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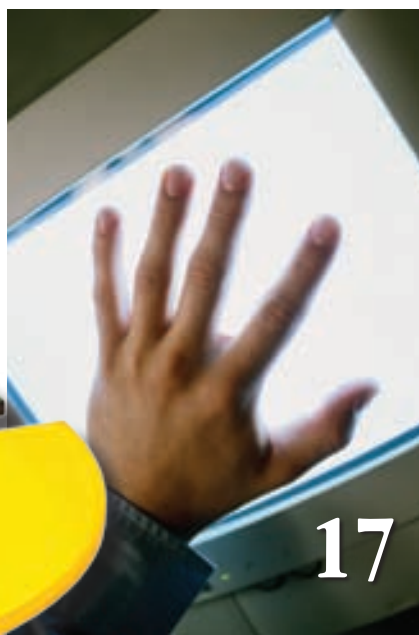
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*Paul Olscamp, AACI, P. App
AIC President*

Strategic planning – an evolution

So what exactly is strategic planning and all the references made to it by the Appraisal Institute of Canada (AIC) you may ask. Simply put, it is a planning process to assist our organization in doing a better job. Strategic planning helps to ensure that your Board of Directors and, indeed, all AIC members are working toward common goals, channeling our energies, assessing and adjusting our direction in response to today's rapidly changing environment. With an eye to the future, it guides us in what we do as an organization, and why we do it.

Our existing Strategic Plan (our roadmap if you will), developed and approved in 2000, has served the AIC leadership well, guiding and shaping the discussion, debate and decisions over the past five years. Now, the time has arrived to revisit that Plan and work towards drafting a new one that will take AIC to the end of this first decade of the new millennium.

The initial step has been taken. Along with my fellow Board members, I have invited all provincial associations to join with us in reviewing the existing Plan and

crafting a new one with the aim of developing a high level strategic plan for the Institute and its provincial associations. This initial meeting, and those to follow, will involve high level discussions to review and re-establish where necessary, key components such as the Appraisal Institute of Canada's vision, its mission statement, goals and key result areas.

Does the AIC and provincial association staff have a role in this process?

They certainly do. As the competent professionals they are, they will be charged with:

- Finalizing the Strategic Plan
- Preparing operational plans
- Preparing marketing and communication plans
- Preparing budgets and control plans

As I mentioned – this is intended to be a collaborative exercise.

There is a Chinese proverb that says:
*Tell me, I will forget
Show me, I may remember
Involve me, and I will understand*

“Key to the planning process is recognizing and supporting both existing members and future members.”

Natural outgrowths of the strategic planning process are the many emerging new policies that challenge every member and all staff to keep abreast, to adequately communicate, and to monitor this process of change.

I firmly believe that, together, the AIC and its provincial associations will arrive at a mutually agreeable Strategic Plan – one that advances our organization and our profession on a local, national and international level. One that you, the member, fully expect from the leadership that represents you.

Key to the planning process is recognizing and supporting both existing members and future members who will be attracted to the AIC and the valuation profession and to the Institute as the leading professional organization in the field. Today's students and candidates are tomorrow's designated members, volunteers and leaders. Our plan must be all encompassing.

Natural outgrowths of the strategic planning process are the many emerging new policies that challenge every member and all staff to keep abreast, to adequately communicate, and to monitor this process of change.

Something I said in my first article I believe bears repeating, and that is for all AIC members to consider accepting the responsibility for becoming better informed about the issues and the opportunities that affect them professionally. You owe it to yourselves to be active participants.

Strategic planning is not a magic solution. It is a process that detaches strategy from operations, thinking from doing. It provides direction and is a measuring tool for progress. The Appraisal Institute of Canada Board of Directors is committed to developing a well thought out plan that will assist and guide us in moving forward, step by step towards our vision and goals, thus continuing to transform the Appraisal Institute of Canada into a relevant, leading, high performance organization.

The coming months will offer me the opportunity to travel to your provincial meetings and I am looking forward to meeting many of you and discussing our plans and our future. 🍷

Supporting our present Mission Statement, Vision, and Goals are key result areas such as:

- Institute performance
- Institute resources
- Member services
- Membership retention and recruitment
- Promotion and advocacy
- Strategic alliances
- Defining and branding our national organization

All of these continue to be successfully addressed.

Please take the opportunity to read through our latest publication, the *Member Handbook* that was circulated to you with this year's dues invoice. In it, you will find useful information about contacts, policies, programs, etc. It is a reference tool designed for your desktop or briefcase. This handbook is available on the AIC web site in a fully-searchable PDF format at www.aicanada.ca/e/members/members_handbook.cfm

Consider accepting the responsibility for becoming better informed about the issues and the opportunities that affect you professionally. You owe it to yourselves to be active participants.



Paul Olscamp, AACI, P. App
Président de l'ICE

La planification stratégique - une évolution

Vous vous demandez peut-être en quoi consiste la planification stratégique et toutes les références que l'Institut y fait?

En termes simples, il s'agit d'un processus de planification qui aide l'organisme à accomplir un travail meilleur. La planification stratégique aide le Conseil d'administration et, en fait, tous les membres de l'ICE à travailler dans un but commun, à concentrer notre énergie et à adapter notre orientation en réponse au monde en constante évolution d'aujourd'hui. Le processus nous aide également à déterminer ce que fait l'Institut et pourquoi.

Notre plan stratégique actuel (notre carte routière pour ainsi dire), a été élaboré et approuvé en l'an 2000. Il a servi les intérêts de la direction de l'ICE en guidant et en moulant les discussions, les débats et les décisions au cours des cinq dernières années.

Le moment est maintenant venu de revoir ce plan et d'en élaborer un nouveau qui guidera l'ICE jusqu'à la fin de cette première décennie du nouveau millénaire.

L'étape préliminaire a déjà été amorcée. En collaboration avec mes collègues du Conseil, j'ai invité toutes les associations provinciales à participer au processus d'examen du plan actuel et à

l'élaboration d'un nouveau dans le but de dresser un seul plan à la fois pour l'Institut et les associations provinciales.

Cette première réunion, et les autres à suivre, verront des discussions aux paliers supérieurs visant à revoir et à rétablir, s'il y a lieu, les composantes clés du plan telles la vision de l'Institut canadien des évaluateurs, son énoncé de mission, ses objectifs et les principaux résultats convoités.

Les membres du personnel de l'ICE et des associations provinciales ont-ils un rôle à jouer dans ce processus?

Bien entendu que oui. À titre de professionnels, ils seront responsables de :

- compléter le plan stratégique
- préparer les plans opérationnels
- préparer les plans de marketing et de communication
- préparer les budgets et les plans de circonstance

Tel que précisé, il est prévu que ces efforts seront déployés en collaboration.

Il y a un proverbe chinois qui dit :
Dites-le moi et j'oublierai
Montrez-moi et je m'en souviendrai
peut-être
Faites-moi participer et je comprendrai

Un élément clé du processus de planification est la reconnaissance et le soutien à l'endroit des membres actuels et futurs.

Les conséquences naturelles de tout processus de planification stratégique sont les nombreuses nouvelles politiques qui en découlent et qui affectent tous les membres ainsi que le personnel, le besoin de se tenir à l'affût, de transmettre adéquatement et d'effectuer un suivi du processus de changement.

Je crois fermement qu'ensemble, l'ICE et les associations provinciales parviendront à leur fin, soit un plan stratégique mutuellement acceptable, un plan qui assurera l'avancement de l'organisme et de notre profession aux paliers local, national et international. Un plan que vous, les membres, attendez des dirigeants qui vous représentent.

Un élément clé du processus de planification est la reconnaissance et le soutien à l'endroit des membres actuels et futurs qui seront attirés à la profession d'évaluateur et à l'Institut comme organisme professionnel de premier ordre dans le domaine. Les étudiants et les stagiaires d'aujourd'hui sont les membres agréés de demain, nos futurs bénévoles et nos futurs dirigeants. Notre plan doit être global.

Les conséquences naturelles de tout processus de planification stratégique sont les nombreuses nouvelles politiques qui en découlent et qui affectent tous les membres ainsi que le personnel, le besoin de se tenir à l'affût, de transmettre adéquatement et d'effectuer un suivi du processus de changement.

Comme je l'ai déjà dit dans mon premier article, et je crois nécessaire de le répéter, tous les membres de l'ICE doivent penser à accepter la responsabilité de se tenir au courant des affaires et des occasions qui les touchent sur le plan professionnel. Ils se doivent de participer activement au processus.

La planification stratégique n'est pas une solution magique. Il s'agit d'un processus qui isole la stratégie des opérations et la pensée de l'action. Un plan stratégique doit servir de guide et d'outil pour évaluer le progrès accompli.

Le Conseil d'administration de l'Institut canadien des évaluateurs s'est engagé à élaborer un plan bien pensé qui nous aidera et nous guidera dans notre progrès, étape par étape, vers notre vision et nos objectifs et qui nous permettra de poursuivre la transformation de l'Institut en un organisme directeur, pertinent et à rendement élevé.

Au cours des prochains mois, j'aurai l'occasion d'assister à vos réunions provinciales. J'espère vous rencontrer en grand nombre et discuter nos projets d'avenir. 🍷

Certains résultats clés tels les suivants appuient notre énoncé de mission, notre vision et nos objectifs actuels :

- Le rendement de l'Institut
- Les ressources de l'Institut
- Les services aux membres
- Le maintien et le recrutement des membres
- La promotion et la représentation
- Les alliances stratégiques
- La définition et le positionnement de notre organisme national

Tous ces points continuent d'être traités avec succès.

Veillez prendre le temps de lire notre plus récente publication, le « Guide à l'intention des membres » qui vous a été adressée avec votre facture de cotisation. Vous y trouverez des renseignements utiles sur les personnes-ressources, les politiques, les programmes, etc. De format simple, il a été conçu comme outil de référence que vous pouvez consulter n'importe où au bureau. Ce Guide est disponible à même le site web de l'ICE en format PDF entièrement consultable à l'adresse www.aicanada.ca/f/members/members_handbook.cfm

Les membres de l'ICE doivent penser à accepter la responsabilité de se tenir au courant des affaires et des occasions qui les touchent sur le plan professionnel. Ils se doivent de participer activement au processus.



Georges Lozano, MPA
AIC Chief Executive Officer

Back to the future

Last issue, I reviewed the membership profile and how it has been changing over the past few years. I also pointed out how these changes will affect the future of our profession. This time, I would like to take you back to the future. Specifically, I would like to share a few observations with respect to the candidate members of the Institute, their role, and how they will shape the future of the profession.

As I mentioned last time, candidates represent about 40% of the membership of the Institute, most of whom joined in the last few years. This group tends to be younger and has more education than the other member categories. There is also a better gender balance within the candidate member category – more women are represented.

Over the past year, a number of important policy changes affecting candidates have been implemented. Specifically, the requirements for admission to candidacy have been significantly increased. New candidates are expected to have either an undergraduate degree, or be 10 courses or less away from the educational requirements for an AACI designation. Further, candidates now have to take a minimum of one university credit course annually and achieve their designation within a 10-year period. Finally, candidates will need to successfully write a final professional examination and have obtained an undergraduate degree prior to obtaining their designation.

These increased admission requirements have been implemented to help ensure that future designated members of the Institute are well-prepared to meet the challenges of the marketplace and that they be able to offer a broad range of services as highly qualified professionals in their field.

Not only have we increased the requirements to be admitted as a candidate member of the Institute, but we have also tightened up on the way that candidates may be employed by designated members. The *Standards* state that, when a designated member co-signs the report of a candidate, he must attest to the fact that he has supervised the work of the candidate, has reviewed the report, and agrees with its statements and conclusions.

The level of oversight required in accordance with the *Standards* places certain limits on the number of candidates that any single designated member can properly supervise. To ensure that the level of supervision is appropriate, the Institute has established a policy governing the co-signature of reports prepared by candidates. This policy, which is detailed on the AIC web site and in the new *Member Handbook*, limits the number of candidates that a designated member can cosign for to no more than four. A designated member may sign for an additional four candidates, provided that these have five or more years of appraisal or related experience as members of the Institute and have taken a minimum number of approved courses. As you are all well aware by now, if they are co-signing for candidates, designated members must register them, failing which, co-signed reports will be denied insurance coverage.

As I mentioned earlier, all of these measures are aimed at strengthening the profession, and the designations by ensuring that Institute members are well qualified to meet the challenges of the marketplace as first tier professionals and leaders in their field.

In short, the bar has been raised significantly, and it is candidates, in particular, who are being asked to meet this higher test of competence. Yet, as

“Increased admission requirements have been implemented to help ensure that future designated members are well-prepared to meet the challenges of the marketplace and able to offer a broad range of services as highly qualified professionals in their field.”

non-designated members, candidates are forbidden from holding themselves out as appraisers. The *Standards* state that it is unethical for candidate members to identify themselves as such unless accompanied by a listing of their true educational standing in the Institute.

