

Chicago Chapter Update - By Alexandra Meade

The Chicago Chapter has been a flurry of activity these past several months. Three members have earned their designations and more will be awarded before the end of the year. Education offerings have been steady, with the preliminary numbers of attendees at our offerings looking positive; we appreciate all of you who have attended our courses and seminars. Our chapter continues to offer courses throughout the year to help our members reach designation and meet continuing education requirements for the Appraisal Institute and state renewal, as well as state certification.



There are many great things happening within the Chicago Chapter. Here is a snapshot of what the chapter has been up to:

- The Associate Happy Hour in April provided over 50 Associate Members useful information on pursuing a designation with discussions on how to successfully conquer the comprehensive exam and how to tackle the demonstration report.
- The CCAI member luncheon meeting in May had a successful turnout; Charles R. Franklin of Belongia Shapiro & Franklin LLP presented “Limiting Your Liability: Protecting Yourself from Yourself, Others and the IDFPR.”
- In June, 95 members attended the annual golf outing at Silver Lakes Country Club in Orland Park. The Golf Outing Committee would like to thank everyone who donated golf towels (George Sikorski), ball mark repair tools (Dan Berenschot/Private Bank), as well as money prizes and tickets to sporting events. A great time was had by all!
- The chapter website has been updated and has a new look with added features. The site is a useful tool for members to learn about upcoming events and what is happening in the chapter. Check it out at www.ccai.org.

Our chapter's success is dependent on the contribution of member volunteers. The Appraisal Institute and the Chicago Chapter strongly encourage greater involvement of Associate Members at all levels of the organization. At chapter level, the new Associate Member Committee has been assembled. Victoria Pierce has been elected by the Associate membership as the Chair of the committee. We look forward to the success of this new committee. Many opportunities are available to get involved in the chapter and are outlined in this issue of the newsletter.

It has been a challenging year but thanks to the excellent leadership and the outstanding services of our current president Michael Wolin, MAI, SRA, together with our hard working committees, board of directors, officers and executive director L.A. Anderson, our chapter continues to push ahead to meet the needs of the membership. This fall, we look forward to the installation of our president elect Alvin “Chip” Wagner III, SRA. In addition, Joseph C. Magdziarz, MAI, SRA, is the 2010 president elect of the Appraisal Institute. He will become the president January 1, 2011. Our leadership's commitment to the Chicago Chapter has been a major part of our success and is much appreciated.

Please enjoy the newsletter and thank you for your support of the Chicago Chapter of the Appraisal Institute.

Inside this issue:

MEET THE PRESIDENT ELECT	2
NEW DESIGNATED AND ASSOCIATE MEMBERS	3
ASSOCIATE MEMBER COMMITTEE	4
CROSSWORD PUZZLE	5
GO GREEN! GREEN APPRAISAL UPDATE	6
SUMMER FUN PHOTOS	7
LDAC	8
WHAT A DIFFERENCE A YEAR MAKES	9
INCREASED CONTINUING EDUCATION FOR ASSOCIATE MEMBERS	10

NEWSLETTER EDITOR:
ALEXANDRA MEADE

Meet the Chicago Chapter's President Elect for 2011 *Alvin L. Wagner III, SRA*

Alvin L. Wagner III, SRA, known as "**Chip**," is a third generation real estate appraiser. Many CCAI members still remember his grand-uncle, Percy E. Wagner, MAI, SRA, CRE, who earned his MAI from the American Institute of Real Estate Appraisers (AIREA) in 1934. Percy was the 1939 Chicago Chapter President; 1960 National President of the AIREA and in 1963-64 President of the Chicago Real Estate Board. Chip's father Alvin L. Wagner, Jr., SRA, RM earned his SRA in 1968 and his RM in 1972. In the 1970's, Al, Jr. was the first RM named to the AIREA's Governing Council and was a national instructor. He served on various local and national committees with both the Society and the Institute prior to the merger.



Chip is a graduate of Bradley University where he earned his B.S. in Business Management. Involved in the family business while growing up, he has been appraising full-time since 1990, with part-time experience back to 1984. He joined the Appraisal Institute in 1991 as a candidate and earned his **SRA** designation in 2006. In 2007, he received the "Skip Del Campo Award" for dedicated and cordial leadership to the chapter and appraisal profession. A member of CCAI's board of directors since 2005, Chip is CCAI's President Elect for 2011.

