, advancing funds and registering a mortgage. The mortgage lending insurer significantly alters that process in that bank lending guidelines and prudent lending practices are set aside so that a lending reliance on insurance can be made. The paradox here is that the real reason the loan gets made is simply insurance, as opposed to diligent underwriting. On the insurer side, the loan is made not for any typical lending analysis, but rather for overall portfolio profit, without any heed to the creditworthiness of the borrower or in spite of the lack of creditworthiness of the borrower.

The stakes for this business are high, as the premiums for mortgage lender insurance can be very large and come directly out of the mortgage funding, meaning that the whole enterprise is further aided by compromising credit.

So who is the big loser in this process? Mortgage lending insurers want it to be the appraiser they involve whose report they will attempt to use to ‘insure’ the insurance commitment that they have made. When a loan fails, the appraiser faces lawsuits where the mortgage lending insurer to whom they have provided an appraisal seeks to recover the funds it has had to pay over to a lender as a result of a ne’er do well borrower default. The appraiser, who has had no input into the loan or the underwriting, is left to defend himself in a situation where the mortgage lending insurer seeks to avoid all scrutiny of any mortgage lending process, saying that they relied upon the appraisal to issue the insurance policy.

Already, Canadian appraisers, faced with some declines in real estate market on account of the economy, are facing dozens, if not more, lawsuits where mortgage lending insurers seek to make them responsible for loans that have failed through power of sale losses incurred by the insurer in the aftermath of such insurance.

What can you, the appraiser, do to protect yourself from such lawsuits?

The most obvious answer is to not take on assignments for these insurers. Their use of your work has no mortgage lending application to it and I can guarantee that you have no idea of the underwriting work they undertake in insuring. They will sue you at slight provocation to recover large losses for loans that never

should have been made in the first place.

Most mortgage lending insurers do not pay regular rates for appraisal work. Many sometimes insist on drive-by appraisals. The long and short is that appraisers should ask themselves if they really make any money on this type of work, given all the conditions imposed upon it and given the lack of real appreciation for their work.

If you feel compelled to deal with this type of business, it may be helpful to have contained within your report, as part of the limiting conditions, a paragraph as follows:

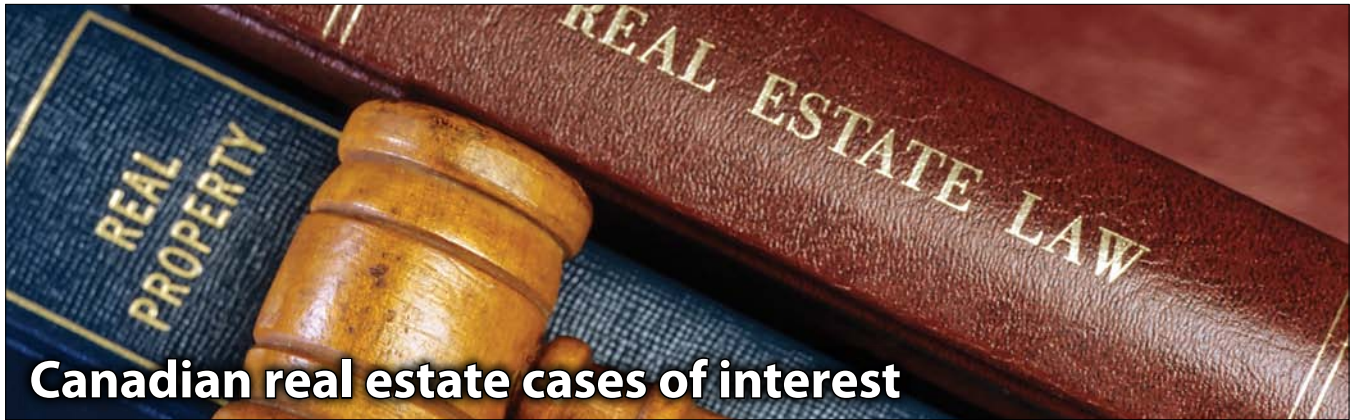
“This appraisal report has been specified as having been completed for mortgage lending purposes, where the appraisal report is used as part of a prudent mortgage lending transaction involving a mortgage lender utilizing proper mortgage lending techniques and underwriting and all due diligence to lenders who are both creditworthy and have been assessed as having reasonable wherewithal to repay any loan advanced to them on real property and secured by mortgage.

To rely upon this report the user must be: - the named client appearing on the appraisal report; or, - must be authorized to rely upon this report by way of a letter of authorisation provided by the appraiser.

The appraiser shall not be responsible for any loss or damage arising from his/her authorship of this report or any reliance placed upon it, if this report is used by the client or any other person for any reason other than mortgage lending purposes by a lender without the explicit permission of the appraiser.”

Appraisals that are actionable are appraisals that lenders can rely upon. To do this, they must lend using the appraisal as part of the lending process. On an insurance angle, the appraisal of property is not done from a mortgage underwriting viewpoint and I would argue that no reliance was placed upon the appraisal for mortgage lending purposes.

Such a caveat as stated above would assist the appraiser to avoid liability and would put mortgage insurance underwriters on notice that the underwriting of a loan transaction cannot be divorced from the need to insure the lending of money to people who can pay the loan back. 🏡



Canadian real estate cases of interest

Case: **Mariner Towers Limited Partnership v. Imani-Raoshanagh** (Court of Appeal for British Columbia).
 Hearing date: June 2, 2011.
 Property: One residential strata lot in Mariner and one residential strata lot in Flagship, Downtown Vancouver, BC.
 Issues: This appeal follows a ruling in favour of the Respondents (Mariner Towers Limited Partnership) in their claim for damages relating to two condominium units. It relates to presales and REDMA (*Real Estate Development Marketing Act*) and offers an example of buyers utilising REDMA to unreasonably back out of contracts. In the past, REDMA was seen to lean in favour of purchasers, but it is now shifting to be a more balanced position.
 Judgement: Appeal dismissed.
 Web link to case: <http://www.courts.gov.bc.ca/jdb-txt/CA/11/02/2011BCCA0261.htm>