Within the Institute, candidates are not permitted to vote, they generally are not invited to participate as volunteers, and they hold no important positions within the governance or committee structure of the Institute.

However, candidates are the future designated members of the Institute, and they bring to the Institute new perspectives, energy and expectations about their careers as real property professionals. Candidates have told us that they expect to be proud members of a profession that is widely recognized and respected. As such, they look to the Institute as their professional organization to provide them with quality programs, support, and guidance, as they endeavor to become designated members.

In response to this, the Institute is moving to provide candidates with information tailored to their needs through our web pages and other information vehicles. Candidates

need to discuss issues relevant to them, as they work through the AIC program of studies. With this in mind, we are planning to establish an online forum for candidates. We are also listening to what candidates have to say about the education program, including the quality and relevance of our courses, the mentoring program and the Applied Learning Program, in general. Designated members have a role to play as well in assisting candidates and providing the encouragement that they need to complete their programs of study and fulfill all of the requirements necessary to achieve professional designation.

It is understood that members who have not fulfilled the Institute's requirements for designation should not enjoy the full rights and privileges of a designated member, but we should also be mindful not to discourage success by turning away from those who aspire to professionalism as designated members.

The Institute has undergone significant changes in the past few years. Many of these changes are being felt now. More changes are on the way and they need to be carefully considered and understood by all concerned. In particular, the changes that are

being proposed and implemented today will have the greatest impact on the membership of tomorrow. That is why candidates need to be involved in the debate. For a majority of the AIC membership, retirement is looming on the horizon. As such, many of the new policies and structural changes will not affect them for a very long period of time, if at all.

Candidates on the other hand, are the ones who will be most significantly impacted by these new policies and, as future designated members of the Institute, they should be afforded the opportunity to react to and to comment on them. Do the Institute's bylaws need to be reviewed to accommodate candidates and give them some measure of input with respect to Institute policies?

To be successful, the Institute and its membership must be sensitive and responsive to the rapidly changing marketplace. Failure to recognize and act on these changes will seriously harm the future viability of this profession. Candidates are the future of the profession and they have a lot to say about where it ought to be heading. Why not give them a chance to be heard? 🗣️

“Candidates are the future of the profession and they have a lot to say about where it ought to be heading.”



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Canada





Georges Lozano, MPA
Chef de la direction de l'ICE

Un retour vers l'avenir

Dans le dernier numéro, j'ai parlé du profil des membres et comment il a évolué au cours des dernières années. J'ai aussi souligné comment ces changements affecteraient l'avenir de notre profession. Cette fois-ci, j'aimerais vous transporter vers l'avenir. En fait, je désire vous faire part de quelques observations concernant les membres stagiaires de l'Institut, leur rôle, et comment ils contribuent à mouler l'avenir de la profession.

Tel que mentionné la dernière fois, les stagiaires représentent environ 40 % des membres de l'Institut. La plupart se sont joints à nos rangs au cours des quelques dernières années. Ce groupe tend à être plus jeune et à être plus éduqué que les autres catégories de membres. Il existe aussi un meilleur équilibre des sexes dans la catégorie des membres stagiaires en ce sens que plus de femmes y sont représentées.

Au cours de la dernière année, un certain nombre de modifications de politique affectant les membres stagiaires ont été mises en oeuvre. En particulier, les exigences d'admission ont été accrues de façon considérable. Les nouveaux stagiaires doivent avoir obtenu un diplôme de premier cycle ou il doit leur rester dix cours ou moins pour répondre aux exigences pédagogiques menant à la désignation AACI. Aussi, les stagiaires doivent maintenant compléter chaque année un cours universitaire donnant droit à des crédits et obtenir leur désignation en dix ans. Enfin, toujours avant d'obtenir leur désignation, les stagiaires doivent subir et réussir un examen professionnel final et obtenir un diplôme de premier cycle.

Ces exigences accrues d'admissibilité ont été adoptées afin d'assurer que les

futurs membres agréés de l'Institut soient bien préparés aux défis du marché et qu'ils soient en mesure d'offrir une vaste gamme de services à titre de professionnels hautement qualifiés dans leurs domaines respectifs.

Non seulement avons-nous raffermi les exigences d'admissibilité à titre de membre stagiaire de l'Institut, mais nous avons aussi revu la façon dont ils peuvent être engagés par les membres agréés. Les normes stipulent que lorsqu'un membre agréé cosigne le rapport d'un stagiaire, il doit attester du fait qu'il a surveillé le travail du stagiaire, qu'il a revu son rapport et qu'il convient de ses déclarations et conclusions.

Conformément aux normes, le niveau de surveillance requis impose certaines restrictions sur le nombre de stagiaires que peut surveiller adéquatement un membre agréé. Pour assurer un niveau de surveillance approprié, l'Institut a établi une politique régissant la cosignature des rapports préparés par les stagiaires. Cette politique, décrite de façon détaillée sur le site web de l'ICE et dans le nouveau Guide pratique à l'intention des membres, limite à quatre le nombre de stagiaires pour lesquels un membre agréé peut cosigner. Toutefois, un membre agréé peut cosigner pour quatre stagiaires supplémentaires à condition que ceux-ci aient cinq années ou plus d'expérience pratique ou connexe en évaluation comme membres de l'Institut et qu'ils aient complété le nombre minimum de cours approuvés. Comme vous le savez maintenant tous, s'ils cosignent le rapport de stagiaires, les membres agréés doivent les inscrire à défaut de quoi lesdits rapports cosignés ne seront pas couverts par l'assurance.

Comme je l'ai mentionné plus tôt, toutes ces mesures visent à raffermir

Ces exigences accrues d'admissibilité ont été adoptées afin d'assurer que les futurs membres agréés de l'Institut soient bien préparés aux défis du marché et qu'ils soient en mesure d'offrir une vaste gamme de services à titre de professionnels hautement qualifiés dans leurs domaines respectifs.

la profession et les désignations en assurant que les membres de l'Institut soient bien qualifiés pour répondre aux défis du marché à titre de professionnels de premier ordre et chefs de file dans leurs domaines respectifs.

En bref, la barre a été levée considérablement et ce sont les stagiaires en particulier qui doivent répondre à ce test de compétence. En dépit de toutes ces mesures, les membres stagiaires ne peuvent se présenter comme évaluateurs. Les normes stipulent qu'il est contraire à l'éthique que les stagiaires se présentent ainsi à moins de soumettre une liste de leur statut pédagogique réel auprès de l'Institut.

Au sein de l'organisme, les stagiaires ne peuvent voter, ne sont généralement pas invités à occuper un poste de bénévole et n'occupent pas de postes importants au niveau de la direction ou des comités de l'Institut.

Toutefois, les stagiaires sont les futurs membres agréés de l'Institut et y apportent des perspectives, une vitalité et des attentes nouvelles à titre de professionnels de l'immobilier. Les stagiaires ont précisé qu'ils sont fiers de devenir membres d'une profession hautement reconnue et respectée. Ils considèrent donc l'Institut comme l'organisme professionnel qui leur offre des programmes de qualité, le soutien et l'orientation dont ils ont besoin pour devenir

membres agréés.

En réponse à ces attentes, l'Institut s'efforce de fournir aux stagiaires l'information nécessaire via ses pages web et d'autres outils d'information. Les stagiaires doivent discuter les questions qui leur sont pertinentes au moment de franchir les diverses étapes du programme d'études de l'ICE. À cette fin, nous prévoyons créer un forum en ligne à l'intention des stagiaires. Nous tenons aussi compte de ce que disent les stagiaires au sujet du programme d'éducation, y compris la qualité et la pertinence de nos cours, le programme de mentorat et le programme d'expérience appliquée en général. Les membres agréés ont aussi un rôle à jouer en aidant les stagiaires et en leur donnant l'encouragement dont ils ont besoin pour compléter leurs programmes d'études et satisfaire toutes les autres exigences menant à la désignation professionnelle.

Il est entendu que les membres qui ne répondent pas aux exigences des désignations de l'Institut ne peuvent profiter de tous les droits et privilèges d'un membre agréé mais nous devons prendre soin de ne pas décourager le succès en ne portant pas attention à ceux qui aspirent devenir membres agréés professionnels.

Au cours des quelques dernières années, de nombreuses transformations ont marqué l'Institut. Plusieurs

de ces transformations se font maintenant sentir. D'autres sont encore à venir et devront être considérées attentivement et bien comprises par tous les intéressés. En particulier, les changements proposés et mis en œuvre aujourd'hui auront le plus d'impact sur les membres de demain. C'est pourquoi les stagiaires doivent prendre part aux débats. Pour une majorité des membres de l'ICE, la retraite plane à l'horizon. Ainsi, plusieurs nouvelles politiques et modifications structurales ne les toucheront pas pendant longtemps, voire même pas du tout.

Par ailleurs, les stagiaires sont ceux qui seront le plus affectés par ces nouvelles politiques et comme futurs membres agréés de l'Institut, ils doivent avoir l'occasion d'y réagir et de les commenter. Les statuts et règlements généraux de l'Institut doivent-ils être revus pour accommoder les stagiaires et leur permettre de commenter et de contribuer aux politiques de l'Institut?

Pour réussir, l'Institut et ses membres doivent être sensibilisés et réagir à l'évolution rapide du marché. À défaut de reconnaître et d'agir face auxdits changements, la viabilité de notre profession sera sérieusement mise en péril. L'avenir de la profession repose dans les mains des stagiaires et ils ont beaucoup à dire au sujet de son orientation. Pourquoi ne pas leur donner l'occasion de se faire entendre? 🗣️

L'avenir de la profession repose dans les mains des stagiaires et ils ont beaucoup à dire au sujet de son orientation.

Letter to the Editor



Georges Lozano
Chief Executive Officer
Appraisal Institute of Canada

Dear Mr. Lozano,

I would like to take this opportunity to thank you and the Appraisal Institute of Canada for your generous support of the Appraisal Institute of Canada Award that is presented to the student who achieved the highest standing in BUSI 330.

I am very proud to have received this award. It is a reflection of hard work on my part, and a very well organized and well-presented course conceived through the collaboration of the Institute and UBC.

For all students, and especially students like myself who are in the midst of a career change, the close cooperation between the UBC Real Estate Division and the AIC in creating the program of studies for the Post-Graduate Certificate in Valuation allows clear goals and milestones to be set in the learning process, and also provides clear evidence that the appraisal profession is well-positioned for the future.

I thank you very much for all your efforts, and for this award.

Yours truly,

Don Edey,
Carleton Place, ON

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Planning is well underway for the 2007 Appraisal Institute of Canada (AIC) conference scheduled for June 6 – 9, 2007 at the beautiful Westin Bayshore Hotel. Nestled on the edge of Vancouver's Burrard Inlet, the Westin Bayshore and the exciting and vibrant city of Vancouver offer a fabulous destination for delegates, exhibitors and guests for what will be a truly memorable national event for the appraisal community in Canada.

The 2007 Conference Committee members and AIC staff are working diligently on the development of a strong education program to meet the continuing professional development needs of AIC members. With the conference venue's proximity to water, the conference theme is particularly apt, specifically with the educational program's focus on these streams...

Hot Topics focusing on current valuations issues, industry trends and emerging opportunities in the valuation profession.

Tools, Techniques & Tips focusing on technology and new approaches enabling our profession to keep pace with ever changing models, systems and approaches in real property valuation and consultation.

Personal Growth, Lifestyle and Balance addressing the need for sustained health in all aspects of our professional, social and personal lives.

Conference organizers have already confirmed that **Stuart McLean**, host of CBC Radio's *The Vinyl Café*, former Premier of British Columbia **Mike Harcourt**, and the Master of Disaster himself, **Randall Bell**, will each present a keynote address at the 2007 conference. Mr. McLean's keynote address has been made possible through the generous sponsorship of *HVS International*.

Those of you who are familiar with Mr. McLean from his work on radio will not want to miss his irreverent and wry humour, as he presents his unique perspective on life with our profession specifically in mind. Mr. McLean has also authored a number of books including the award-winning *Home from the Vinyl Café*, *Welcome Home: Travels in Smalltown Canada*, and *Vinyl Café Unplugged*. He is a professor of broadcast journalism at Ryerson Polytechnic University in Toronto.

Mr. Harcourt will present his thought-provoking vision on new ways of planning for the future of our communities and environment. Having survived a devastating accident in 2002 that left him partially paralyzed, Mr. Harcourt presents an encouraging message on what one can accomplish with perseverance and hard work.

In a time of frequent crisis and disaster, the Master of Disaster offers up important thoughts, ideas and insights about situations that you may find yourself against in your professional lives. Mr. Bell is an award-winning author and has penned books including *Real Estate Damages: An Analysis of Detrimental Conditions*, *Bottom Line Results: The No-Hype Game Plan for Business and Life*, and *Disasters: Wasted Lives, Valuable Lessons*. Mr. Bell is a principal of Bell Anderson & Sanders LLC of Laguna Beach, California.