A certified residential real estate appraiser, Chip is based in Naperville and specializes in corporate relocation appraising. An established leader in the relocation industry, he has served as the 2001 President of the Corporate Relocation Council and the 2004 President of the Relocation Appraisers and Consultants, Inc. He was one of five appraisers from across the U.S. who was asked to develop the revised Worldwide ERC® Summary Appraisal Report released in 2010. For six years, he has served as the Worldwide ERC® representative to the Appraisal Foundation Advisory Council (TAFAC). He has had several articles published in **Mobility Magazine**, the magazine of the Worldwide ERC® and is a frequent presenter at relocation industry events.

Chip Wagner places great value on education. One of the greatest strengths of the Appraisal Institute is its ability to deliver top quality education. That is the foundation of what is valued in the organization. The Appraisal Institute's mission is: **"to support and advance its members as the choice for real estate solutions and uphold professional credentials, standards of professional practice and ethics consistent with public good."** There are alternatives for qualifying education, advanced education, and continuing education; our members are encouraged to support the chapter and organization by enrolling in our courses and seminars. If you haven't visited CCAI recently, we have a state of the art classroom, convenience to public transportation and parking, and a new restaurant downstairs for lunch. For members in the suburbs and downstate, we are planning programs in and around the state. The benefits in attending Appraisal Institute classes goes beyond the value of the education, as it presents opportunities to network with your peers and mentor the next generation of professional appraisers.

The economy has been grueling on the entire real estate industry; our chapter is no exception. The way business was conducted in the past is dramatically different from what we face today and into the future. "Change" is one of our real estate principals, and like no other period in recent memory has "change" been so significant. CCAI's board is working hard to adapt to these changes and be proactive in our decisions. CCAI members can help by supporting our chapter, by taking your continuing education courses through the chapter. Chip's primary goal in 2011 will be to focus on the members; the retention of the membership, while helping the associate members' progress toward their professional designation will be top initiatives.

In the Wagner Tradition, Chip encourages being actively involved in one's trade, a lesson and guiding principle he follows today. What one gives back to their profession is repaid exponentially, and it is encouraged that you get involved. Committee appointments for 2011 are currently being formed; contact Chip or LA at the chapter office if you are interested.

Chip resides in Naperville, and in his free time enjoys playing golf. He is married to Debbie, and has two children, Brooke, 8, and Christopher, 4 and a dachshund named Casey. He can be reached at (630) 416-6556 or chip@wagnerappraisal.com.

Please join us in welcoming the following new associate members to the Chicago Chapter

Dan Austen	Melissa Miller
Jeff Baird	Eun Jo Park
Anthony Giordano	Simon Rendak
Christine Lehmann	Reginald B. Searcy

Matt Wagoner

Congratulations Newly Designated Members

Hans Detlefsen, MAI

Paul Warren, SRA

John Yast, MAI



The Wrigley Building
Chicago, Illinois



Congratulations to recent scholarship recipients, from left to right Barbara Neal, Kenneth Hartman, Sharon Bagby (Scholarship Committee Chair), Donn Schimp, II, and Erin Taffera.

THE CHICAGO CHAPTER OFFERS TWO SCHOLARSHIP PROGRAMS TO ASSIST ASSOCIATE MEMBERS OF THE CHAPTER IN ACHIEVING THEIR DESIRED DESIGNATION. CHECK OUT OUR WEBSITE AT CCAI.ORG FOR MORE SCHOLARSHIP INFORMATION.



The Chicago Theater
Chicago, Illinois

CHECK OUT
OUR NEWLY
UPDATED
WEBSITE AT
[WWW.CCAI.
ORG!](http://WWW.CCAI.ORG)



Tribune Tower
Chicago, Illinois

Chicago Chapter's New Associate Member Committee *By Victoria Pierce, Chair*

Your new Associate Member Committee is assembled and ready to take on the task of representing the largest group within the Chicago Chapter of the Appraisal Institute. At the Institute's November 2009 meeting, Regulation No. 8 was amended to create Chapter Associate Member Committees (CAMC), and in June, the Chicago Chapter Associate Members elected the Chicago Chapter Committee Chair. The CAMC responsibilities include:

- a) Discussing issues impacting Associate Members and providing recommendations to other chapter bodies;
- b) Enhancing communications among Associate Members of the chapter and between Associate Members and the chapter, regional and national bodies;
- c) Working with the Chapter Associate Member Guidance Committee to support Associate Members throughout the designation process; and
- d) Working to develop future leaders for the chapter and the organization as a whole.