Case: **Christopher M Reardon et al. v. Assessor of Area #08** (Property Assessment Appeal Board).
 Hearing date: July 15, 2011.
 Property: Strata residential unit in Seastrand high-rise apartment building, West Vancouver, BC.
 Issues: The main points arising from this case are that for assessments, looking at percentage changes based upon the previous roll year is not generally accepted, and both Appellant and Respondent have the same onus for evidence to prove their point, i.e., it is not weighted in favour of one party.
 Judgement: In favour of Assessor, however, with slight reduction in assessment.
 Web link to case: http://www.assessmentappeal.bc.ca/Decisions/Dfull/dec_2011-08-00015_20110547.asp

Case: **Anderson v. Amoco Canada Oil and Gas** (Supreme Court of Canada).
 Hearing date: July, 2004.
 Property: Split Title Lands.
 Issues: This is an appeal case that relates to the Canadian Pacific Railway (CPR), and deals with contracts entered in the early 1900s and with the ownership of hydrocarbons produced from wells drilled on Split Title Lands. Sub-surface rights are at stake.
 Judgement: Appeal dismissed.
 Web link to case: <http://scc.lexum.org/en/2004/2004scc49/2004scc49.html>

Case: **Century 21 Canada Limited Partnership v. Rogers Communications Inc.** (Supreme Court of British Columbia).
 Hearing date: May, 2010.
 Property: n/a
 Issues: This case involves Charles Bilash and Michel James Walton with Century 21 versus the Zoocasa website which is a subsidiary of Rogers Communications Inc. The main issue relates to Zoocasa indexing material from the Century 21 website without their consent, and deals with copyright infringement, data ownership, etc.
 Judgement: Mixed based upon various components.
 Web link to case: <http://canlii.ca/en/bc/bcsc/doc/2011/2011bcsc1196/2011bcsc1196.html>

CUSPAP 2012

The Standards Committee is responsible for a complete review of the *Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)* with the incorporation of any changes into an updated version on a two-year cycle. Many of the ethics, appraisal, review and consulting rules and comments are interrelated with Institute bylaws, regulations and our insurance program, hence, input is solicited from other committees and all relevant parties. This review is not intended to be an overhaul, but results of input from all parties, including membership concerns which have arisen over the past two years, are given careful consideration and, where applicable, revisions have been made.

The current version of *CUSPAP* has been in effect since 2010 and, following the usual protocol, the draft 2012 version with all proposed changes was made available to the membership for comments in October. The time period for membership review and input is 30 days. Upon receipt of comments from the membership and others, the committee meets

and makes revisions as necessary. Subsequent to publication of this exposure draft, various worthwhile and constructive comments were received. A number of these influenced the review and will become part of the 2012 document.


A working knowledge of standards is fundamental to sound appraisal work and, therefore, it is very important to be current and familiar with any changes. Ensuring you are up to date does not require much effort. All changes are listed in section 14, along with a rationale and relevant sections for reference.

These changes vary in terms of their impact on appraisal work and each should be carefully read. Most are ethics related. Several were made for clarification in relation to advertising and use of designations

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and a number of these were the result of collaboration with other committees. The primary objective of several changes is to provide improved member guidelines for good quality, tasteful advertising, projecting a professional image and ensuring both designations are equally supported.

New definitions of fee and non-fee appraiser have been included in order to more clearly distinguish these categories. Another revision pertains to ethics standard 5.11 regarding conflict of interest. The requirement to disclose to the client has now been extended to include a stipulation that any such disclosure must be acknowledged by the client.

The new version with incorporated changes will become effective January 2012. The complete document is available on the Institute website and all members are advised to be aware of these changes and to consider any impact on their practices. 



Standards Committee

Iain Hyslop, AACI – Chair
 Chris Perret, AACI
 David van der Vis, AACI
 Paul Olscamp, AACI
 Jayne Patterson, CRA
 Greg Bennett, AACI – Board Liaison
 To contact this committee, email:
standards@aicanada.ca

Education and experience acquired by Candidates

Table 1 below provides a snapshot of:

- the hours of education and experience acquired by Candidates prior to designation through four possible streams; and
- the approximate cost of education in each of the streams.

The table assumes that the Candidate did not qualify for any course exemptions from the required AIC Education Program or Post Graduate Certificate in Real Property Valuation (PGCV) program, and has not qualified for prior learning assessment and recognition (PLAR).

The Thomson Rivers University – Open Learning Bachelor of Business in Real Estate (TRU-OL BBRE) stream enables Candidates to satisfy the degree requirement and achieve the AACI designation with a total of 120 credits. The TRU-OL BBRE is offered in collaboration with UBC and requires completion of UBC’s Diploma in Urban Land Economics (DULE) or equivalent to graduate (the DULE courses are included in the 120 required credits). As the TRU-OL BBRE offers a number of electives, the courses chosen in the table are simply an example of how the BBRE may be completed.

The costs provided for each of the streams are meant to be *informative* and are not to be relied upon. The notes below, which reference the more detailed Table II on page 37, provide information on some of the designation requirements, including which of the costs vary from province to province and cost saving tips.

Table I	CRA		AACI					
	Degree + CRA AIC Education		Degree + AACI AIC Education		Business Degree + PGCV		TRU-OL BBRE	
	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
Total Including Degree Requirement exclusive of taxes	\$38,677	7,275	\$46,788	10,135	\$40,190	9,145	\$31,643 CDN Res \$30,732 BC or YT Res	8,265
Hours of Education (A, B, C, D)		5,351		6,291		5,301		4,421
Hours of Applied Experience (H, I, J)		1,924		3,844		3,844		3,844
# of Years of 40 hr-work weeks with no holidays		3.50		4.87		4.40		3.97
Total Excluding Degree Requirement exclusive of taxes	\$8,677	2,875	\$16,788	5,735	\$10,190	4,745		
Hours of Education (B, C, D)		951		1,891		901		
Hours of Applied Experience (H, I, J)		1,924		3,844		3,844		
# of Years of 40-hr work weeks with no holidays		1.38		2.76		2.28		

Notes on costs (see Table II on page 37)

All costs are *exclusive* of applicable taxes.