As the 2007 conference program develops, details will be provided on the conference web site at www.aicanada.ca/e/aboutaic_events_con2007.cfm. Do not miss this incredible educational and networking opportunity in a wonderful destination. Plan on joining us in Vancouver from June 6-9, 2007 for **Streams, Currents and New Waves!** Online registration will be available early in the New Year.

Accommodations

AIC has negotiated a block of rooms at special conference rates for delegates, exhibitors and guests at the Westin Bayshore Hotel. Book your rooms early to ensure your accommodations. Complete booking information is available at www.aicanada.ca/e/aboutaic_events_con2007_travel.cfm.

FIRST PROFESSIONAL LIABILITY INSURANCE COMPANY

This month, we will deal with a situation that is becoming all too common an occurrence for appraisers and others involved in the lending/property industry: fraud.

First Professional is currently defending a number of lawsuits where appraisals were gained by fictitious borrowers and mortgages were placed on properties where the lawful owner had no idea what was going on. By the time the fraud is uncovered, the 'borrower' is long gone, and the financial institution is looking for some way to recover on its lending loss.

Brian Ross of Miller Thomson LLP's Vancouver office looks at some of the ways in which you can seek to avoid the losses caused by fraud.



Brian Duncan
*AACI, P.App,
Chairman of the Board,
FPLIC*

Safeguarding your appraisal report against fraud

By Brian T. Ross, MILLER THOMSON LLP

As an honest appraiser, you work hard to ensure that the information you put into your appraisal reports is accurate, unbiased, and free from outside influence. Yet, despite the diligence undertaken by you and your firm in creating an impartial report, in many cases, the report itself is left susceptible to fraud that is outside your influence or control. After all you and your firm have gone through to ensure a forthright and truthful appraisal, it is all too easy to assume that, once the report has left your hands, it will be free from fraud. In fact, appraisal reports are most susceptible to fraud by somebody other than an appraiser, when the data they present is outside the control of the appraiser who created the report. A report is most obviously susceptible to fraud after it is completed, during its transmission to the designated recipient. However, appraisers must also take steps to ensure that neither fraud nor error

makes its way into a report from the other end, through tampering with the comparison data upon which the appraisal relies. There are steps appraisers can take to safeguard their reports and lower the risk of fraudulent tampering at both the creation and delivery stages.

Fraud: keep your distance

The last thing any appraiser wants is to become involved in a criminal fraud investigation; the legal sanctions for fraud are especially severe when dealing with real estate transactions. Looking at section 380(1) of Canada's *Criminal Code*, one need not be a lawyer to appreciate the seriousness for appraisers of being implicated in a fraudulent transaction.

380. (1) Every one who, by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this Act, defrauds the public or any person, whether ascertained or

not, of any property, money or valuable security or any service,

(a) is guilty of an indictable offence and liable to a term of imprisonment not exceeding 14 years, where the subject-matter of the offence is a testamentary instrument or the value of the subject-matter of the offence exceeds five thousand dollars;

Rarely will an appraiser deal with a property worth less than five thousand dollars, and although 14

“The last thing any appraiser wants is to become involved in a criminal fraud investigation.”

years is the maximum applicable sentence for this level of fraud, appraisers must bear in mind section 380.1, which describes aggravating circumstances that will increase a potential prison term. Subsection (1)(b) is of particular interest to those in the real estate industry:

(b) the offence adversely affected, or had the potential to adversely affect, the stability of the Canadian economy or financial system or any financial market in Canada or investor confidence in such a financial market;

Any fraud associated with an appraisal report, whether committed by the appraiser or not, has the ability to affect the real estate market, or at very least investor confidence in the market. This subsection allows the court to punish fraudsters for the effects of their actions that go beyond the specific property in question. For most appraisers, this information is self-apparent; they know not to provide inaccurate information and to exercise the required diligence in creating their reports. It should, however, serve as a reminder of the need for vigilance in how your reports are distributed or delivered, and how you protect the data upon which your reports are based. Even when you, as an appraiser, have not committed fraud or even made a serious error, an investigation of fraud committed by other parties, but involving your appraisal report, can have a devastating effect upon your business reputation.

Protect the sanctity of your data

The influx of new technology into the appraisal process has some obvious advantages for appraisers, but it has also created new opportunities for fraudsters to manipulate the results of appraisal reports, in some situations even before the report is written. Whereas traditional appraisal reports used a small set of personally verified comparables, current appraisal methods increasingly make use of far larger sets of unverified comparables, often purchased from a data vendor. Reliance upon unverified data is not in and of itself problematic ('unverified' need not imply 'inaccurate'), but it does



“The key to protecting the accuracy and reliability of your data sets is good data management, including protection of data quality.”

present opportunities for tampering that do not exist when using smaller, verified data sets. You should purchase your data exclusively from reliable and trustworthy sources, but this should be considered only the first step in ensuring the sanctity of your data.

The key to protecting the accuracy and reliability of your data sets is good data management, including protection of data quality. Any appraiser who is purchasing and relying upon secondary data sets should read Donald R. Epley's 'Data Management and Continual Verification for Accurate Appraisal Reports' in the *Appraisal Journal* (Winter 2006). Some of the important suggestions regarding data quality protection from that article include designating a person at each firm to be responsible for data management, continuous monitoring and redundant verification of accuracy of critical data, and adoption of office policies that allow for safe warehousing (ready-for-use storage) of data accessible to authorized persons. Epley encourages firms to view their data as a firm asset, yet even those firms who recognize the financial value of their data may not be taking appropriate steps to protect the data's purity.

Appraisal firms should first take steps to ensure that the purchased (or generated) data they enter into their databases is accurate. This means not only that it is free from entry error, but that it is in fact the same data they intended to purchase or generate, i.e., the data has not been corrupted or tampered with on delivery. Next, appraisal firms must ensure that their data is stored in a secure manner; the steps involved in encrypting data at the local server level are complex and numerous, as security must be addressed both physically and virtually. Physically, access to data storage servers should be limited to trusted employees. Even janitorial or maintenance staff must not be given unsupervised access to rooms in which critical data is stored. Critical data should be password protected and encrypted powerfully enough that, even if a server is physically stolen, the data it contains will not be accessible. Critical data should not be allowed to leave the office on

an appraiser's personal notebook computer, as this is the easiest and most common means by which data is stolen or otherwise compromised. If data storage on notebooks outside the office is unavoidable, encryption and password protection should always be used. Firms may also want to look into remote hard drive protection, which can remotely wipe critical files from a lost or stolen laptop when that laptop connects to the Internet. As far as virtual protection, the complexities of online encryption go well beyond the scope of this article; suffice it to say that even the smallest appraisal firms should hire IT Security specialists to handle their data management processes.

Protect the sanctity of your report

While the method of delivery of appraisal reports may vary depending upon to whom the report is being delivered, appraisers should insist upon delivery by secure methods. If delivery is of a paper report, use of a trusted courier is recommended. A sealed envelope, with your firm's name clearly displayed, should be used, and the package should be tracked whenever possible. Confidential information contained in your report is of value to competitors, and as much thought should be given to preventing information theft as to preventing fraudulent tampering. The most basic safeguard against becoming involved in a fraud investigation is to keep a sealed, signed and dated copy of any appraisal report that is sent by courier from your office.

For reports sent electronically, they should never be sent as a pdf or html file without seeing appropriate safeguards in place to ensure that such documents are not tampered with. In order to meet the demand for electronic transmission of data, so required by many appraisal consumers, the Appraisal Institute of Canada (AIC), after consultation and review, determined that the Public Key Infrastructure (PKI), specifically a digital security certificate, offered the best safeguards available for electronic data transmissions. PKI uses certification, cryptography and digital signature technologies to allow for confidence

“The most basic safeguard against becoming involved in a fraud investigation is to keep a sealed, signed and dated copy of any appraisal report that is sent by courier from your office.”

in the integrity and completeness of electronically transmitted documents. The technology is easy to implement and is fully supported. PKI is also recognized by the AIC as meeting the test of the 'Reasonable Appraiser' pursuant to *CUSPAP* standards for the transmission and protection of documents. This product is offered by service provider Notarius.

With the amount of work that goes into protecting the data used to create your report, delivery of your reports in PKI format should be required so that you may have the same faith that the data you create, your appraisal report, will be safeguarded against fraud. 🐼

NOTE: The Appraisal Institute of Canada does not defend members in cases where criminal charges are laid.

Brian Ross is a leading insurance practitioner with Miller Thomson's Vancouver office. He wishes to thank D. Alex Farber of Miller Thomson and Denis Rivard of Leonard French & Co. in Winnipeg for their assistance with regard to this article.

Heart, mind, and bottom line

What will the Appraisal Institute of Canada's (AIC's) re-branding and the subsequent marketing and promotion strategy mean for me, for my career, and for my business? As a corollary to that question, I must also ask what it will mean for me if the AIC decides to move forward with the status-quo.

It is important that we ask these questions at a personal level, so that the correct decision can be made when the Board of Directors asks for direction to move forward this fall.

For me, personally, it comes down to matters of the heart, the mind, and the bottom line. Will I continue to enjoy going to work in the morning? Will I continue to be challenged intellectually? Will I continue to make a good living?

Leaving aside the first two for the moment, as well as questions associated with the greater good, the bottom line is undoubtedly the most critical question for most of us. Adding growth to the bottom line is always a challenge in the fee for service business, where income is primarily based upon an hourly rate, applied to the number of workable hours in the day.

Unfortunately, many of us attempt to achieve income growth by inputting more hours into the equation; in many cases, sacrificing family, health and well-earned leisure time. In most cases, working harder causes more problems than it solves. We need to work smarter, not harder. Working smarter is, in essence, what the AIC's strategic plan and the associated re-branding and marketing initiative is all about.

The relevance of point-in-time valuation work has diminished among many of our client groups, and will

continue to diminish. Clients are asking for prescient advice, strategy, recommendations, and answers to all manner of real estate questions that help them make money or resolve some sort of problem. In many instances, the value at the bottom of the report is secondary. Continuing to focus exclusively on providing this number will, in most instances, erode the bottom line.

So, how do we work smarter and achieve income growth? We can do this by first making our client groups aware of the fact that we can do more than just appraisals. This will not be achieved by continuing to call ourselves appraisers, the appraisal institute, or the appraisal profession. We need to promote all that we do, not just one component.

Many within our profession have been moving forward with such a strategy for some time now. If you take a look around, leading-edge firms are still providing valuation services. However, they are marketing themselves as providers of a varied array of products, with valuation being only one component of the overall scope of services offered.

The AIC is now stepping up to the plate and taking the initiative of attempting to support this forward-thinking direction of our profession. It could not be more timely. For me, support in this direction means it will be easier to sell a broader scope of services to potential clients, many of whom assume that 'appraisers' are one-trick ponies. Who can blame them as no one has ever bothered to tell them otherwise?

Support from the AIC, and an easier sell to clients of a broader scope of services, translates into more opportunities for me to add value. More opportunities to add

value means more opportunities to charge more for my services, and more opportunities to leverage my experience, knowledge, skills, and data into more money. Bottom line growth is inevitable.

Money is not everything. It goes without saying that there are intangible benefits associated with providing a wider scope of work. In my experience, participating within non-traditional functions has been very rewarding, as I am often providing real solutions and real benefits to my clients. Going to work in the morning is a pleasure when I fill such a role, and the variety and problem-solving aspects of such work are usually intellectually stimulating.

So, when asked "what is in the re-branding and marketing process for me?", my response would be – rewards associated with the heart and mind, but potential growth of my bottom line, in particular. ♥

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The results: a bigger piece of the pie

AIC's Marketing Plan will showcase how AIC members, as first tier professionals and leaders in their field, add value to every aspect of the real property decision.

As was noted at the recent PEI conference, when Louis Poirer, Chairman of the Communications Committee and I presented the *AIC Marketing & Communication Plan: A National, Provincial, Chapter and Member Partnership*, the Plan is required regardless of with which brand the members choose to proceed. The key is that it will only be implemented once branding is resolved. Its foundation will be based on:

- Attracting new members
- Differentiating AIC and our designations
- Creating and increasing awareness
- Developing cohesive national and regional communication programs

"It is not the strongest of the species that survives, nor the most intelligent, but rather the one most responsive to change."
Charles Darwin

This long-awaited Plan shall focus on:

- Promoting the membership and the profession nationwide
- Repositioning the profession and the wide range of services performed by AIC members
- Repositioning the Institute
- Promoting and advocating on behalf of AIC members

A collaborative relationship among all AIC's partners will be essential. By harmonizing the visuals and messages in AIC's marketing communications materials, the partners will collectively build a strong and consistent AIC brand across the country.