I am pleased to introduce your Chicago Chapter Associate Member Committee, which includes:

Victoria Pierce (Chair) – CB Richard Ellis

Alex Adams – Adams Valuation Corporation

Dan Austen – CB Richard Ellis

Barb Baffoe – PRS Consulting, Ltd.

Robert Landis – LaSalle Commercial Appraisal Management

Alexandra Meade – Appraisal Systems LLC

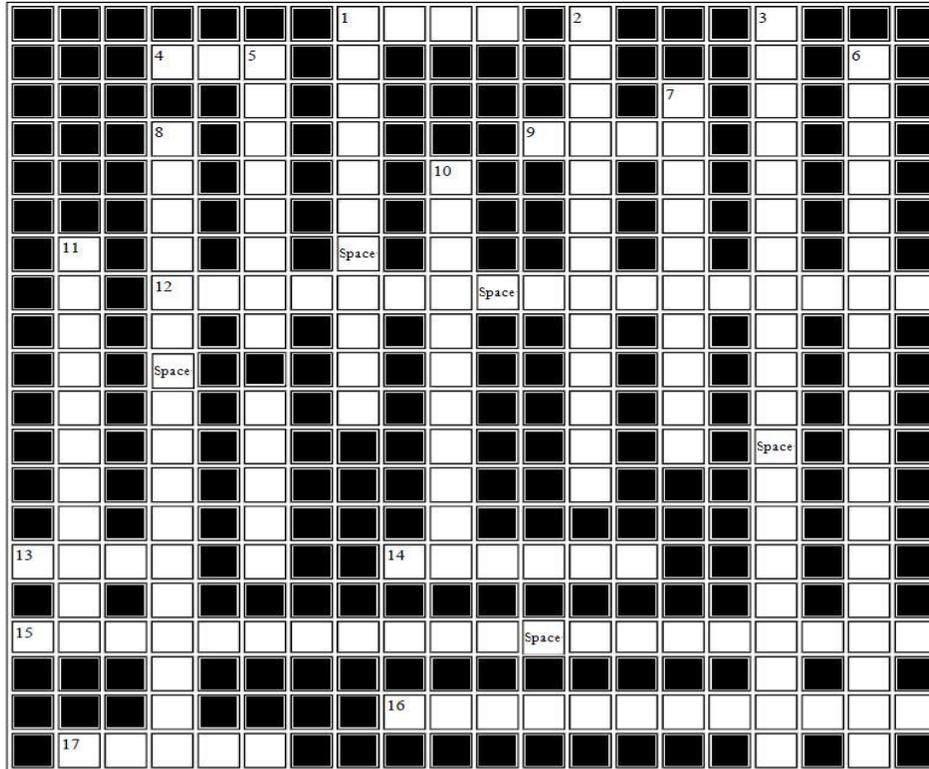
As your Committee Chair, my goals include enhancing the communication channels between Associate Members and the chapter, fully informing you of the benefits and resources available to us through the Institute, ensuring that Associate Members are adequately and effectively represented within the chapter and assisting members in achieving our personal and professional goals. The committee will also work closely with the Public Relations Committee to organize events and networking opportunities surrounding topics that are of interest to Associate Members.

In the coming weeks, the new committee will get together to share ideas and plan upcoming activities. Our efforts are only as good as the input received from our members, so please feel free to contact us with your interests regarding meeting topics and events. Also, you will notice that one of our Associate Members, John Nolan, who recently became LEED accredited, provided an article for this edition of the chapter newsletter. We appreciate John's contribution and remind you that, if you have a particular area of expertise that you would like to share with the membership - either in print or as a seminar topic - please let us know!

Victoria Pierce

victoria.pierce@cbre.com

Crossword Puzzle Fun! Test your appraising skills below. Created by Richard deVerdier, SRA



Across

1. The sum of the values of a set divided by the number of values
4. Federal Housing Administration
9. The most frequent, or typical, value in an array of numbers
12. How much the actual values of a population or sample deviate from the mean or median
13. 5,280 Feet
14. The value of the middle item in an uneven number of items
15. A method for isolating how change in one or more variables may affect investment risk
16. Value usually based on a "must sell" scenario over a relatively short period of time
17. A measure of the difference between the highest and lowest items in a data set

Down

1. The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property
2. An opinion of value that is likely to have applied as of a specified historic date
3. The process by which a value indication is derived in the sales comparison approach
5. Value used for ad valorem tax purposes
6. The components into which a property may be divided for purposes of comparison, e.g., price per square foot, front foot, cubic foot, room, bed, seat, apartment unit
7. Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat
8. A function that uses one independent variable to reflect a relationship that changes on a straight-line basis
10. The temporary use to which a site or improved property is put until it is ready to be put to its future highest and best use
11. A forecast of the value expected at a specified future date

Answer key can be found on the bottom of Page 10.