A: The approximate cost of \$30,000 for the four-year degree requirement includes books. The hours are based on 40 courses at 110 hours per course.

Core Business and Administrative Studies Courses for the TRU-OL BBRE: Actual costs for web-based learning for fall 2011 are provided. BC and Yukon residents receive a discount on tuition. *Students save by taking web-based, rather than print-based learning at TRU.*

C: Costs vary from province to province for the two-day seminar. The price provided is for the two-day seminar in Ontario. *The seminar may also be taken by distance education at a reduced cost.*

D: *Students save approximately \$50 per BUSI course by registering early.*
PGCV: Must pick two of five electives. For simplicity, BUSI 300 and 401 have been selected as electives in the table, however, any two courses with an ‘E’ in the column may be taken.

E: Sauder School of Business application fee of \$75 is required for all new students, and for returning students who are applying for BUSI credit courses for the first time.

TRU-OL application fee for the BBRE program is \$137.70.

The transcript review fee in the TRU-OL includes a \$50 review fee from UBC and \$43.85 from TRU-OL, assuming it is a BC document to be reviewed.

Students may save by qualifying for course exemptions by applying for a \$50 transcript review fee by UBC.

Textbooks: Costs provided are for new textbooks purchased through the UBC Real Estate Division Online Bookstore. *Students may save by purchasing used texts.*

Software: UBC Real Estate Division provides eight-month licenses for the software. The same software is required for BUSI 344/444 and BUSI

460. Students may **save** by taking both courses within eight months so that only one license is required to be purchased.

F-H: The Applied Experience Program requires one year of applied experience for a CRA and two years for an AACI or PGCV. The estimated costs and number of hours are based on *one year for a CRA and two years for an AACI or PGCV*, which is the **minimum** amount of time an individual may be a Candidate. *Two years* of applied experience has also been applied to the *TRU-OL BBRE*, as it has been assumed the Candidate is receiving the AACI designation. It is assumed that each year a Candidate accumulates approximately 1,920 hours of experience (40 hours per week x 48 weeks per year).

Candidate insurance: 2011 candidate insurance was \$1,351.

Membership dues: In 2011, Candidate dues varied from province to province from \$225 to \$621 in the first year and \$525 to \$1,102 in the second year. The fees in the table are based on a Candidate member from Vancouver, BC.

J/K: Professional Competency Interview and Application for Designation: Fees are set by provincial associations. The fee included in the table is the fee in British Columbia in 2011. 🇨🇦

Applied Experience Committee

Duane Bates, AACI – Chair
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 April Green, AACI
 Tyler Beatty, Candidate
 John Bridal, UBC
 Suzanne Teal, ED, AIC – AB
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 John Farmer, AACI – Board Liaison
 To contact this committee, email:
aec@aicanada.ca

Table II	CRA		AACI				TRU-OL BBRE	
	Degree + CRA AIC Education		Degree + AACI AIC Education		Business Degree + PGCV			
	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours
A Degree Requirement (approximate for 4-yr degree)	\$30,000	4,400	\$30,000	4,400	\$30,000	4,400	-	-
General Education Requirement (18 credits)							\$3,870	660
Core Business & Administrative Studies (33 credits)							\$7,208 ^{CDNRes}	1,210
Electives (15 credits)							\$6,297 ^{BCorYRes}	550
B We Value Canada Workshop	\$100	7	\$100	7	\$100	7	\$100	7
C Professional Practice Seminar	\$429	14	\$429	14	\$429	14	\$429	14
D University Courses ("E"=Elective)								
BUSI 100 - Micro Foundations of Real Estate Economics	\$645	110	\$645	110	-	-	\$645	110
BUSI 101 - Capital Markets and Real Estate	\$645	110	\$645	110	-	-	\$645	110
BUSI 111/112 - BC Real Property Law and Real Estate Ethics or Canadian Property Law and Real Estate	\$645	110	\$645	110	-	-	\$645	110
BUSI 121 - Foundations of Real Estate Mathematics	-	-	\$645	110	-	-	\$645	110
BUSI 221 - Real Estate Finance in a Canadian Context	-	-	-	-	-	-	\$645	110
BUSI 293 - Introductory Financial Accounting	-	-	\$720	110	-	-	-	-
BUSI 300 - Urban and Real Estate Economics	-	-	\$645	110	\$645	E 110	\$645	110
BUSI 330 - Foundations of Real Estate Appraisal	\$645	110	\$645	110	\$645	110	\$645	110
BUSI 331 - Real Estate Investment Analysis and Advanced Income Appraisal	-	-	\$645	110	\$645	110	\$645	110
BUSI 344/444 - Statistical Computer Applications in Valuation or Advanced Computer Assisted Mass Appraisal	\$695	110	\$695	110	-	E -	\$695	110
BUSI 399 - Single-Family Guided Case Study	\$995	160	-	-	-	-	-	-
BUSI 400 - Residential Property Analysis	\$645	110	\$645	110	-	-	\$645	110
BUSI 401 - Commercial Property Analysis	-	-	\$645	110	\$645	110	\$645	110
BUSI 425 - Land Use Regulation	-	-	-	-	-	-	\$645	110
BUSI 442 - Case Studies In Appraisal I	-	-	\$645	110	\$645	110	\$645	110
BUSI 443 - Advanced Computer Assisted Mass Appraisal	\$645	110	\$645	110	-	E -	\$645	110
BUSI 452 - Case Studies In Appraisal II	-	-	\$645	110	\$645	110	\$645	110
BUSI 460 - Critical Analysis and Forecasting in Real Estate	-	-	\$695	110	-	E -	\$695	110
BUSI 497/499 - Agricultural Guided Case Study or Income Property Guided Case Study	-	-	\$1,395	220	\$1,395	220	\$1,395	220
E Application Fees & Required Materials								
Sauder School of Business Application Fee	\$75		\$75		\$75		\$75	
TRU-OL Application Fee							\$138	
Transcript Review Fee	-		-		\$50		\$94	
Financial Calculator	\$50		\$50		\$50		\$50	
BUSI 100 Textbook	\$99		\$99		-		\$99	
BUSI 101 Textbook	\$99		\$99		-		\$99	
Application Fee for UBC Accounting Course	-		\$75		-		-	
BUSI 293 Textbook (estimate)	-		\$175		-		-	
BUSI 330 Textbook	\$99		\$99		\$99		\$99	
BUSI 344/444 Software	\$95		\$95		-		\$95	
BUSI 460 Textbook	-		\$30		-		\$30	
BUSI 460 Software	-		\$95		-		\$95	
F Candidate Insurance	\$1,351		\$2,702		\$2,702		\$2,702	
G Membership Dues	\$225		\$925		\$925		\$925	
H Applied Experience		1,920		3,840		3,840		3,840
I Applied Experience Written Exam	\$195	3	\$195	3	\$195	3	\$195	3
J Professional Competency Interview		1		1		1		1
K Application for Designation	\$300		\$300		\$300		\$300	
Total Including Degree Requirement exclusive of taxes	\$38,677	7,275	\$46,788	10,135	\$40,190	9,145	\$31,643 ^{CDNRes}	8,265
Hours of Education (A, B, C, D)		5,351		6,291		5,301		4,421
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# of Years of 40-hr work weeks with no holidays		3.50		4.87		4.40		3.97
Total Excluding Degree Requirement exclusive of taxes	\$8,677	2,875	\$16,788	5,735	\$10,190	4,475	\$30,732 ^{BCorYRes}	
Hours of Education (B, C, D)		951		1,891		901		
Hours of Applied Experience (H, I, J)		1,924		3,844		3,844		
# of Years of 40-hr work weeks with no holidays		1.38		2.76		2.28		