Much of the success of the programs will come from the sup-

portive buy-in from provincial associations, chapters and members. It is essential that these partners work collaboratively to develop and implement a broad range of marketing programs aimed at stakeholders, employers, students and prospective members in the workforce. These include a targeted advertising campaign, recruitment and promotion campaign, outreach promotion, dynamic presentations, recruitment events, newspaper supplements, brochures, pamphlets, and a syllabus, as well as member promotional ads, electronic billboards and trade-show displays.

As has been noted, branding must be resolved before we can proceed with the Marketing Plan. Three marketing firms have been invited to respond to an RFP to become AIC's marketing agency of record. The firm that is selected will commence working to achieve the Institute's marketing objectives in early 2007. A rollout of the external Marketing Plan is intended for the AGM in Vancouver.

As both marketing and branding are interrelated, members have every right to ask, "What value do I see in marketing/branding for me as a valuation professional?" We invited members of the AIC Board of Directors to answer this question in their own words and the following summarizes some of their responses:

- The satisfaction of bold leadership by our professional organization.
- Within the membership, whatever



our specialty, we are all part of the same profession. Branding reinforces our commonalities. The advantage of building a team environment is that teams encourage members to act ethically, to complete continuing professional development, to volunteer for the organization, to recognize the value of other members.

- As a private practice AACI, I can honestly say that the biggest barrier in conducting daily business during the past 15 years is the fact that the AACI remains an obscure designation that has been kept in the shadows for years.
- Heightening the status, awareness and credibility of the AACI among our stakeholders and the public is the key for me personally to become a top tier professional.
- Effectively promoting the AACI brand will, over the longer term, educate my existing and potential clients. This will win that part of the 'marketing battle' for me, so that my clients and potential clients already know what I am once they see the AACI behind my name.
- The opportunity to talk to my clients about something new
- Promotion of my business and my profession as progressive (changing with the times)

AIC's marketing objectives are to:

- Raise awareness of the profession and the designation
 - Raise awareness of the Institute and its role
 - Differentiate the profession and the designation from competing alternatives
 - Differentiate the Institute as the organization of choice in recruiting potential members
 - Build and maintain a strong brand equity
- For years, we hid behind the lender, not having to promote ourselves to the public. It is time to come out of the closet and tell the world that we offer a range of skills and knowledge that can assist the lending community, the private sector and the public at large.
 - This will give me the opportunity as a member and a business owner to go to my clients with a reason to celebrate change. Even having the opportunity to ride a multi year-long wave of media exposure is a reason to be happy. We will all have to seize the opportunity to self promote.
 - As an owner of a small business, I could not buy that kind of advertising for \$65.00 per year.
 - Access to better clients, bigger jobs, better (corner) offices, better fee schedules and bigger salaries.
 - Being part of a professional organization which is delivering a clear and uniform message to the public about who we are and how to recognize us
 - I suspect the industry overall will benefit from the brand awareness. Over the years, I have observed a continual erosion of our practice area as CAs, P.Engs, and other professional groups have started to work in our traditional areas of expertise.
 - A lofty goal is to make AACI a household word so that when we say 'I am an AACI,' we have instant recognition, much like a CA or CGA.
 - What I expect AACI to do for me is to announce to many employers and clients that I am a premier appraiser who knows a lot about the principles of value.

Ultimately, we will know we have succeeded in implementing our Marketing Plan when we have a bigger piece of the pie and when we are consistently called for real property and consulting services. ❤️

BE AN AUTHOR FOR THE *Canadian Appraiser*

Canadian Appraiser magazine is one of the Appraisal Institute of Canada's most effective tools for communication with and between members. Every issue is distributed Canada-wide to the Institute's entire membership of AACIs, CRAs and Candidates. An expanded distribution and subscription list extends the reach of this magazine to Institute members' clients, affiliate organizations and libraries.

Through content licensing arrangements *Canadian Appraiser* articles are made available to

researchers and students by way of various research libraries' electronic databases. As well, all articles are posted on AIC's web site where they are fully available to Internet users via popular search engines.

In addition to regular features dealing with such significant initiatives as continuing professional development, standards, liability insurance, communications and professional practice, each issue also provides a venue for members to share their knowledge, expertise and experience by

contributing articles they have written on timely and informative appraisal-related topics.

The CPD Program allows for members to earn a maximum of 40 credits for authoring articles throughout the 5-year cycle. Credits should be reported on the basis of one credit per hour required to author the articles.

If you are interested in contributing an article, please contact Joanne Charlebois, AIC's Director of Communications at (613) 234-6533 ext. 224 or joannec@aicanada.ca



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Ethics students study four principal ethics systems:

- End-result ethics – determined by consequences;
- Rule ethics – determined by laws and standards;
- Social contract ethics – determined by customs and norms of a particular community; and
- Personalistic ethics – determined by one's own conscience.

Everyday appraisal ethical decisions rarely encompass all four. Usually, one's own conscience, and the considered consequences of an action, will carry the day. At times, however, social contract ethics can get an appraiser into trouble – particularly if customs and norms

of the real estate community do not comply with the higher standard set by rule ethics – the *Canadian Uniform Standards of Professional Practice*.

Jacques Thiroux, in his book *Ethics Theory and Practice*, developed these guidelines for a workable ethical system:

- It should be rationally based.
- It should be as logically consistent as possible, but not rigid and inflexible.
- It must have universality or general application to all humanity and yet be applicable in a practical way to particular individuals and situations.
- It must be able to be taught and promulgated.
- It must have the ability to resolve

conflicts among human beings, duties and obligations.

You, as a member of the Appraisal Institute of Canada (AIC), have an annual opportunity to examine *CUSPAP* through the lens of those guidelines. Do the *Standards* serve you as a member? Are they rational, consistent, applicable in a practical way, and do they have the ability to resolve conflict?

Your Standards Committee proposes some significant changes to *CUSPAP* for 2007 – quite apart from a new look and greater navigational ease. If your interest in the *Standards* tends to peak for two days in each five-year cycle, Fall is the time to decide for yourself if proposed edits enhance *CUSPAP* as a workable ethical system.

Many planned edits are of a housekeeping nature – designed to improve clarity and consistency. Others are intended to codify the member's responsibility to the public, to enhance the valuation profession, and to assist in the prevention of professional liability insurance claims.

My pick of the changes

Split Ethics Rule #2 into two rules. A member could violate the *Ethics Standard* by misleading, without necessarily committing fraud. Examples are gross carelessness, or advertising infractions. Separating the two removes the 'fraud' stigma from members who may be disciplined for 'misleading' and addresses concerns expressed by those responsible for investigation and discipline.



Search of title to property being appraised is mandatory (subject to any Extraordinary Limiting Condition) – in the same manner that inspection is mandatory. Rewording of the Jurisdictional Exception confirms that it is the responsibility of the appraiser to determine whether its use is appropriate, AND reminds the appraiser of the fact that “it is unethical for a member to complete an assignment that a Reasonable Appraiser could not support.”

Certification Comments now differentiate between technical assistance and professional assistance: “A member signing a report assumes responsibility for the entire report including technical assistance in the form of factual information that is collected by an assistant. Technical assistance is not significant professional assistance unless it involves analysis, opinions and conclusions.”

Practice Notes provide specific guidance as to what properties a CRA may appraise without co-sig-

nature. Confirming resolution of highest and best use as the ultimate test, they note that ‘competency’ and ‘units of measurement’ are also important tests. The concept of self-contained residential units vs. units that are not self-contained is introduced and a limit stated for the latter. Direction is provided for CRAs appraising large acreages, recreational property, transition and mixed use properties. Practice Notes guide all members in valuing condominiums and handling appraiser/broker disclosures.

CUSPAP is a benefit you receive when you pay membership dues to the Appraisal Institute of Canada. Does it add value to your appraisal practice, and to the industry? Maximize your investment – visit the web site to review the Exposure Draft of CUSPAP 2007 and give us your comments. Simply login to the members section then go to www.aicanada.ca/e/members/members_draft_cuspap_2007.cfm 🍷

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From the Counsellor's Desk

BY ROBERT PATCHETT, LL.B, CD, AIC COUNSELLOR, PROFESSIONAL PRACTICE

The essence of professionalism

Much can be said about what elevates a job to a profession. Is it the level of education and training, the capacity to be self-regulating, the need for universal standards, or the public requirement and confidence to permit such to exist? Have you given any thought to what makes you a 'professional'?

I believe central aspects of professionalism are ethics and how one conducts oneself. These are elements with their own inherent values, but also qualities that serve to attract and retain clients. Professionalism is also about how you react under pressure and in the face of adversity. I do not mean approaching a home with a vicious looking dog staring you down – adversity takes many forms and stress can amplify the moment. Stress can also build over time, as you worry about matters that may be beyond your control.

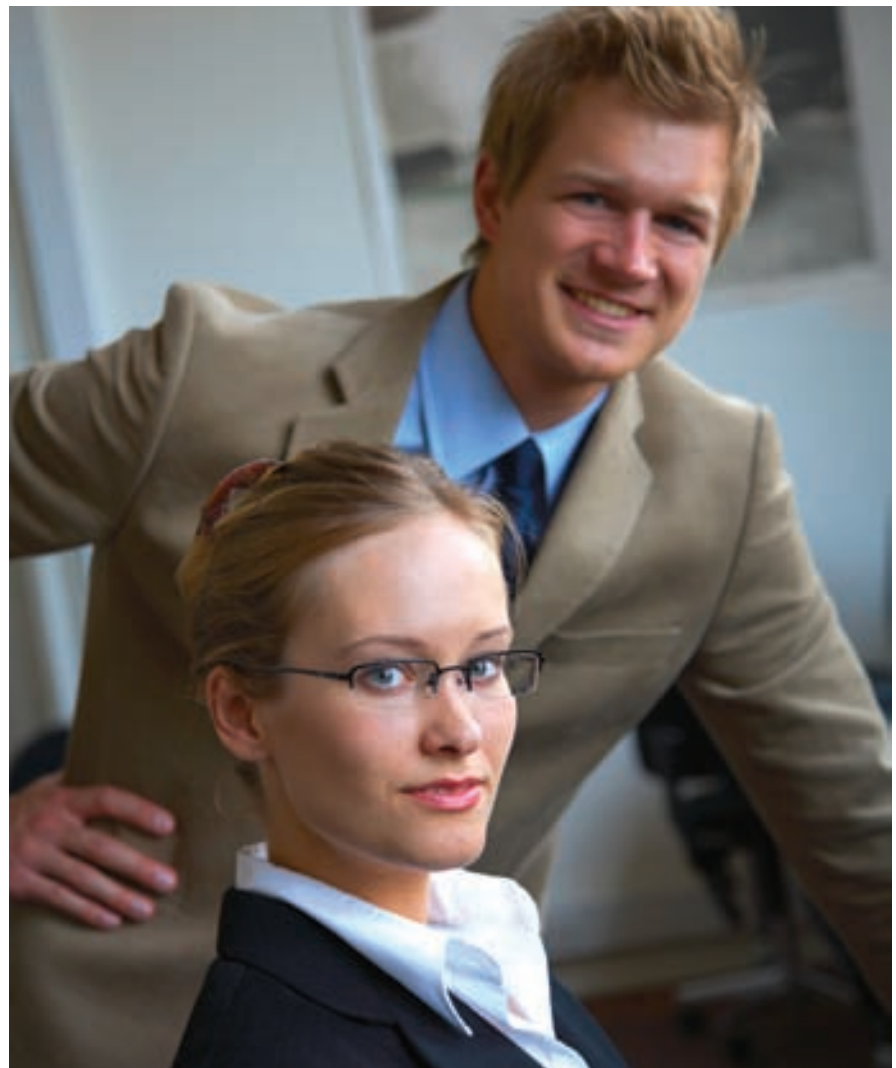
As a professional, when faced with a difficult client, how do you react? The *Ethics Standards* delineate this as 'Conduct.' How you respond to a complaint, to the difficult assignment, when you are contacted daily, when your conclusions are challenged, when faced with a Professional Practice investigation, will set you apart as a professional.

It is said that to err is human. Thus, as a professional, can you admit an error? As a professional, would you like the opportunity to correct an error? The answer has to be yes, however, in reality that is not always the case. As a result, consumers rely on the self-regulating arms of the professions to resolve complaints. A consumer also may choose to turn to the courts and make a claim against your liability insurance policy.

As a business person, you accept that a cost of doing business is possible complaints and claims. How you react to them will establish your reputation as a professional in your marketplace. Your confidence to accept criticism will distinguish you as a true professional. At the same time, if you avoid complaints, bully the complainant, challenge the motives or retaliate against a

complainant, then you avoid the real issues in dispute and damage your reputation as a professional.