Go Green! Green Appraisal Update *By John Nolan*



The Merchandise Mart is the largest LEED certified building in the world with 4.2 million square feet.



The Chicago Center for Green Technology is the first rehabilitated municipal building in the nation to receive the LEED™ Platinum rating.

This November, the City of Chicago will host the GreenBuild International Conference and Expo. GreenBuild is the world's largest conference and expo dedicated to green building. Thousands of building professionals from all over the world come together at GreenBuild for three days of outstanding educational sessions, renowned speakers, green building tours, special seminars and networking events.

The green building movement is more pertinent to the appraisal industry today than ever. According to a recent survey by CoreNet Global and Jones Lang LaSalle of corporate real estate executives:

- Sustainability is a critical business issue today for 70% of respondents, and 89% consider sustainability criteria in their location decisions
- Green building certifications are always considered by 41% and energy labels by 46% in administering their portfolio
- 74% say they are willing to pay a premium to retrofit space that they own for sustainability criteria

The theme for GreenBuild 2010 is "Generation Green: Redefining our Future." The conference will be held in Chicago's McCormick Place West on November 17-19. As one of the first cities to adopt LEED for public buildings and the city that is home to more LEED-certified buildings than any other, Chicago is truly committed to leadership as a "next-generation" city.

GreenBuild 2010 has a variety of educational sessions which will benefit any professional involved with appraising, selling and investing in real estate. Some examples include:

"Do Green Buildings Make Dollars and Sense for Investors"

The study conducted by CBRE and USD examines occupant attitudes and employee performance, along with investor indicators such as leasing velocity, operating costs and rental rates. This year, in conjunction with McGraw-Hill, the study will expand upon the correlation between sustainability expectations and reported actions of corporate users to examine the impacts these buildings have upon the organizations that utilize them.

Effect of LEED Ratings and Levels on Office Property Assessed and Market Values

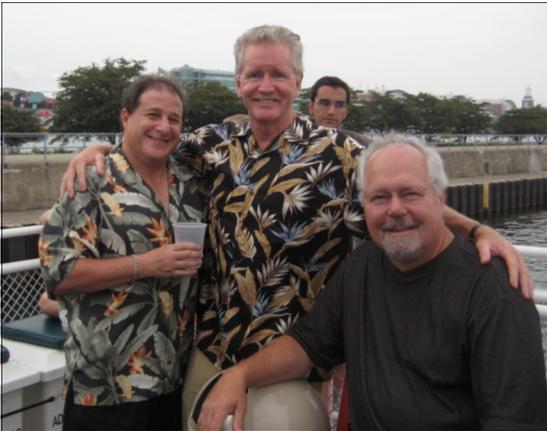
The session explores two aspects of LEED ratings and certification levels across the US: a) their spatial distribution and b) their effect on total assessed values. The results of the study indicate that silver and gold LEED certification levels are the most popular. Silver or gold certified properties tend to achieve higher total assessed values than certified properties.

LEED Hotel Development and Operations

Representatives from a LEED EB-certified resort in California, a large hotel company with two LEED-certified hotels on the Las Vegas strip, and an owner/developer with three LEED-certified properties in the Baltimore/DC area will share their experiences with pursuing LEED certification, with a focus on LEED EB, for their hotels.

For more information on attending GreenBuild 2010, visit www.greenbuildexpo.org, or contact John Nolan at 312-252-8917.

**Summer Fun! Chicago Architecture Foundation River Cruise
August 20, 2010**



Michael Wolin, MAI, SRA, Patrick Kelly, MAI and Tony Uzemack, MAI



Stefanie Sante, Steve Sante, SRA and John Nolan



Susan Ulman, MAI and Cary Ulman, MAI



Anthony Uzemack, Jr.