Voluntary peer review

In 2009, the Peer Review Program introduced a voluntary component to the Peer Review Pilot Project. Members of the Appraisal Institute of Canada (AIC) may now submit an appraisal report for peer review on a voluntary basis. This represents a tremendous opportunity for members, as the benefits of peer review are vast.

A peer review consists of a *Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)* compliancy review and a Reasonable Appraiser Test opinion. It also comments and advises on such aspects of a report as formatting, presentation, etc.

A peer review may also provide comments and suggestions on the application and presentation of appraisal methodology.

Essentially, a peer review is an objective critique of an appraisal report, with the primary

“A peer review is an objective critique of an appraisal report, with the primary purpose being to improve work product.”

purpose being to improve work product. The dynamic we strive to achieve is that of two professionals (i.e., the member and the peer reviewer) working together to improve an appraisal report.


From a business perspective, the benefits of an objective peer review are significant. Voluntary peer review is a no-cost confidential service that provides practical suggestions on how to improve the product that goes directly to your clients. From an individual member perspective, there are also significant benefits,

especially for those members working in smaller firms.

Here is some feedback from individual members who have participated in the Peer Review Program on a voluntary basis:

“I found the peer reviewer’s comments helpful and I encourage other members to avail themselves of a peer review in order to verify the quality of work being performed on unique or unusual assignments.” – Charles Johnstone, AACI

“As a Candidate, the peer review was an opportunity for another point of view. Being used to constructive comments from my mentor, it was a chance for me to hear another professional’s perspective. I would highly recommend a peer review to all other Candidates.” – Fred J. McAvoy, AIC Candidate appraiser

For more information on AIC’s Peer Review Program, please go to the Members Section of the AIC website. Here you will find a guidebook and redacted examples of actual peer reviews. You may also contact the peer review team at peerreview@aicanada.ca 

Peer Review Committee

Linda Hastings, AACI – Chair

Gerald McCoombs, AACI

Mike Garcelon, AACI

Cherie Gaudet, CRA

Louis Poirier, AACI – Board Liaison

To contact this committee, email:

peerreview@aicanada.ca



The evolving role of Counsellor, Professional Practice



Robert Patchett, LL.B.
Counsellor, Professional Practice

As my time as Counsellor, Professional Practice winds down, I have reflected on the role and what it has become for me. In my first days with the Appraisal Institute of Canada (AIC), my initial tasks were to complete the Standards Seminar and *BUSI 330*. My first exposure to the membership came as I introduced Michael Mendela at a Standards Seminar in Ottawa to a roomful of appraisers who did not know me, nor I them. It was evident then that I had a steep learning curve to understand appraising and appraisal standards, and that it was important for me to seek out the advice of senior appraisers to guide me on my journey. The key lesson I took away in those first weeks and months was that the role was always about compliance review, measuring success in satisfying the 27 appraisal rules in a reasonable manner. It was never about conducting a technical review.

Over time, there was much debate about the role of Counsellor, Professional Practice; not just as the first responder to a consumer inquiry, but as the gateway into the professional practice disciplinary process. At that time, there were many responsibilities assigned to the position that I am sure some may have questioned. I was pleased to see the role softened under President Gordon Tomiuk in 2008, as the ability to take unilateral action evolved to a consensus-based model, where the Adjudicating Committee could decide matters in situations where no consent could be obtained. To me, this played on the strengths and skills needed for this key role, i.e., to listen, to explain in layman's terms what appraisers could or could not do, and to mediate disputes before they escalated into formal complaints. This primary function remains the key to success for the role.

"Members have called upon the Counsellor, not so much about how to apply appraisal theory in practice, but more about business relationships, understanding when and how to ensure a report complies with the Standards, and dealing with difficult people and complicated situations."

In time, and with patience from many, I grew into the role. My comfort with the *Standards* and my knowledge of the appraisal industry permitted an expansion of opportunities to conduct educational seminars on appraisal business practice issues and basic contract language, and to act as an expert, to name but a few. The primary role expanded further to permit some limited analysis of patterns of behaviour and trends, where refinements to the *Standards* and the seminar and program success could be assessed.

Today, in a time where we hear that claims are on the rise, the trend has not been mirrored on the complaint side of your industry. Changes to the program, knowledge of the industry, and interactive communication between consumers, members and me have evolved such that that is the success of the role of Counsellor, Professional Practice.

I regularly hear from members when they are faced with difficult situations and I see their willingness to find solutions before these situations escalate. Members have called upon the Counsellor, not so much about how to apply appraisal theory

in practice (not that I could), but more about business relationships, understanding when and how to ensure a report complies with the *Standards*, and dealing with difficult people and complicated situations. The willingness to be a proactive appraisal practitioner and to seek out advice from other professionals, even when it is your Counsellor, Professional Practice, was, for me, the point where we understood that we could agree to disagree on a professional level and move forward.