The *Ethics Standards* require you to maintain your qualifications and your competencies. As you strive to meet your CPD credit requirements, look for courses that assist in developing those skills that set you up to be that professional business person. 🍷





Continuous learning – a hallmark of professionalism

AIC's replacement of its Mandatory Recertification model with a Continuing Professional Development Program is perhaps one of the most visible manifestations of the maturing professionalism of the Appraisal Institute of Canada (AIC) and its membership. AIC's new CPD model recognizes that the world in which appraisal professionals practice demands a commitment to self-directed lifelong learning that is flexible and responsive to changing markets for new competencies and services.

According to a report by the CPD Certification Service in the U.K, the Institute is not alone in recognizing that new approaches to post-designation studies support the increasingly multidisciplinary nature of professional work. The report notes that "Competition has never been more intense, clients are more demanding, and technology offers new ways of working. The knowledge base of the professionals and of the sectors in which they operate has also increased. With such changes come new opportunities; new clients, new markets, new areas of practice, and new methods of working. Indeed, in the knowledge intensive world of the professions, some have argued that the only real source of sustainable competitive advantage is the ability to learn faster than the competition. To a much greater extent than in the past, all professionals are expected to be both technically competent and managerially capable."

The current cycle ends on September 30, 2007, so members are

encouraged now to review their learning plans to ensure that they have completed the requisite 60 credits by that date and updated their professional profile on the AIC member web site accordingly. Fourteen credits must be obtained through successful completion of the mandatory Standards Seminar and accompanying examination, but, beyond that, the options for learning opportunities are boundless. Credits are no longer defined within valuation or auxiliary categories, but may be obtained for studies in areas that best support members' individual career needs, calculated on the basis of one credit per hour of organized learning. A broad range of topics is considered 'creditable.' These include, but are not limited to:

- *Fundamentals*, such as valuation, mathematics, real estate economics, law, accounting, and other core curriculum;
- *Specialty Skills*, for example, negotiation, mediation, expert witness, forecasting and critical analysis, technology skills or applications;
- *Leadership and Business*; organizational behaviour, marketing, change management, to name a few options.

Matching the breadth of eligible topics for CPD credit is the range of workshop delivery models now available to members. For those who prefer a classroom setting, the provincial associations of the Institute offer a rich menu of seminars and conference education led by the

best and brightest members of the profession in Canada. Look for information on these in your provincial newsletter, on the provincial association web site or in the Calendar of Events in the *Canadian Appraiser* magazine for a listing of seminar opportunities across the country.

For those who prefer to complete their CPD credits anytime, anywhere, the Institute has collaborated with its longstanding education partner, the Real Estate Division of the Sauder School of Business at UBC. Online courses that reflect the growing diversity of specialization of AIC members come to your desktop and you set the pace of study. Currently available and coming soon are short courses on:

- Business Enterprise Valuation
- Valuation of Property Impairments and Contamination
- Agricultural Valuation
- Hotel Valuation
- Highest and Best Use Analysis
- Multi-Family Property Valuation
- Office Property Valuation
- Seniors Facilities Valuation
- Appraisal Review
- Exposure Time and Its Impact on Valuation
- Machinery and Equipment Valuation
- Land Valuation
- Lease Analysis

For those considering expanding their practices to consulting and advisory services, a new stream of real estate consulting topics has been incorporated into the online curriculum. New and in development are modules on:

- Critical Thinking, Research, and Risk Analysis
- Decision Analysis
- Forecasting

Registration information and course descriptions are provided at http://www.sauder.ubc.ca/re_credit-program/programs/cpe/index_pd.cfm

Of course, for those seeking more in-depth education on the Institute's core curriculum, all courses in the programs of professional study are available in distance learning format from the UBC, as well as occasionally offered in classroom settings by selected education partners (Seneca College, Athabasca University, Thompson Rivers University, Université du Québec à Montréal (UQAM)). Up to 40 credits of the 60 required may be claimed for completion of courses in the five-year cycle.

As the Institute recognizes the legitimacy of 'learning by doing,' leadership activities are also creditable supplements to formal studies, within certain limitations. Serving as a volunteer at either the national or provincial level, tutoring and teaching, and published professional writing are accepted up to a maximum number of credits specified in the

CPD Guidelines published on the AIC web site.

It is true that AIC members must be in compliance with CPD requirements by the end of the cycle to retain their good standing as an Institute member, and that penalties for non-compliance can be severe. However, the focus of members and the Institute should not be to monitor the accumulation and input of credits for the sake of meeting the numeric goal of 60 by September 2007. The ultimate goal for the Institute is that members embrace continuous learning as one of the hallmarks of professionalism. The AIC model is designed to support the highest level of professional practice among all members, candidates and designated members alike. It promotes self-directed programs that are customized by the members to meet their specific needs that will ultimately enhance competence, assure competitiveness, and safeguard the standards of the profession. Working together to foster a learning culture will bring mutual rewards.

Questions about the AIC Continuing Professional Development Program?

Visit http://www.aicanada.ca/e/members/members_faqs_cpd.cfm

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The CPD audit and you

As specified in the *Continuing Professional Development Program Guidelines*, members of AIC are now subject to annual audits of CPD records. The current five-year cycle ends September 30, 2007, at which time every member must have completed a minimum of 60 hours of educational or other professional development activities, as outlined in the *AIC Continuing Professional Development Program Guidelines and Policies 2002-2007* (www.aicanada.ca/e/pdfs/CPD-program-guidelines-policies-rev-May-2006.pdf). Members who joined the Institute after the beginning of the cycle in 2002 are required to complete a pro-rated number of educational or other professional development activities. This is calculated on the basis of 12 credits per year, as outlined in the table below:

Join Date	Credit Requirement
Up to September 30, 2003	60
October 1, 2003 – September 30, 2004	48
October 1, 2004 – September 30, 2005	36
October 1, 2005 – September 30, 2006	24
October 1, 2006 – September 30, 2007	12

The process consists of a random annual audit of the continuing professional development records of 5% of AIC members. This activity began in 2006, year four of the current cycle. Auditing of selected members may also be undertaken at the discretion of the responsible provincial association or affiliated organization, or as part of an investigation by the Counsellor of Professional Practice or the Institute's Professional Practice Committees.

All members are asked to keep documentation that specifies how the claimed credits were attained. They should retain this documentation in the event that their CPD records are selected for audit, and for a period of five years following the end of the cycle.

For audit purposes, acceptable documentation includes:

- **For courses**, a copy of the course description, confirmation of registration and course grade letter or transcript.
- **For conferences, seminars or workshops**, a copy of confirmation of registration or attendance certificate along with descriptive information about the educational content (brochures, flyers, web site information).

- **For authored articles**, a copy of the published material.
- **For volunteer activities**, a letter from the organization for whom you are volunteering verifying your term of appointment and the nature of your volunteer commitments.
- **For mentoring activities**, written verification from either the candidate or the relevant provincial organization that you are serving as a mentor in the Institute's Applied Experience program.
- **For teaching or tutoring activities**, proof in the form of a course outline, or written verification of your role, from the educational institution.

If a member is audited and their credits are deemed to be low for this stage in the cycle, their file will be flagged for review at the end of the five-year cycle. At the end of five years, members who have been audited and flagged for non-compliance at the time will be audited again. If they have not yet completed the required credits, they will be subject to penalties for non-compliance if remedies are not documented by September 30, 2007. The penalties include fines and suspension as described in the *CPD Program Guidelines*.

Whether or not their records have been selected for audit, all members are obligated to complete all CPD requirements including the Mandatory Standards Seminar no later than September 30, 2007. Members are responsible for entry and maintenance of their own CPD credits through secure, password protected access to their own web-based CPD management system in the members section of the AIC web site. For those who lack Internet access, note that many public libraries and community access sites provide Internet access to the public at no charge. Credit entry is a simple process that requires only a few minutes. Some provincial associations will, for an administrative fee, record credits for those members who do not have Internet access. Please contact staff of your provincial association to determine availability of this service.

Members who are significantly behind in their continuing professional development responsibilities are encouraged to consider some of the CPD options noted in the accompanying article and plan a course of action leading up to the end of the cycle. 🍷

The professional practice process

BY DAVE GABRUCH, AACI, P. APP – CHAIR OF THE INVESTIGATING COMMITTEE

There is little doubt members will experience various levels of anxiety and emotions when they receive a letter advising them that the Appraisal Institute of Canada (AIC) received a complaint about them. Only those who have truly experienced those feelings can tell you. The reality is that no one likes to be investigated.

However, the Investigating Committee (IC) is charged with the mandate to investigate serious complaints and referrals from the Counsellor, Professional Practice received

by the AIC. The most expedient way of doing so is through correspondence with the member. Typically, the IC will ask for a copy of the appraisal and all file contents relating to that appraisal/issue at hand.

A review of the file is completed and, following that, usually a series of questions is sent to the member to address. In some cases, a second letter will be necessary, depending on the answers and clarity the member gives in response to the first enquiry letter.

It has been the experience of many that the questions IC sends

out can feel intrusive, accusatory, and personal. That is not the intent. The intent is to determine if there is a basis to the complaint, or not, and to bring the investigation to a conclusion.

What the IC expects from a member under investigation is his or her full cooperation. Regardless of how angry or upset the member may feel, his or her cooperation is critical to the successful conclusion of an investigation. Delayed responses and intentional vagueness in responses only prolong the process.

“The intent is to determine if there is a basis to the complaint, or not, and to bring the investigation to a conclusion.”

Professional practice – myths and realities

BY ROBERT PATCHETT, LL.B., CD, AIC COUNSELLOR, PROFESSIONAL PRACTICE

The Appraisal Institute of Canada (AIC) *Regulations* set out the process that the AIC has adopted to address professional practice complaints. This article aims to highlight the key elements and the key underlying principles of the Professional Practice process.

A formal complaint initiates the process and members are provided with notice and substance of

the complaint. Members are then given an opportunity to respond to the complaint. The Counsellor considers the complaint and the reply and decides what action to take.

Serious issues are referred to the Investigation Committee (IC). The IC completes an investigation and, in-camera, determines what action it will take.

A member may be suspended for non-cooperation with the

Counsellor, in the same manner that he or she can be suspended for non-cooperation with the IC.

Charges may be referred to the Adjudicating Committee (AC) which may consider a Conditional Guilty Plea or convene a formal hearing. After considering all of the evidence and submissions, the AC will issue a written decision.

Appeals to the action taken by the Counsellor and the decisions of the Adjudicating Committee are

“The *Regulations* set out the substantive policies and procedures the AIC has adopted.”

referred to the Appeal Committee. It considers the same material and also issues written decisions. The decisions of the Appeal Committee are final.

The AIC staff provides the administrative support to the process. Confidentiality is strictly maintained. The committees set their own procedures and determine independently what substantive action they take. The *Regulations* set out the substantive policies and procedures the AIC has adopted.

MYTH – It is a myth that only users may complain and that all others have no right to complain.

REALITY – A complaint can come from anyone. There are no restrictions or limitations. In addition, any committee may refer a matter for investigation. Formal complaints must be made in writing. However, many consumer complaints are initiated by phone or email, and are resolved before leading to a formal complaint.

A consumer inquiry is not a formal complaint. Consumers are often seeking assistance or clarification regarding an appraisal or the conduct of a member and these cases are immediately dealt with by the Counsellor, and/or are referred to the member to resolve.

MYTH – It is a myth that you must be provided with the opportunity to face your accuser. Complainants rarely participate in the process beyond submitting the initial complaint, unless it is considered necessary at the adjudicative or appeal level.

REALITY – Anonymous complaints are accepted and dealt with

confidentially, thus permitting a complainant to remain anonymous. In such cases, AIC (represented by the Counsellor or the Investigation Committee) stands in the place of the complainant, without advocating for the position of the complainant. AIC must have written consent to release the name of the complainant to the member, and, even then, it is discretionary. In cases where a complainant might have a history of conflict with a member, this process permits legitimate complaints to be dealt with on their own merits, unencumbered by any personal issues between the complainant and the member that may underlie the situation.

MYTH – It is a myth that the process is pro-active. The Counsellor reacts to complaints and does not otherwise initiate investigations.

REALITY – Members are provided with the nature and substance of complaints to give them the opportunity to respond to the complaint. No decisions or action are taken without giving members the opportunity to reply. In some instances, a copy of the complaint is provided to the member, depending on the extent of the circumstances. Members may, at any time, request that a complaint be referred directly to the Investigation Committee.

MYTH – It is a myth that the Professional Practice review process is a witch hunt. The process is, in fact, intended to provide public confidence in the AIC as a professional, self-regulating governing body.

REALITY – The Counsellor, Professional Practice will limit the initial

investigation to the complaint. However, where other issues not related to the complaint are uncovered, these issues are also addressed. The Investigation Committee will review the entire report to ensure compliance with *CUSPAP*, and its investigation is not limited to the complaint. 🐾

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Be part of the solution... not, involuntarily, part of the problem

Mortgage fraud is serious business, and it is on the increase. New developments in technology allow us to be better and faster at what we do, but, unfortunately, they also offer new opportunities to the criminal element. Mortgage fraud comes in many forms, from falsified income information, to appraisal report tampering, to certificate of title theft. Current market conditions and quick mortgage approvals are creating a fertile ground for such transgressions.

