

ASA Philadelphia Newsletter - July 2006

President's Message - Susan Golashovsky, ASA

Dear Colleagues:

I cannot believe that my term as President is at a close! A lot has happened this past year.

Bernie Camins has been accepted as a Life Member of the American Society of Appraisers. Congratulations from us all, Bernie!

The Board has sent out a survey and received a good response back from chapter members. We will be looking over the results at the Executive Board summer meeting with an eye to expediting changes as membership may feel necessary. I want to recognize Bob Haas for his initial suggestion and the subsequent implementation of this project.

The Philadelphia Chapter has instituted a George Sinclair Memorial International Education Fund through the American Society of Appraisers. The chapter made the initial contribution and I understand there have been contributions made throughout the summer.

Our own J. Mark Penny (BV) was elected Regional Governor. Way to go, Mark.

BV and PP have brought in dollars through very well received seminars this year. I want to thank Shirley Swaab (PP) and Andrew Wilutz (BV) for making the seminars happen.

Our website is up and running. Please log on to www.asaphila.com and tell us what you think! Remember â€” itâ€™s your website, feel free to participate and contribute!

Chuck Basch has retired and introduced us to Bob Maher who has taken over his legal practice. Chuck has our best wishes for his retirement.

I have joined Judie Lepow and Rochelle Eisenberg on the International Personal Property Committee, and am proud to be able to serve the committee as public relations liaison.

Kim Ohanian has announced her resignation as secretary and I am so very pleased to have known her these many years. She has been a huge help to me during my term as President. Special thanks, Kim. And so, for this busy and fruitful year, I extend my sincere thanks to all Officers, Directors, and past Presidents who gave me help and encouragement, and all of the membership who came out to support our chapter at the meetings. It has been both an honor and a privilege.

Sincerely,



Susan Golashovsky, ASA

Events/Education of Interest

September 20 , 2006

ASA Meeting - 6:30 PM, Holiday Inn, City Line Avenue

There will be a seminar prior to the general meeting. The seminar starts at 2:30 PM at the same location.

UNDERSTANDING THE FUNDAMENTALS OF THE FINANCIAL FUNCTIONS OF COMPOUNDING AND DISCOUNTING APPLIED TO VALUING INCOME PRODUCING PROPERTIES. Instructor: Bernard W. Camins, ASA

Learn the fundamental theory and principles of the financial functions which impact upon value. An understanding of these principles and procedures will allow you to have an understanding of how value is derived and the procedures used to arrive at valuation conclusions. Various valuation approaches will be explained with particular focus on the Income Capitalization Approach.

Although a financial calculator is not required, if you have familiarity with one, please bring it to the session.

The seminar cost is \$75.00 The seminar is board certified by the states of PA and NJ for CE credits.

Personal Property Events

The Connecticut River and Pioneer Valleys in Autumn

Date: Oct 18, 2006 - Oct 22, 2006

Location: Hartford, CT

Description: A Three- or Four-Day Tour and Lecture Series of Historic Houses, Museums, and Galleries in Deerfield, Old Lyme-Essex, New Haven and Hartford, October 18-22, 2006.

The conference registration fees include all coach travel, educational sessions and museum admissions, wine/hors d'oeuvres gallery evening, three good morning continental breakfasts in a private room, three lunches and one dinner.

Reduced room rates for our group are \$140 single/double occupancy plus applicable taxes (currently 12%). Individual guests will make their reservations by calling 866-373-9806 and requesting the "American Society of Appraisers" Group block or on-line at www.Marriott.com and entering in the on-line the Group Code ASAASAA. All reservations must be accompanied by a first night room deposit or guaranteed by a credit card. Cancellations after 4PM on the date of arrival will forfeit the deposit of the one night's room fee with taxes. Non-local conference registrants are requested to use the conference hotel, where our breakfast meals will be taken. Unused room from our Block will be released after August 31st, with reservations after that date NOT guaranteed either for availability or price, so it is important to make your room reservation BY AUGUST 31. Rooms for 2 days prior and 2 days after our seminar are available at our reduced rate for those wishing to arrive early or stay longer.

Committee/Board News

Board Approves 6 New ASA Life Members

The board of governors has approved six members for Life Membership in ASA. These individuals were nominated for Life Membership by their chapters based on their significant contributions and service to ASA. Approved unanimously by the board for Life Membership were Kal Barrow, ASA; Bernard W. Camins, ASA; John R. Hays, ASA; James Schilt, ASA; Georgie Stillman, ASA; and Richard M. Wise, ASA.

Life Membership is bestowed on Accredited Senior Appraisers and Fellows of the American Society of Appraisers who have, in the judgment of the board of governors and their chapter colleagues, made outstanding contributions to the Society and the valuation profession. Their long and outstanding service has contributed to the growth and development of the Society and has helped elevate the status of the profession among users of appraisal services. **Education Committee, Andrew Wilusz, ASA**

Advancements Committee, Bob Ardinger, ASA

Public Relations Committee, Susan Golashovsky, ASA

Ask George...

Dedicated to the late George D. Sinclair, MAI, FASA, this column answers questions relating to the appraisal industry.

Question

I live and work just outside the area recently devastated by Hurricane Katrina. My market area is experiencing sudden changes in supply and demand, and real estate sales prices have climbed rapidly. Does USPAP provide advice to real estate appraisers on how to handle sudden market changes brought about by such catastrophic events?

Answer

Although USPAP does not directly address the appraisal issues associated with catastrophic events, the following passages may be especially important in appraisals involving properties in markets that are changing rapidly, for any reason. Standards Rule 1-2(e) requires an appraiser to identify economic attributes relevant to the subject property. Standards Rule 1-3(a) specifically requires analysis of supply and demand.

For Self-Contained and Summary Appraisal Reports, USPAP requires disclosure of "economic property characteristics relevant to the assignment." Market conditions (including sudden market changes related to catastrophic events) are "economic property characteristics," and so should be identified in the development of an appraisal and disclosed in the appraisal report.

Standards Rules 2-2(a)(v) and 2-2(b)(v) address the type and definition of value used in an assignment. The Comments to these Standards Rules state, in part: Stating the definition of value also requires any comments needed to clearly indicate to intended users how the definition is being applied.

In cases of sudden market change, it would be necessary to specifically disclose such things as how the appraisal has addressed the motivation of buyers and sellers, supply and demand, the conditions of the sale (e.g. exposure in a competitive market), etc. As noted in STANDARD 2, the content of all real property appraisal reports, "must be consistent with the intended use of the appraisal." In the case of a rapidly changing market, the report must have enough information to allow intended users to understand the market conditions and to use that information in their decision making.

Question

I have been asked to review three appraisal reports and to report my findings in one appraisal review report. Does USPAP permit this?

Answer

A single appraisal review assignment can include the review of several appraisal reports, with the assignment results presented in one appraisal review report. Similarly, a single appraisal report can provide assignment results for an appraisal that includes several properties.

Chapter News

What Happened on May 12 - Silver Seminar

On May 12th the Philadelphia Chapter hosted a Silver Seminar given by our own Shirley Sue Swaab. The Silver Seminar was a hands-on experience which, as any student of personal property knows, is a rare treat. Shirley brought in silver pieces and books on makers marks as well as distributing her own (invaluable) publication on silver marks and general information. Many of the students brought their own silver to share with the class and we were able to examine some rare antique Sheffield.

The room was filled to capacity with a waiting list of hopefuls for the next event. Attendees included Philadelphia Chapter members, International Personal Property Committee members (including President Sandie Trooper), ISA and AAA appraisers and many collectors. Shirley, meanwhile, is seriously considering putting on a seminar for the chapter next year.