You never really say good-bye when you leave a position after six years, because you never know where or when our paths will cross and what the futures holds. I have enjoyed my time as your Counsellor, Professional Practice; I have enjoyed the journey that has seen my role evolve over this time; and I have appreciated the sage wisdom of so many members.

I will be stepping away from my role to embark on a different challenge that I am sure will be equally rewarding for me personally and professionally. I wish to thank each of you for the patience and support that you have provided me in my time with the AIC. Best of luck. 🍀

Geo-tagging photos allows certainty and can streamline a report

Location, location, location – we all know how critical location is to the value of a property. But, how important or useful could it be to know the precise location of that photo you just took? My appraisal practice includes a mix of rural and urban properties. In the same week, I can look at a downtown commercial building and a remote, 1,000-hectare eco-gift. It is the remote or the large property appraisal assignment that required me to rethink some of my data collection methods. Problems arose when, after sometimes taking dozens of photos over hours or days, it became difficult to keep track of which photos were what. A second problem became apparent too. How do you describe the locations depicted in 20 photos taken on a large property? Here is an actual example from a 2007 report, 'View East from Midway North/South Along Western Boundary.' Some descriptions have been longer and clumsier. By geo-tagging your photos, you can resolve both of these issues, and more.

So what is geo-tagging? Wikipedia defines geo-tagging as "the process of adding geographical identification metadata to various media such as a geo-tagged photograph or video, websites, SMS messages, or RSS feeds and is a form of geospatial metadata." Roughly translated, a geo-tagged item is given a latitude/longitude and can be displayed on a map. With a little practice and the right setup, you can geo-tag all your photos from an inspection in minutes.

There are three steps to geo-tagging a photo. First, make sure the time on your camera is accurate. Next, spatially record your inspection track on a suitable GPS device. Finally, back at the office, you must use specialty software to match the photo to the location information in your GPS track. The key to all of this is having your GPS tracking device and your camera set to the same time. It is the time stamp of the photo matched to the time stamp of the track point that allows the software to locate your photo position.

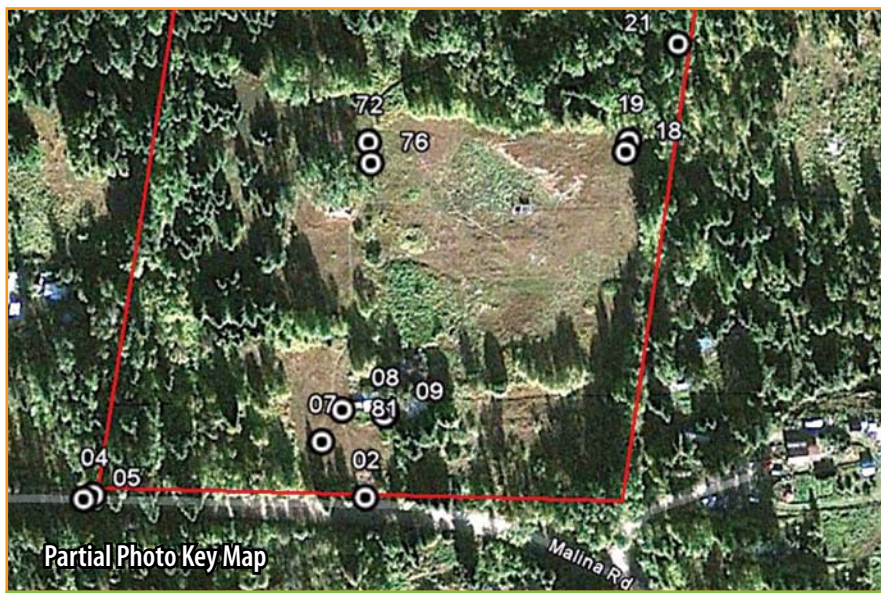
Synchronize your devices

Make sure your computer is set to the actual current time (Internet time) by clicking on the time display on your desktop and following the instructions for updating it – this is a Windows feature. Now you can set your camera to your computer time. Do this manually on the camera or, if you are lucky, your camera can be plugged in and synchronized with the computer through a settings menu in your camera's software. Canon DSLRs do this nicely. Now the camera and the time signal received by the GPS device are exactly the same – Internet time and satellite time (and cell phone time) are the same.

Track and photograph

Make sure your handheld GPS device is on and tracking. My older Garmin 60CSx can track 10,000 individual points – that is enough for a few long days in the field between downloads. (This unit is discontinued, if you are thinking of getting a GPS unit, I recommend the new Garmin 62 Series. Read up on the customizable map feature, it will allow you to upload subdivision plans, aerial photos, easement or right of way plans, and any other custom map.) There are also dedicated, single-purpose GPS trackers made just for photo geo-tagging and several models can be attached directly to the hot shoe of a Digital SLR.

Another option is to turn on your smartphone tracking app. Did you know that most newer GPS enabled smartphones actually use GPS satellite signals? I thought the term GPS was being misused in this context and that smartphones determined position by cell tower triangulation. In fact, they do, but primarily to help the GPS receiver self-locate more rapidly.



Because they are true GPS receivers, you can use your GPS enabled smartphone in areas not covered by cell services – but you will need a special app.

Most smartphone GPS applications want to display your location graphically, in real time. This requires a map for display on your device that is almost always downloaded and refreshed through your mobile data connection. No cell service – seemingly no location display or tracking. However, a couple of iPhone apps I have found record your track without needing simultaneous mapping data, so you can track offline. These apps are simple, non-graphic geo-recorders (check out TrackLogger or GPS Logbook). I have not tried either, but have corresponded with the developers. One told me that he was able to record 14,000 track points in a single day, or one every few metres. This ‘resolution’ allows for precise marking of each photo (within the confines of inherent GPS location error). The other cautioned that offline GPS fixing can take up to 30 minutes, if the last known cell-GPS location is significantly different from your current location. I am not sure if a smartphone can be a reliable and rugged solution, but, for a dollar or two, you can experiment with these apps before you spend \$100 and up on a GPS device.