The Appraisal Institute of Canada's (AIC's) mission is "to protect the public interest..." Mitigating the risk of mortgage fraud is a responsibility to the public shared by many professions connected to the financial community. To respond to this obligation, the AIC **Ad Hoc Mortgage Fraud Committee** was established to collaborate with the mortgage lending marketplace and regulating agencies. The Institute will be partnering with stakeholders and regulatory bodies to consider and make recommendations regarding how the appraiser-lender relationship might be improved to minimize the incidence of mortgage fraud. This dialogue should identify how best practices can be established in the mortgage lending industry to minimize the incidence of mortgage fraud. At the forefront of the discussions

will be the question "Are some of these fraud issues attributable to a failure to conduct due diligence, and site specific appraisals?"

The Task Force has identified some steps AIC members can take to make sure they do not inadvertently become involved in fraudulent transactions.

Upon receipt of an appraisal request, the due diligence by AIC members can be increased without a huge increase in human or financial costs. As part of the due diligence process of obtaining a legal description, property assessment and tax search, the Task Force believes that every property appraised should be supported with a title search (if readily available from your land registry system) attached to the appraisal report. Also, in the past, mortgage lenders and consumers have not had tools to protect themselves from losses associated with mortgage fraud.

During the property inspection, photo identification should be verified to ensure the property matches the title name. This is the value-added service our members can contribute to minimizing mortgage fraud. The public would feel less threatened by title theft if they knew each mortgage application required a full appraisal and that the AIC appraiser would consistently ask for a photo ID in order to ensure the property being appraised

corresponded to the registered owner on Title.

Offers to purchase are rarely requested by mortgagees and mortgage insurers. Appraisers might consider requesting to see the offer, as it gives a lot of detail that is rarely, if ever, provided to our members by a phoned in request. Ask detailed questions of the vendor about how a private sale came to be, and how they arrived at the sale price. What incentives were included? By taking the approach that, for every appraisal we do, ownership and sale have to be proven instead of assuming marketable title, appraisers might become one of the greatest deterrents to some forms of mortgage fraud. If a numbered company is the vendor, carry out a company search to make sure the property is not being sold to one of the numbered companies' principals. This is another small way to identify fraudulent activity.

Member feedback suggests that report tampering is a rampant and alarming trend. Electronic PDF files are not tamper proof. Improved technology: scanning, high quality photocopyers and imagers are allowing for the production of counterfeit reports for financing purposes. AIC members should specify on every report that any third party users must contact the

appraiser to ensure the report has not been tampered with. Include a one line statement that the report itself cannot be relied upon unless confirmed with the author. Support this messaging by adding the following line within the body of your report, and it may save you some grief: *"In an effort to reduce mortgage appraisal fraud AIC recommends that any third party users of this report are strongly advised that its authenticity must be confirmed with the author."*

Through its marketing program, the AIC will extensively communicate to third party users of appraisal reports and the public at large the value of a professional appraisal to minimize mortgage fraud incidences.

Another solution is report certification. For those who prepare and deliver reports in electronic format, a service is now available to AIC members in good standing through Notarius. www.notarius.com/public/ccq/clientele_ICDE_en.html Notarius offers digital certificates that, once applied to electronic reports, protect them from tampering and identify any reports that may have been altered.

It is appalling that the public's largest investment (real estate) is mortgaged so fast and so freely. After all, real estate is the foundation and cornerstone of every economy. If that is eroded or built on an unstable foundation, the next market downturn could be far reaching and the shock value unthinkable. This is an opportunity for appraisers to establish their credibility with consumers so that they rely upon us to protect their interests. As accredited members of the Appraisal Institute of Canada, it is our responsibility to increase our due diligence and help curb this ever increasing epidemic. Let us be part of the solution, not part of the problem. ☹

com/public/ccq/clientele_ICDE_en.html Notarius offers digital certificates that, once applied to electronic reports, protect them from tampering and identify any reports that may have been altered.

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The Mortgage Fraud Committee shall collaborate with the mortgage lenders and regulating agencies in developing best practices for appraisers to protect the public and minimize the incidences of mortgage fraud.

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MANAGEMENT

Managing Health Risks Responsibly

The value of protection



Many of us, especially when we are younger, healthy, and feeling invincible, tend to overlook the importance of disability protection. Very few of us can imagine a scenario where an illness or an accident will force us to deal with the sudden loss of the ability to provide for ourselves and our family.

You may think, there are always government benefits – Employment Insurance, Canada Pension Plan – and you may ask yourself, “Since I am already paying for those benefits, why should I add one more deduction to my paycheque – for disability protection – when it is already a squeeze to cover the *essentials?*”

That said, the financial security on which our family depends is based on our ability to work and earn a living. Without adequate financial protection, becoming disabled could mean hard times, with the regular bills that keep coming in and additional expenses brought on by the disability itself.

Government benefits are either restricted by time limits, or they do not become payable until you have been disabled for a certain period of time. During this waiting period, you still have to pay your usual bills and any expenses incurred as a result of your disability. Not only does each plan have its own definition of disability, but the definition can be quite restrictive. It is possible to find yourself with no benefits after going through the application process.

We also live in a world where lifestyle decisions are not necessarily supportive of long-term health. Currently, there is a huge gap

between what is known scientifically about healthy living and what most Canadian citizens and those of other western countries actually do. On average, 20% of consumers have a good diet, whereas most fail to experience the benefits of the recommended physical activity. At the same time, chronic illnesses are becoming more common, as society's overall health deteriorates. Let's face it, the Canadian population is aging, and cancer, stroke, and heart disease are all on the rise. Any one of these conditions could have a serious impact on your career, if you disregard the importance of long-term health.

Fortunately, the good news is that many of these ills of modern life are preventable or controllable when closely monitored. You have it within your power to change your lifestyle by becoming more active, quitting smoking, and losing weight. By doing so, you can delay or possibly avoid debilitating illnesses, not to mention lowering your chances of becoming disabled.

Think about insurance itself

Say you finally had the money to buy yourself that fire-engine red Corvette you have been coveting. How likely is it that you would say to yourself before you drove it out of the showroom, "I am a very careful driver. I do not really need insurance." The very fact that you cannot legally drive without proper car insurance is an argument for how important it is.

Equally, when you buy a house, do you spare a single thought for how unnecessary and costly insurance against fire and theft and liability are? Of course not.

You need to ask yourself how much more important your livelihood or your ability to maintain your family's standard of living is? When the sky is blue, you do not think about that leak in the roof; when it is raining, it is too late to fix it. Too many Canadians have found themselves in serious difficul-

ties because they gambled on their good health or good fortune – and lost.

As a member of the Appraisal Institute of Canada, through our association plan insured with Encon Group Inc./Manulife, you can purchase disability coverage that will protect you in the event that you do unfortunately become totally disabled. Typical coverage pays you a benefit of two thirds of your monthly earnings, to a maximum of \$7,500 per month after a waiting period, once your application for benefits is approved. Under the plan's definition, you are considered totally disabled if you are suffering from either a disease or an accidental injury that stops you from being able to perform the essential duties of your own occupation and, after some time has passed, any other occupation for which you are reasonably suited by education, training or experience.

Another advantage of disability coverage is that, if your disability recurs after you are back at work because of the same or a related cause, Encon Group Inc. will consider the two periods as a con-

tinuous disability, and you will not need to go through another waiting period, unless you have been back at work, full-time, for more than six months. On the other hand, if your new disability results from an unrelated cause, you can apply to receive disability income for the new disability after another waiting period.

Encon also offers a disability case management program to assist you with your return to work. Their case management team includes medical consultants, claim adjudicators and a field coordinator, who will all work with you and your doctor to help speed your recovery and return to work. You may also be able to receive partial disability benefits if you need to return to work gradually.

To get more information on your disability coverage options or to obtain a quote, please call Julie Potvin, an Associate with Mercer Health & Benefits at (613) 760-2999 or send her an e-mail, at julie.potvin@mercer.com. You should also contact Julie if you want to make changes to your current Encon Group Inc. plan. 🍷

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Mentoring matters



Having started in the mid-1980s under the original articling program, **Dan Jones, AACI, P.**

App has been a mentor to candidate appraisers for more than 20 years. “Although it carries a different name, the training that goes on is still as valuable and important,” says Jones. “Whether it is called articling or mentoring, my commitment to quality and high standards is still the same.”

In fact, his first experience with mentoring was on the receiving end of the process. In 1974, Jones graduated from Vancouver’s Langara College with a diploma in Realty Appraisal. After working for 13 years as a Senior Appraiser of Industrial Valuations for the British Columbia Assessment

Authority in Richmond/Delta, he decided to pursue an AACI designation. During that time, he was mentored by several different appraisers at BC Assessment in the Vancouver and Delta areas. Reflects Jones: “The in-depth training I received gave me the foundation to tackle any appraisal problem and to use critical thinking skills as a necessary day-to-day requirement in our consulting business.”

In 1986, shortly after being awarded his AACI designation, he purchased Campbell and Pound, one of British Columbia’s oldest appraisal firms. With plans for expanding the practice, mentoring upcoming appraisers became almost immediately a part of his work. Over the years, the candidates Jones has mentored have

exclusively been people he has hired on as staff members.

“The time I put in developing self-sufficient critical thinkers will pay off as my business flourishes down the road,” he explains, adding that, even if the accredited appraiser eventually moves on, the industry will benefit. “I look at mentoring as an investment, not only in my business, but in our industry as a whole. Any time you inject new blood into an organization, whether it be your own practice or the Appraisal Institute of Canada, it invigorates the candidate as well as all those around the candidate. Showing new candidates the ropes, helping them to avoid pit falls, and working with them is not only healthy, but refreshing.”

At Campbell and Pound, the process has a positive effect on everyone involved. Even if Jones is the mentor, the candidate works as part of the team. In the first month, teaching takes place in a classroom-like setting. Examining zoning, official community plans and various types of architecture puts a practical twist on what candidates have learned in school. Then, for a 60-day period, the candidate participates in performing group appraisals with other members of the team. During a group appraisal, candidates get a chance to be involved in everything from measuring a house/ICI building to visiting city hall's planning, engineering and building permits departments.

Eventually, the candidates become involved in every aspect of the firm's appraisal practice, including land use studies, expropriation/partial taking appraisals, portfolio valuations, highest and best use analysis, rental surveys, insurance unit in place replacement costings, absorption studies and appraisals for mortgage security and insurance purposes. Although 70% of the work



DAN JONES, AACI, P.A.P.P.

“The time I put in developing self-sufficient critical thinkers will pay off as my business flourishes down the road.”

at Campbell and Pound is residential, the firm also has a substantial industrial, commercial, and investment real estate division.

After participating in group appraisals, the candidate is ready to become an assistant to an appraiser. At the end of a day working in the field, candidates return to the office and any questions are answered. “That is where the mentors are the most valuable,” notes Jones. And that is where Jones is concerned that there may be a big hole when a candidate and a mentor are separated by geography.

“There are only so many hours in a day,” he adds. “So, if I am not in a position to take on any more candidates for mentorship, it then becomes a challenge to place them with willing and committed mentors who will follow through and help them get the experience needed. This challenge becomes frustrating at times for candidates in remote areas where geography and member numbers are limited.”

No one knows this better than **Terry Tillberg, CRA**. Now retired, the Kenora, Ontario appraiser spent many



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years as the only appraiser between Winnipeg and Thunder Bay. Tillberg started in real estate in 1981, working in sales for 10 years before obtaining his CRA so that he could focus strictly on appraisals. "I was not mentored," he recalls. "At one time, I sent my work to a gentleman in Dryden, who basically checked it over and signed the forms." Taking the course work by correspondence resulted in such slow progress that Tillberg finally decided to temporarily relocate to London, Ontario.

When he returned with his CRA to work for Kenora's Royal LePage office, his territory extended from Fort Frances to the south, Dryden to the east and Red Lake to the north, each community located a two to three hour drive from Kenora. "It was quite an expansive area," chuckles Tillberg, noting that his work included many types of recreational properties.

Then, three years ago, he decided it was time to retire and to begin mentoring Loren Knopf. "He was going to come into the firm and take over my practice," explains Tillberg. "We felt the company needed another appraiser to carry on the work."

Although there was another appraiser in Kenora, the latter was also involved in sales and, as a result, restricted the number of appraisals he performed. "That left a pretty big load for me," notes Tillberg. "There was no lack of work, just a lack of appraisers. If we had an AACI, he or she might be able to offer more experience as a mentor, depending on what the candidate wanted to do when he was finished."