L.A. Anderson and TJ McCarthy, SRA



Ron DeVries, MAI, SRA and wife Marilyn



Gene Stundard, MAI, SRA, Maureen Sweeney, SRA and Joan Stunard



Alex Meade and Barbara Neal



Peter Poulos, MAI and wife Bernadette

Leadership Development and Advisory Council *By Barbara Baffoe*

In April 2010, the Chicago Chapter sent a delegation of four members to the Appraisal Institute's annual Leadership Development and Advisory Council (LDAC) conference in Washington D.C. Our delegation included Barb Baffoe, Rich DeVerdier, SRA, Bruce Linderman, and Alex Meade.

In addition to lobbying Congress regarding the Appraisal Institute's interest in keeping the appraisal provisions in House Bill 4173, the attendees took part in several discussion groups, including one lead by Chicago Chapter's Tim Rooney, SRA. This year, the four discussion topics were:

Getting to the Designation Finish Line

Elevate and Advance Appraisal Institute to Our Clients

Positioning Yourself for the Future: Demand for Real Estate Appraisal Services

Growing the Appraisal Institute's market presence through self promotion and grass roots marketing

The conference ended with a two hour question and answer session with national leadership including: Past President Jim Amarin, MAI, SRA, President Leslie Sellers, MAI, SRA, President Elect Joe Magdziarz, MAI, SRA, and Vice President Sara Stevens, MAI. This was an opportunity for our national leaders to share some of the long-term strategic plans for the Appraisal Institute.

On behalf of the other delegates, I'd like to thank the Chicago Chapter for continuing to support LDAC, and for sending all of us to Washington, D.C. LDAC is such an important part of our organization's future.

Barb Baffoe



Bruce Linderman, Barb Baffoe, Alex Meade and Rich DeVerdier, SRA



Tim Rooney, SRA, Barb Baffoe, Bruce Linderman, Alex Meade and Rich DeVerdier, SRA



Tim Rooney, SRA, Barb Baffoe, Alex Meade, Bruce Linderman and Rich DeVerdier, SRA



Chicago Chapter Newsletter

What a Difference A Year Makes *By Timothy Rooney, SRA*

Some of the presenters at the annual Conditions of the Chicago Real Estate Market held August 18th at the Chicago Chapter headquarters were decidedly more upbeat than presenters in the past couple of years. The seminar included nine presenters that spoke to an audience of about 125 professionals. Discussion topics included Tax Increment Financing (TIF) and professional opinions on a broad spectrum of real estate types.

There is a flight to quality in the Class A and B apartment market for properties in the \$20 to \$60 million dollar range with multiple offers on the properties, according to John Jaeger First Vice President Institution Group – Multi-Housing CB Richard Ellis.

“\$500 million has been spent across the US in the last 9 months,” Jaeger said stressing the availability of capital from public and private Real Estate Investment Trusts (REITs), Foreign Capital and other sources that is chasing faster than expected traffic and occupancies in the apartment market.

The first presenter offered his insights about the local economy that, in his opinion, were beginning to show signs of stabilizing. “The Illinois economy mirrors the national economy regarding growth and as of late that is showing more improvement than the national growth rate,” said George Ratiu, Economist for the National Association of Realtors in Washington D.C. In the past couple of years, estimates were particularly difficult to forecast because of the recession and fast downward changes in the market. While discussing US commercial real estate trends Ratiu said, “net absorption is to turn positive in the first quarter of 2011, though much of that depends on what happens with employment.” He did state that unemployment is expected to remain quite high for the near term.

Most presenters agreed that financial conditions will be a driving factor for financial liquidity, employment and consumer confidence.

Jim Dieter, Executive Vice President Industrial Operations Brokerage Cushman & Wakefield reported that of the top six industrial markets in North America, Los Angeles and Atlanta were showing positive absorption. While Illinois is home to the largest inland intermodal facility located in Joliet, we are hampered with issues including infrastructure and the political environment. Challenges from abroad are also something to consider with China projected to exceed the United States industrial manufacturing for the first time in 2013.

Two different presentations were given regarding TIFs. Phillip McKenna, President of Kane, McKenna and Associates and Christine Raguso, Acting Commissioner of the Department of Community Development for the City of Chicago argued that there was misinformation and misunderstanding about how TIFs function. McKenna said various taxing bodies budget's were suffering for reasons other than the tax increment going into the various accounts to help pay for future redevelopment. “Because of the downturn, we continue to lose our property transfer and sales tax revenues.” Both spoke of how TIFs are created and how ultimately much of the redevelopment supported by TIF money would not be possible without the funding source.