If you are sure that you will always have cell coverage at the site you are appraising, there are many more options for experimenting with geo-tagging apps.

Geo-tag

Once you have finished your field work, copy your photos to your computer and download your GPS track data. You now have the raw materials ready for processing, all you need is some software.

There are many geo-tagging software solutions. By far, the best I have used is called GeoSetter. It is powerful and has many features, but it can also be used very simply. Surprisingly, it is free (though a donation will likely help the

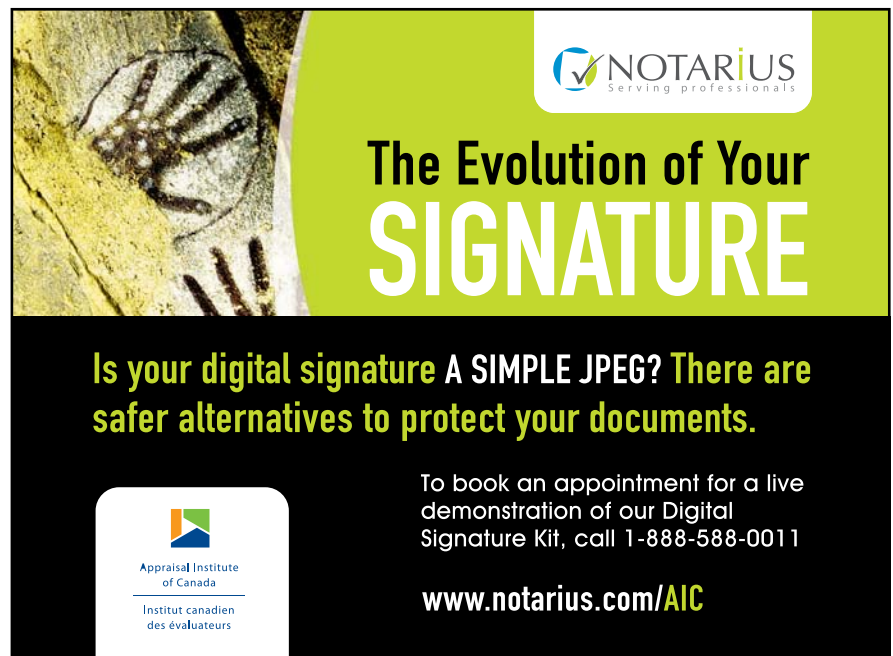


Garmin 62s

developer to keep improving it). With a few simple clicks, you load your photos and your GPS track, then hit the synchronize button. Magically, it displays all your photo locations on its own map. With another click, it exports them to Google Earth. In Google Earth, you can turn off any photo location icons you are not going to need, zoom in to the extents of your images, and save the aerial photo for your report. That Google Earth image becomes a photo location key to assist the reader in referencing your photos. Those awkward photo descriptions can be replaced with something like this, ‘View North (02),’ and ‘View Southwest (19).’

There are a few other advantages to geo-tagging for appraisals. If you already use a GPS and find it cumbersome to set and label important waypoints in the field, that survey pin, power line or viewpoint, just take a picture of the feature you are standing beside and your picture becomes a waypoint worth a thousand words. If you want to send an interactive map to a client, Geosetter can be configured to display expanding thumbnails of each photo, at each location – your client can take a virtual tour. You also have the option of displaying the GPS track and referring to this in your scope. It creates a clear picture of where you were and where you were not. And, if you use some kind of voice recorder in the field, you can very likely geo-tag your audio notes. The Griffon iTalk recorder that I use time stamps to the second. It should not be too hard to geo-tag those recordings.

In a world where location is so important, a few simple tools and methods can greatly enhance your capabilities. If you are looking to add precision to your inspections, to digitize more of your data collection, and to use advanced tools to describe your subject, its neighbourhood and comparables, geo-tagging is the solution. 📍



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Appraisal Institute of Canada
Institut canadien des évaluateurs

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 July 15 to October 14, 2011:

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 15 juillet au 14 octobre, 2011:

AACI

Accredited Appraiser Canadian Institute

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

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

ALBERTA

Louise Carole Jones-Erickson
John C. Manning
Michael F. E. Uhryn

MANITOBA

Nicholas Michael Ruta
Jason M. Schellenberg
James Patrick Weir

QUEBEC

Yannick Lemelin

BRITISH COLUMBIA

Stefan V. Lozinsky
Courtland J. Namura

ONTARIO

Tracey L. Smith

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

Anthony Hendrata
Tyler G. Stone
Clayton Wagner

MANITOBA

Dwayne Grantham
Kevin G. Olfert

SASKATCHEWAN

David A. Fortier
Chandra Hedstrom

QUEBEC

Leanna Myers

BRITISH COLUMBIA

Jason Richard Wagenaar

Candidates / Stagiaires

AIC welcomed the following new Candidate members during the period July 15 to October 14, 2011:

L'ICE souhaite la bienvenue aux personnes suivantes qui ont joint les rangs des membres stagiaires durant la période du 15 juillet au 14 octobre, 2011:

ALBERTA

Rameez Ahmed
Evodius M. Bantulaki
David Blackburn
Kirsten E. Ferrill
Garett Robert Watson

BRITISH COLUMBIA

Rajan Singh Dhanowa
Andrew Higgs
Christina Infanti
Mandeep Kandola
Valeria Lifanova
Stephanie Lun
Sandra Nicole Paulin
Marc C. Rivard
Heather Siu
David Thompson
Jessica L. Toppazzini
Kristian Weaver

MANITOBA

Sean Henderson

NEW BRUNSWICK

Luc Leger

NEWFOUNDLAND & LABRADOR

Charlez N. Parrott
Mike Warr

NOVA SCOTIA

Mike White

ONTARIO

Robert Abbatangelo
Rod Bowers
Tanya F. Cloutier
Rimma Darchieva
Jonathan Dunlap
Christopher Evered
Heather L. Fields

Kulvir S. Gill
Alexandra M. Gulliver
Cory P. Helmer
Olga Sergueevna Johnson
Andrew Gratz Joseph
Jeffrey Lynch
Michael Olivella
Byoung Ki Park
Vitale Popov
Reid Raymer
Craig Thomson

SASKATCHEWAN

Dean McCartney-Fuchs

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 contemplent une carrière comme évaluateur professionnel sont bienvenus à joindre cette catégorie de membre.