Knopf's goal was to become a CRA. Taking his courses by correspondence, he was soon learning all the technical aspects of appraising. That left the practical side. Tillberg started by taking Knopf out with him when doing appraisals. He then suggested the candidate do an appraisal concurrently, after which the two would sit down and compare notes. Knopf asked questions and Tillberg made suggestions. "He was getting to prepare appraisals and consider what changes needed to be made," recalls the senior appraiser. "They say that the best education is working at the job. I felt that the hands-on experience was equally as valuable as what he was learning in a book."



TERRY TILLBERG, CRA

“Mentors are instrumental in keeping candidates interested, excited and enthusiastic.”

Much of the knowledge Tillberg passed on cannot even be found on a map. He points out that, unlike in a city, many roads off the local highways are unmarked. "A lot of it is the knowledge of where to go," he says. "In our community, we do not have subdivisions like they do in larger centres. In Kenora, you are lucky if you find two homes that are the same."

Knopf is also very fortunate to have inherited the files that Tillberg diligently prepared over the years. They will provide useful references and guidelines for many of the evaluations required to keep up with the skyrocketing real estate values of waterfront properties in the past five years. Tillberg feels confident in having left the business in good hands. "I was fortunate to have a very good student," he says. "He did very well in his exams, so I was satisfied that any help I did give him was not in vain."

Necessity was a driving force behind Tillberg's mentoring of Knopf, a situation that is very common across the appraisal industry. Mentoring makes sense for a firm's expansion or succession plans. However, when a candidate is not on staff to be "groomed" as part of a firm, finding a mentor can be difficult.

"That is where the industry has a challenge," says Jones. "We need more mentoring opportunities for people who are self-employed." As a part-time member of the Board of Examiners Committee (AIC BC As-

sociation), he interviews seasoned candidate members who have completed their academic requirements and passed their demonstration reports. They should also demonstrate that they have an appropriate amount of practical experience. In instances where that experience appears to be lacking, Jones has found that candidates often had mentors who were a few hundred kilometres away.

"We need to find incentives for mentors to want to volunteer to help these people out," he says. Jones suggests the possibility of encouraging mentoring from institutional appraisers by offering professional development credits in return. He notes that, in British Columbia alone, 18% of appraisers work for BC Assessments. They form a pool of highly qualified AACIs and CRAs.

In areas such as the Yukon and the Kootenays, where fee appraisers may be separated by 150 kilometers of geography, it is difficult for mentors and candidates to keep in touch, and for appraisers to drive to a chapter meeting for a professional development credit. But, many areas have branch offices for BC Assessments or for the Ministry of Transportation and Highways in which the institutional staff already has a closer relationship with independent appraisers than is the case in southern more populated areas. By capitalizing on those relationships, the appraisal industry could potentially provide more mentoring opportunities.

"There seems to be no pool of mentors waiting to be claimed by candidates and that is a challenge that the AIC must tackle in the near future to help our candidates move forward," notes Jones. "Based on the age of our membership, it is important that existing members see succession within their profession as a broad and ongoing issue. Mentors are instrumental in keeping candidates interested, excited and enthusiastic. By mentoring candidates to be ethical professionals and teaching them the highest standards possible, we are setting the stage for the long-term success of all our members. When approached by a candidate to become a mentor, experienced appraisers must look, not only at the long-term goals of their own career, but also at the future of their profession." 🍷

POST GRADUATE CERTIFICATE IN VALUATION

On the fast track to an AACI

In 2003, the Appraisal Institute of Canada (AIC), with its education partner, the Real Estate Division, Sauder School of Business, University of British Columbia, established the UBC Post-Graduate Certificate in Real Property Valuation (PGCV) leading to the AIC's highest level of professional accreditation, designation as an Accredited Appraiser Canadian Institute (AACI). This program presents a unique opportunity for graduates of recognized Canadian business/commerce degree programs to earn a prestigious post-graduate certificate in real property valuation, while fulfilling the educational requirements for designation by AIC. For more information on admission and requirements for the UBC/AIC post-graduate certificate in Real Property Valuation, visit UBC's web site at www.sauder.ubc.ca/re_creditprogram/programs/aic/index_pgcv.cfm

We are proud to recognize the following graduates of the PGCV program and we congratulate them on their achievements:

Ryan Archer	AB
W. S. Bill Beaton	ON
Pamela Chapman	AB
Jason Chiu	BC
Kristofer Hansen	BC
In-Jung Hwang	BC
Vandna Joshi	ON
John V. Kalhous	BC
Kevin Kocher	SK
Ed Landry	BC
Dan Laven	ON
Tin Bon Lee	ON
Sheila Malouin	BC
Scott B. McEwen	PE
Robert D. McInnes	SK
Brent A. W. McLaren	BC
Craig McLellan	BC
Marc McNab	AB
Shawn O'Connor	ON
Wonsoo Oh (Anselmo)	Korea
Christian Piche	BC
Gisele Purdy	AB
Gordon Arthur Rielly	ON
Bonnie Ruschinski	AB
Scott Russell	BC
Cameron H. Walker	SK
Chris Walker	NS

Some words from graduates of the program

What prompted you to pursue the PGCV?

I wanted to further my education in a field I felt I could excel in. – **Cameron Walker**

I decided to become a real estate appraiser and identified the major industry designations. The top designation offered, AACI, caught my attention because of its superior cross-border recognition and its fast-track program, which was facilitated by the PGCV. – **Jason Chiu**

I liked the fact that I could complete my education requirements while working. What attracted me to the PGCV was that I would have a relevant certificate at the end of all the hard work. I really wanted to pursue a defined line of work that allowed me to be a specialist and the PGCV has allowed me to do this. – **Bonnie Ruschinski**

Now that you have completed the program, do you feel it was a good decision for your career in the property industry?

The skills that I have gained can be applied to many aspects within the property industry – not just appraisal. I have learned a great deal and have confidence in the knowledge that I have acquired. Receiving a quality education from a reputable university such as UBC is never a 'bad' decision. – **Bonnie Ruschinski**

Most definitely. The program appears to be very well thought of and widely recognized in the industry, not just within appraiser circles. – **Scott Russell**

I believe the PGCV is an excellent path to obtaining an AACI. In fact, without it, I may well have chosen another profession.

Strengths:

- curriculum
- focused path to designation
- excellent option for business grads - win/win for appraisal institute

– **Scott McEwen**

Would you recommend this program to other business graduates?

Yes, but a particular interest in real estate is essential. Taking this program simply for employability would be a misguided decision.

– **Cameron Walker**

I would recommend that other business graduates do their homework on the industry before they take the program. They should talk to key stakeholders to see if it is a fit. I would definitely recommend the program to other graduates who wish to enter the real property industry, as the knowledge gained will definitely fast track their success in entering the industry or moving into new facets of the industry. The knowledge gained will equip graduates with the confidence to take their career in many directions... and quickly. – **Bonnie Ruscheinski**

Yes. The course should appeal to those not only interested in appraisal but in the real estate industry in general, as I feel an understanding of the concepts of valuation is one of the most vital foundations of knowledge to succeed in any aspect of the business. – **Scott Russell**

Do you feel that adding the PGCV to your professional credentials has enhanced your career opportunities?

It did. My B.Comm was useful and a bonus to my employer, but being one step closer to the AACI designation got me the job. – **Cameron Walker**

It definitely has enhanced my career opportunities. The knowledge gained is relevant and provides the knowledge base to enter the industry with confidence. I was able to jump right into doing full commercial appraisals under my mentors right from the start. – **Bonnie Ruscheinski**

I undertook some research prior to enrolling in the program and the general consensus was my prospects for promotion and salary reviews would be enhanced upon completion of the program. – **Scott Russell**

Are there any other comments concerning this program that you would like to share with the Appraisal Institute or prospective PGCV students?

Most commerce students will need to specialize to enhance their career opportunities. This offers one more avenue for those who do not wish to pursue the accounting, finance, or legal professions. – **Cameron Walker**

I actually finished the PGCV program before working on commercial properties. I was surprised at how quickly I was able to jump in and prepare an entire commercial report the first time with only a 'text book' knowledge base. Obviously, the program has done a good job of replicating real world practice. In most cases, the appraisal techniques taught in the program are more advanced than the ones actually done in practice. That being said, I probably have learned just as much, or more, in my first month of actually completing full narratives. I have quickly found that there is simply no replacement to this real world experience. I do, however, have a great deal of confidence when faced with any appraisal problem because of the teachings in the PGCV program. – **Ryan Archer**

The fast-track program emphasizes real-world application by applying textbook theory to commercial properties. Obtaining sensitive financial information and gaining property access are daunting obstacles for non-industry students. Involvement in or connections to the appraisal industry are imperative to your success in the intermediate and advanced courses. – **Jason Chiu**

The PGCV is **the** program to decrease the barriers of entry into the appraisal profession for business graduates. – **Bill Beaton** 🐾

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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 June 26, 2006 to September 5, 2006:

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 26 juin au 5 septembre 2006 :

AACI, P. App

Accredited Appraiser Canadian Institute

These members are congratulated on the successful completion of all AACI, P. App designation requirements. We welcome these individuals as fully accredited members of the Institute through the granting of their AACI, P. App designation.

Nous félicitons ces membres pour avoir complété avec succès le programme menant à la désignation AACI P. App. Nous les accueillons comme membres pleinement accrédités de l'Institut et leur accordons avec fierté la désignation AACI, P. App.

BRITISH COLUMBIA

Richard J Horwood
Philip Law

MANITOBA

Rocky A. Neufeld

NEW BRUNSWICK

Marcel Cormier
Mathieu J. Maillet

ONTARIO

Nigel G. Griffin

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

Christina G. Sieben

BRITISH COLUMBIA

Rick Gall
Gordon Glover

MANITOBA

Peter A. Johannsson

NEW BRUNSWICK

Matthew Douglas Johnson

NEWFOUNDLAND

Bradford P. Wilcox
Christopher R. J. Chin

QUÉBEC

Linda Labelle

SASKATCHEWAN

Wanda Styre

Candidates / Stagiaires

AIC welcomed the following new candidate members during the period June 26, 2006 to September 5, 2006:

L'ICE souhaite la bienvenue aux personnes suivantes qui ont joint les rangs des membres stagiaires durant la période du 26 juin au 5 septembre 2006 :

ALBERTA

Paul M. Armstrong
Kevin J. Bohlken
Rhonda Brennan
Veng Chhe Do
Brett L. Coley
Allison Field
Kathleen Francis
Tracie Gordon
Terry C. Gould
Luke Hannah
Nancy Houser
Julie Keen
Linda Lei
Julietta Leung
Michael Levesque
Mark M. Matkowski
Matthew M. Proudfoot

Kenneth Ronald Rutherford
Navjot Sandhu
Christian Schotz
Lorie Simmerson
Sanjit Singh
Harold John Teskey
Bob Tran
Jason Tucnik
Corwyn P. Warwaruk
Wanda Wong

BRITISH COLUMBIA

Tyler A. Beatty
Cameron Bezanson
Stephen A. Cullis
Peter B. Drobina
Stefanie B. Kositzka
Alexander C I Liang

Kevin A. Qualtrough
Brandon J. Royal
Katherine N. Simpson

MANITOBA

E. Joy Galloway-White

NEW BRUNSWICK

Gary Charters

NOVA SCOTIA

Craig Blakney

ONTARIO

Daryl J. Arnette
Mian M. Aslam
Clive A. Banton
Rebekah S. Jones
De Fa Chen

Erny T. Ferreira
Lynne WJ Ge
Thomas H. Geniole
Matthew W. Henning
Arshad Khan
Lea Konforte
Kerry Koppel
David W. Leigh
Chaitanya A. Patel
John HN Richards
Jason Stipancic
Alexander Tyutyunnik
Christy L. Whiteman
Chung-Kei P. Yu
Larry Zions

SASKATCHEWAN

Kevin Kocher

VOLUNTEER RECOGNITION



Commitment and dedication... the keys to our success

The Appraisal Institute of Canada (AIC) is blessed with a rich abundance of determined and dedicated volunteers who make the work of the Institute possible and who help move the profession forward in progressive and fundamental ways. Under heavy commitments both professionally and personally, AIC members have stepped to the fore and proudly serve in so many ways. Whether through elected office, serving on a committee, or assisting in conference planning, their contributions are invaluable.

We are pleased to recognize and honour our dedicated volunteers in Canadian Appraiser magazine. In each issue, you will meet some of your colleagues and learn why serving the Institute is so important to them both personally and professionally. We always need individuals to serve the Institute, now and in the future...we are sure that their stories will inspire you to get involved.

Dave Shum, AACI, P. App
Senior Appraiser,
Canada Revenue Agency

Fostering relationships between members is one of the most important roles that a local AIC chapter can play, according to past chair of the Calgary Chapter, Dave Shum.