The office and retail presenters were more somber in their presentations and suggested difficult days remain.

Jeffrey Bramson, managing director of Holliday Fenoglio Fowler, L.P. and Dougal Jeppe, a director at Cushman & Wakefield offered their insights about the office market. “We are at least 18 to 24 months away from a full recovery,” Jeppe said.

Jeppe's forecasts included vacancy and rental projections with the central business district clearly outperforming the suburban markets where vacancies remain high and rents have fallen and are expected to remain much lower than the previous high of 2008.

Peter Block and Ben Greazel gave presentations on the retail market. Both men serve as Senior Vice Presidents at Grubb & Ellis.

This year's annual seminar was coordinated by John G. McMahan, SRA of McMahon Baldwin and Associates and George F. Collins, MAI who is a director with Cushman & Wakefield. McMahan expressed gratitude for all the presenters agreeing to appear.

Chicago Chapter Newsletter

Upcoming Education

- **September 13-16, 2010**
Basic Appraisal Principles
- **September 15-16, 2010**
Advanced Residential Applications & Case Studies, Part 1
- **September 17-21, 2010**
Advanced Residential Report Writing Part 2
- **September 20-21, 2010**
Residential Market Analysis and Highest & Best Use
- **September 22-23, 2010**
Residential Site Valuation and Cost Approach
- **September 27-30, 2010**
Basic Appraisal Procedures
- **September 27-30, 2010**
General Appraiser Income Approach Part II
- **October 4-5, 2010**
Residential Report Writing and Case Studies
- **October 4-7, 2010**
General Appraiser Market Analysis and Highest & Best Use
- **October 7-8, 2010**
15-Hour National USPAP Course

REGISTER NOW

*Please visit our website www.ccai.org for a full listing of all our courses for 2010!



Chicago Chapter Office
205 W. Wacker Drive

Education Update: Increased Education for Associate Members

The Appraisal Institute Board of Directors recently amended Regulation 10: Continuing Education to include a new 70-hour continuing education (CE) requirement for practicing Associate Members. The goal of this new requirement is to ensure that Appraisal Institute and its members continue to represent the highest professional and ethical standards and serve as the benchmark of excellence for the entire appraisal profession.

Beginning July 1, 2010, Associate Members have a 70-hour continuing education (CE) requirement over the course of their five-year Appraisal Institute CE cycle. Within the 70 hours, the USPAP, Business Practices and Ethics and the Appraisal Curriculum Overview requirements must be met. The first cycle will conclude June 30, 2015. Minimal extra steps may be needed to meet the 70-hour requirement, considering that most CE credits may have already been fulfilled simply by adhering to your state's CE cycle (most states have two-year cycles).

For more information on the new requirement, and to check your personal continuing education status report, which shows all programs that have been applied to your current cycle, visit www.appraisalinstitute.org/ce.

In conjunction with the new requirement, the following statement should now be included within Associate members' signed certification in appraisal reports:

"As of the date of this report, I (member's name) have/have not completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members."

According to the Appraisal Institute, the statement isn't a component of USPAP, as USPAP and Appraisal Institute standards and ethics are independent of one another. Additionally, if an Associate Member has complied with the CE requirement prior to July 1, 2010, which included Business Practices and Ethics, you can write that you HAVE completed the Standards and Ethics Education Requirement through June 30, 2015. You then have until June 30, 2015 to complete the new 70-Hour CE requirement, in order to comply with Regulation 10, which again includes completion of the Business Practices and Ethics course.

For additional questions, you may contact the Continuing Education department at the national office at 312-335-4401 or ce@appraisalinstitute.org.

Online Education: Learn at your own pace, anytime, anywhere.

Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. [Check out the current course listing now!](#)



Online Education:
Learn at your own pace anytime, anywhere.
Visit appraisalinstitute.org/online for a list of classes!



Appraisal Institute®
Professionals Providing
Real Estate Solutions

Crossword Puzzle Answer Key

AVERAGE DEVIATION	MEAN	SENSITIVITY ANALYSIS	INTERIM USE	LINEAR REGRESSION	MARKET AREA
COMPARATIVE ANALYSIS	MEDIAN	RETROSPECTIVE	FEE SIMPLE	LIQUIDATION	ASSESSED VALUE
UNITS OF COMPARISON	MODE	PROSPECTIVE	RANGE	FHA	MILE