ALBERTA

Mark N. Sandul

MANITOBA

Jonathon J. Fitzpatrick

NEWFOUNDLAND & LABRADOR

Kenneth K. Kelly

ONTARIO

Jeff M. Allen
Allison S.M. Brett
William B. Davis

Fardin Feizi
Samuel P. F. Johnson
Benjamin Olugbemiro

Gino Proietto
Kyle Yutronkie

BRITISH COLUMBIA

Tae Hee Youn

SASKATCHEWAN

Chris Fossenier

THE VALUE OF HOME PROGRAM



2012 brings a renewed commitment to Habitat for Humanity by the Appraisal Institute of Canada (AIC). The Marketing and Communications Committee agreed to continue its support of Habitat for Humanity. AIC also plans to grow its member involvement in the Value of Home Program through various programs:

- AIC will fund up to four teams from various cities across Canada to participate in a one-day build in the spring.
- The 2012 AIC Conference will include a fundraiser with all monies going to Habitat for Humanity.
- AIC and Habitat for Humanity are developing a website which will allow our members to develop their own event and use this platform to promote and fundraise.

Habitat for Humanity Canada (HFHC) is a non-profit organization working towards a world where everyone has a safe and decent place to live. The organization mobilizes volunteers and partners to build simple, decent housing in order to provide low-income families with access to affordable homeownership. HFHC also raises awareness of the need for affordable housing and promotes homeownership as a means to breaking the cycle of poverty.

With the help of over 50,000 volunteers every year, HFHC's 72 affiliates nationwide have provided over 2,000 Canadian families with safe, decent and affordable housing, since the first Habitat home was built in Winkler, Manitoba in 1985. HFHC is a member of Habitat for Humanity International, which has built, rehabilitated, repaired or improved more than 500,000 houses worldwide, providing shelter for more than two million people since it was founded in Americus, Georgia in 1976.

Four million Canadians are in need of decent, affordable housing, and, when individuals and organizations choose to get involved with Habitat for Humanity, they are offered a number of high impact ways to remedy this situation. They can donate funds, product or land, participate by volunteering at a local build, join a Global Village trip, or offer professional expertise.

For more information about Habitat, visit their web site at www.habitat.ca.

To learn more about AIC national, provincial and chapter fundraising events being organized to support this venture, contact Kevin Collins at (613) 234-6533 Ext. 231 or kevinc@aicanada.ca.



IT TAKES A COMMUNITY TO BUILD A HOME

Fundraising ideas for members and chapters

1. **Dress-down/civvies day:** If your office has a formal dress code or culture, have a day in which all employees can wear casual clothes. Charge each employee who wants to participate.
2. **Walkathon:** Choose a date and a route, make up some pledge forms, and advertise with posters. Have everyone who wants to participate gather donations or pledges using their pledge forms.
3. **Raffles:** Sell tickets and keep ticket stubs. On the date of the draw, have someone close his or her eyes and pick a ticket stub from all the ones that were sold. Do this publicly. The winner receives a prize.
4. **Auction:** Have individuals, groups and businesses donate goods and services. Be creative in what you can auction off and make certain that the goods and services are sold at reasonable prices. Auction off free service for donations: Rake leaves, shovel snow, take care of a pet.
5. **Hold a theme party:** Decide on a fun theme. Charge an entrance fee, but be sure to explain to people what their cover charge is going towards.
6. **Newsletter/email:** Inform your peers, clients, employees and members of your community about your organization and the cause you are supporting. Be sure to provide information about how people can become involved and/or donate to your cause.

7. **Boat race:** Organize a model boat race on a body of water. Charge a participant/spectator entrance fee. The winner of the race gets a prize.
8. **Book sale:** Ask all your employees to donate their old books. Advertise your book sale by means of posters and flyers. Set up a table and sell books. If there are leftovers, you can always give them to a needy library, shelter, or school.
9. **Sporting event tickets:** Ask sports teams to donate a number of seats for their games and raffle off the tickets.
10. **Charity ball:** Hire a DJ or a band, rent a hall, advertise, and sell tickets for a dance.
11. **Paid vacation days:** Allow employees to pay to get an additional vacation day. Make sure you put a limit to the number of days that can be purchased or put limits where needed.
12. **Guest speaker:** Invite a guest speaker to your office and sell admission tickets to raise funds for your cause.

Did you know that you can donate to Habitat for Humanity directly from the AIC website?



Simply go to <http://www.aicanada.ca/cmsPage.aspx?id=464> and click on

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SOUTHERN ONTARIO STUDENTS GET OPTION FOR COMPLETING AIC DESIGNATION COURSES

The Appraisal Institute of Canada (AIC) is pleased to announce an agreement between the Continuing Studies Department at Guelph University and the Real Estate Division, Sauder School of Business, UBC to launch a new series of classroom-based courses leading to AIC designations. The courses are based on the current AIC/UBC materials, and are supplemented with classroom lectures on the Guelph campus.

The first course to be offered, *Introduction to Real Estate Appraisal (BUSI 330)*, will commence in April 2012, followed by an expanded program offering beginning in the fall semester. The full course offering will include the required courses from the PGCV program as well as the *Foundations of Real Estate Economics* course. The courses will be offered on alternate Saturdays for an eight-

“Many students enjoy learning in a classroom environment, but are not able to attend classes during the week – Guelph’s new program is designed for these students.”

week period (four full-day classes), with additional online assistance available in between the face-to-face sessions. The goal of the program is to offer southern Ontario students another option for completing AIC designation courses.

According to Jane Londerville, Associate Professor in the Department of Marketing and Consumer Studies at Guelph University,

“Many students enjoy learning in a classroom environment, but are not able to attend classes during the week – Guelph’s new program is designed for these students. The University of Guelph has been delivering quality real estate education for almost 20 years in its B.Comm. major in Real Estate and Housing, and it seemed a natural fit for us to extend this expertise to professional appraisal courses. We expect this blended format of full-day intensive sessions, combined with reflective assignments and online help between classes, will appeal to a segment of students working toward their designation.”