A Senior Appraiser at the Canada Revenue Agency, Dave received his AACI designation in 2001. Shortly thereafter, he heeded the advice of a professional colleague to give back to the Institute by getting involved. Starting with an open position on the Calgary Chapter Executive, he

assumed the chair in 2003. His chapter experience was just the beginning of broader participation in the Institute, including a term as president-elect of the Alberta provincial council (where he will assume the presidency in 2007), and as a representative from Alberta on the recently established AIC Member Services Task Force.

A large number of our members work in one person or small business operations, and our Calgary Chapter recognizes that these members can benefit from regular luncheon meetings, seminars, social events, fun nights, and the annual golf tournament. The chapter has also created an education

“Volunteering is part of my professional commitment and a vital part of my AACI designation.”

development fund (in conjunction with the provincial association) and is developing a series of information sessions aimed at student and candidate members who face issues and challenges with the recent and ongoing changes in the Institute. Perhaps it is with this type of forward-thinking that the Calgary Chapter has seen an increase in the level of participation at its various events.

The chapter takes full advantage of the close proximity of its members to offer topics of local interest in a timely and cost-effective manner. Geography also provides members the opportunity to foster relationships with fellow industry members, and also allows newer members valuable opportunities to interact with more veteran members of the profession.

“Given the demographics of the Institute, it is imperative that our newer members have opportunities to tap into the valuable experience base of our experienced members,” says Dave.

But why get involved? There are countless opportunities for members to get involved. Most importantly to Dave, “Volunteering is part of my professional commitment and a vital part of my AACI designation. A professional appraiser should take an active interest in the Institute, its role in the industry, and the development of its members.

“I am married with three children, so balancing my professional commitments against the personal ones can be a challenge. While it takes good time management, it is a small amount of effort in relation to the benefits I have received.”

Grant Uba, AACI, P. App
Valuation Consultant,
Uba Property Valuation & Consulting

Serving on the Waterloo-Wellington Chapter Executive “presented a career growth opportunity that would supplement my career development,” according to Grant Uba, Valuation Consultant with Uba Property Valuation & Consulting in Cambridge, Ontario. “Participating on the chapter board provided management opportunities that were not available

“Volunteering at the provincial and national levels has provided the opportunity to work with outstanding members at all levels who are aiming to improve the AIC and the profession.”

to me as a fee appraiser working as an independent contractor.”

Grant’s AIC volunteer involvement began in January 1997 with his election as Vice-Chairman and Co-Chair of the Program Committee of the Waterloo-Wellington Chapter. According to Grant, “The chapter and chapter chair serve as vital links to the provincial and national levels.” While members are well served through communications received from national and provincial offices, the chapter “communicates the important policies and new directions to the members at the local level, and provides an avenue to submit feedback so that a representation of their concerns can be made to the provincial and/or national representatives.”

Grant notes the importance of the local chapter in the personal and professional development of its members by providing valuable opportunities to “enjoy the social interaction and the opportunity to discuss day-to-day activities and unique situations with others outside of the office. Participation at the chapter level can also build networks and information exchanges, as members are often more willing to share information with colleagues they know rather than the appraiser they do not know.”

According to Grant, the Board of the Waterloo-Wellington Chapter is committed to providing interesting speakers at their meetings and ideally hosting a CPD seminar to encourage the professional development of its members. “The

board strives to provide a chapter program that will offer at least one CPD credit per meeting. With three or four chapter meetings each year, and possibly hosting a seminar, the board wants to maximize the number of CPD credits that a member can earn locally.”

From the time Grant first became involved right through his continued participation today, he considers serving as a volunteer with AIC as a valuable opportunity. “As a sole practitioner involved in a very narrow practice of professional interest, I have very limited involvement with others in the AIC. Volunteering at the provincial and national levels has provided the opportunity to work with outstanding members at all levels who are aiming to improve the AIC and the profession.” Grant currently serves on the OAAIC’s Strategic Planning and Bylaw Committee as well as on the AIC Communications Subcommittee.

“I believe that continued involvement will encourage the new member to stay on top of what is happening to him or her on a professional level and will provide an avenue for the member to be an active professional rather than a passive observer.” 🍷

NOTE: If you know of an AIC member who has received an award, honour or other recognition, please let us know so that we can share their achievements through *Canadian Appraiser* magazine.

Since March 2006, 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.

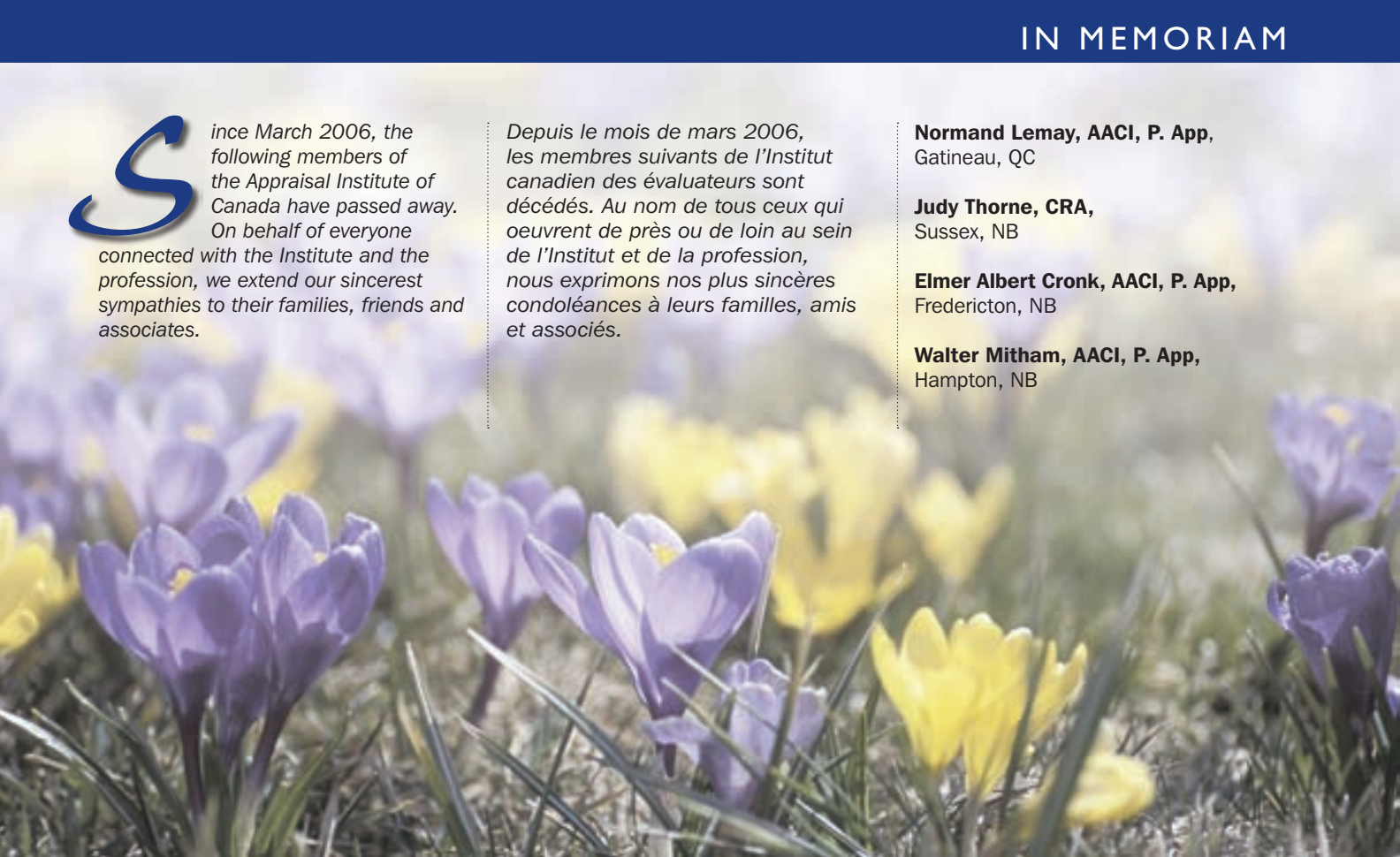
Depuis le mois de mars 2006, les membres suivants de l'Institut canadien des évaluateurs sont décédés. Au nom de tous ceux qui oeuvrent de près ou de loin au sein de l'Institut et de la profession, nous exprimons nos plus sincères condoléances à leurs familles, amis et associés.

Normand Lemay, AACI, P. App,
Gatineau, QC

Judy Thorne, CRA,
Sussex, NB

Elmer Albert Cronk, AACI, P. App,
Fredericton, NB

Walter Mitham, AACI, P. App,
Hampton, NB



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AIC Appraisal Institute of Canada (AIC)

Member Services Delivery Improvement Task Force Meeting – September 16, 2006 - Calgary

Strategic Planning Meeting – October 21, 2006 - Ottawa
Board of Directors Meeting – October 22, 2006 - Ottawa

For information contact info@aicanada.ca

AB Alberta Association (AIC)

STANDARDS SEMINARS
Calgary – October 27-28, 2006

Edmonton – November 3-4 2006
An application form can be found on the Association web site, www.appraisal.ab.ca or contact the Association office at (403) 207-7892.

BC British Columbia Association (AIC)

Standards Seminars
Although venues have not yet been selected for all locations, we are currently accepting registrations for the following dates.

2006
November 17-18 Vancouver (full)

2007 Tentative Dates
February 2-3, Lower Mainland
March 2-3, Victoria
April 20-21, Lower Mainland
May 11-12, Prince George
May 25-26, Lower Mainland
June 15-16, Nanaimo
September 14-15, Okanagan or Kamloops
September 21-22, Lower Mainland
October 19-20, Victoria
November 23-24, Lower Mainland

Registration form can be found at:
www.appraisal.bc.ca/news_events/index.php/listing/138

Payment in the form of a cheque or money order must be received 4-6 weeks prior to the seminar. Credit card payments will be processed 4-6 weeks prior to the seminar.

For information contact Kathy Porter kathy@appraisal.bc.ca

NB New Brunswick Association of Real Estate Appraisers

Standards Seminar

Regional Seminars – October 2006 (Date to be confirmed)

For information contact Susan MacKenzie nbarea@nb.aibn.com

NS Nova Scotia Real Estate Appraisers Association

Standards Seminars
October 27-28, 2006
Howard Johnson Hotel - Truro, NS

Registration form found in the newsletter, on the NSREAA web site, www.nsappraisal.ns.ca

For further information, contact Davida Mackay
email: nsreaa@nsappraisal.ns.ca phone : (902) 422-4077

MB Manitoba Association (AIC)

UPDATE on the RESIDENTIAL APPRAISAL REPORT FORM

Presented by Deana Halladay, CRA, Winnipeg
Wednesday, November 1, 2006 1:00 to 3:45 PM
Norwood Hotel, Tache Room, 112 Marion St., Winnipeg

ANNUAL GENERAL MEETING

November 1, 2006
Please join us for the Complimentary Reception at 4:00 PM that precedes the AGM commencing @ 5:00 PM.
Norwood Hotel, Tache Room, 112 Marion St., Winnipeg

Standards Seminars

Friday, November 3 – Saturday, November 4, 2006
Victoria Inn, Winnipeg
Instructor: Allan Beatty, AACI, P. App.
This is the FINAL Standards Seminar that will be held in Manitoba before the conclusion of the current Continuing Professional Development Cycle, September 30, 2007.
PLEASE NOTE: This seminar may be cancelled if registration is insufficient. To receive a registration form, please contact Lynne Smith Dark, Executive Director at the Manitoba Association.

HOME INSPECTION REFRESHER SEMINARS (2 Credits)

- Plumbing & Electrical - Wednesday, November 22 2006
- Damp Basements & Identifying Structural Defects - Wednesday, January 10, 2007

All seminars are presented by Tom van Leeuwen, RHI, Senior Inspector with Pillar to Post Professional Home Inspection. As a leader in the Home Inspection industry, Tom draws from his 20 years of contracting experience, and 10 years of home inspection experience to make every seminar fun, dynamic, and interactive. The 8,500+ inspections he and his team have performed give proper context to every subject and explain its relevance in today's and yesterday's homes. All seminars are scheduled from Noon to 2:00 PM at the Winnipeg Real Estate Board Classroom, 1240 Portage Avenue, Winnipeg.

For information contact Lynne Smith Dark mibaic@mts.net or call (204) 943-1177.

ON Ontario Association (AIC)

Standards Seminars:

October 27-28, Toronto	December 8-9, Ottawa
November 17-18, Windsor	December 15-16, Toronto
December 1-2, Barrie	

For all upcoming seminars please log onto www.oaaic.on.ca
For information contact lrigas@oaaic.on.ca

PEI Prince Edward Island Association (AIC)

Annual General Meeting

November 22, 2006
Rodd Charlottetown Hotel

For further information, contact Suzanne Pater
peiaic@allstream.net

SK Saskatchewan Association (AIC)

2-Day Standards Seminars

November 17-18, 2006

February 23-24, 2007, Regina

For information contact Marilyn Steranka skaic@sasktel.net

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