A program web site will be available shortly, but, in the interim, anyone interested in these course offerings should direct any inquiries to Jane Londerville, jlonderv@uoguelph.ca

CRITICAL DATES

December 31, 2011 – CPD deadline for the required annual six CPD credits to be completed and posted.

December 31, 2011 – Payment due date for professional liability insurance levy payable to MMR in accordance with insurance e-invoices sent to members in November 2011.

MCEWEN AND WARD RECOGNIZED

In recognizing retiring Board members in previous issues of *Canadian Property Valuation*, we neglected to note that both George Ward, AACI (British Columbia) and Scott McEwen, AACI (Prince Edward Island) had retired from the AIC's Board of Directors in the 2010–2011 period. We apologize for this oversight and extend our thanks to both of these members for their dedicated service on behalf of the Institute. As a token of our appreciation, plaques recognizing their contributions have been presented to these two former Directors.

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 their 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.

- Glen Attree, AACI**, Kelowna, BC
- Rodger Bailey, CRA (Retired)**, St. Catharines, ON
- Frederick M. Cunningham, AACI, Fellow (Retired)**, Sardis, BC
- Glenn Gabrielson, AACI**, Buffalo Narrows, SK
- Robert Quick, Candidate**, Toronto, ON
- Robert Sarrazin, Associate Member**, Mississauga, ON
- Michael Tarle AACI**, Long Sault, ON
- Lorne Usher AACI**, Nepean, ON
- Mr. Valery Zorin, Candidate**, Mississauga, ON

ROBERT PATCHETT STEPS AWAY AFTER SIX YEARS WITH THE INSTITUTE



After six years in the position of Counselor, Professional Practice, Robert Patchett has stepped away from the Appraisal Institute of Canada (AIC) and moved on to new challenges. Robert joined the AIC in the fall of 2005 and, since that time, has been instrumental in championing many of the innovations and improvements in the professional practice process.

AIC members, volunteers and staff thank Robert for his considerable contributions and service to the Institute and wish him well in his new endeavours. The AIC will be reassessing the evolving responsibilities of this position prior to filling this vacancy. In the interim, if you have any enquiries that would normally be directed to Robert, please submit them to counselor@aicanada.ca.

SAVE THE DATE!

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OF THE APPRAISAL
INSTITUTE OF CANADA
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Calendar of Events

AIC	2012 Annual AIC Conference Theme: Shape of Things to Come – Strategies for Success Dates: June 6-9, 2012 Fairmont Chateau Laurier, Ottawa, Ontario
BC	Professional Practice Seminars January 13 & 14, 2012 Fraser Valley February 24 & 25, 2012 Vancouver Island April 20 & 21, 2012 Lower Mainland May 29 & 30, 2012 Fraser Valley June 1 & 2, 2012 Lower Mainland September 14 & 15, 2012 Prince George October 26 & 27, 2012 Lower Mainland November 23 & 24, 2012 Okanagan For information contact info@appraisal.bc.ca or (604) 284-5515, or check www.appraisal.bc.ca
AB	Fall Sessions - Professional Practice Seminar Dates TBA For information contact the AB-AIC at aic.alberta@shawlink.ca or (403) 207-7892 or visit the 'Events' section at www.ab.aicanada.ca
SK	Professional Practice Seminar March 16 & 17, 2012 – Saskatoon Instructor – Allan Beatty For information contact Marilyn Steranka at skaic@sasktel.net or (306) 352-4195 or check http://saskatchewan.aicanada.ca
MB	Manitoba-AIC Holiday Luncheon Friday, December 9, 12:15 p.m. Infernos Restaurant – 312 Des Meurons St. All members encouraged to come out and celebrate the season! Tickets \$30.00 plus GST. For information contact Pamela Wylie at mbaic@mts.net or (204) 771-2982 or check http://manitoba.aicanada.ca
ON	Professional Practice Seminars January 20 & 21 – Toronto February 3 & 4 – Oshawa March 2 & 3 – Toronto March 30 & 31 – Sudbury
ON	Real Estate Appraisers' Symposium February 17 & 18 – Toronto For information or to register please log onto www.aicanada.ca under Provincial Site Click Ontario – Events, or contact Lorraine Azzopardi at lorraine@oaaic.on.ca (416) 695-9333 Ext 222
QC	Professional Practice Seminar Offered in French UQAM - Montreal November 25 and 26, 2011. Additional 2012 dates to be scheduled for English and French Professional Practice Seminars Holiday Dinner Hotel Maritime Plaza, Montreal November 24, 2011 For information contact Ginette St-Jean at aqice@qc.aira.com or (450) 454-0377 or 1-877-454-0377 or check http://quebec.aicanada.ca
NB	Professional Practice Seminar November 4 & 5 For information please contact Jennifer Nemeth-MacArthur at nbarea@nb.aibn.com or check www.nbarea.org
NS	NSREAA Christmas Event including Candidate Recognition Park Place Hotel & Conference Centre, Dartmouth, NS December 15, 2011 NSREAA Annual General Meeting March 3, 2012 For information contact Davida Mackay at nsreaa@nsappraisal.ns.ca or (902) 422-4077 or check www.nsappraisal.ns.ca/
PEI	PEI Annual General Meeting Thursday December 1, 2011 Rodd Charlottetown Hotel Time and education session to be announced. For information contact Suzanne Pater at peiaic@explonnet.com or (902) 368-3355 or check http://pe.aicanada.ca
NL	For information contact Susan Chipman at naaic@nf.aibn.com or (709) 753-7644 or check http://newfoundland.aicanada.ca

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- Renseignements et perspectives sur le marché
- Évaluation annuelle de propriétés et de portefeuilles
- Répondre aux exigences de l'adoption des normes internationales d'information financière (IFRS) prévues pour 2011
- Vérification foncière préalable
- Soutien juridique (notamment témoin expert)



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 Area: 1886.67 ft² Horizontal Wall: 100 Vertical Wall: 100 Single Wall: 100

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