

JUNE, 2023

Washington DC Metro. Chapter

MESSAGE FROM THE PRESIDENT

Matthew Solomond, MAI, MRICS, CCIM

Dear Members,

2023 has been off to quite a start in the DC area. On the residential side, though it appears the spring and summer markets are showing robust demand, inventory is still limited, as embedded low interest rate mortgages are certainly not motivating many people to sell. Transaction volume, and thus appraisal volume is down. On the commercial side, increased interest and capitalization rates, frozen debt and equity markets, and decreased occupier and investor demand has thrown a one-two-three punch to the office market.



Multifamily refinancings have proven difficult due to increased operating expenses, reduced debt coverage, and increased interest rates. Industrial in our area remains strong with limited vacancy. We are still in a period of uncertainty and price discovery and appraising has never been more difficult. Our profession is charged with risk management and the maintenance of public trust. I am hoping for more clarity in the second half of the year.

Recently our AIDC chapter leaders – Matthew Solomond, MAI, MRICS, CCIM, President; Gregg Pascual, MAI, SRA, AI-GRS Vice President; Michael Haller, MAI, Secretary/Treasurer; and John Farrell, MAI, 2021 President; attended the Appraisal Institute Leadership Development and Advisory Council (LDAC). This national conference was held in Washington DC from May 17th through 19th 2023. The events were located at the Hilton Washington DC National Mall - The Wharf at L'Enfant Plaza and on Capitol Hill. LDAC brings together approximately 110 practicing appraisal professionals and chapter leaders with national leadership and AI staff, including our government affairs representatives – Bill Garber, Director of Government and External Relations, and Brian Rodgers, Senior Manager of Federal Affairs (who are both based in DC).

The conference is billed as the premier appraisal thinktank, where our best and brightest thought leaders come together to discuss problems and issues currently confronting the appraisal industry and develop solutions to address these. Topics included appraisal modernity, appraisal relevance, the appraisal gap, and how the AI can tailor its offerings to help its members.

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Additionally, there is a lobbying component where the AI establishes its presence in Congress. John Farrell and I were able to meet with Congresswoman Jennifer Wexton, who represents the 10th district of Virginia, which includes Loudoun County, portions of Fairfax and Prince William counties and points west and south. We presented the AI's position to her on the PAL act. The PAL act is part of a push for appraisal regulatory modernization.

Officially H.R.2771: the Portal for Appraisal Licensing Act of 2023, The PAL Act authorizes the Appraisal Subcommittee – a federal agency – to work with state appraiser regulatory agencies to:

- Utilize the platform for license management and establish consistent license application and renewal procedures for
 - Continuing education renewal time periods for certified and licensed appraisers.
 - Conducting a common background check for states that require one.
- Work with state appraiser regulatory agencies, professional appraisal organizations and other stakeholders in establishing and maintaining the system.
- Provide real-time sharing of information across state lines.

We were also able to meet with a staff representative from VA Senator Tim Kaine's office.

I wish everyone the best for an enjoyable summer and a continued prosperous rest of 2023!



Wesley Woods, MAI – 2023 Virginia Commonwealth Chapter President
 The Honorable Jennifer Wexton, VA10 District Congresswoman, US House of Representatives
 John Farrell, MAI – 2021 AIDC President
 Matthew Solomond, MAI, MRCIS, CCIM – 2023 AIDC President

Education and Events

Thank you to all of our Chapter members and supporters who attended our Spring education offerings! We want to be your primary educational provider and are determined to bring new content and the best instructors to our educational program.

- Renowned instructor Rick Carlile, MAI, SRA came to town to teach the AI seminar Inconsistency: It Is Hiding In Plain Sight In Your Commercial Appraisal Report. Attendance was strong and the evaluation scores for the seminar were extremely high! Thanks for your helping making this a great seminar.
- Tech expert, Mark Linne, MAI, SRA, AI-GRS lead us in a 4 hour Zoom - Opening Pandora's Box: The New Wild West of Appraisal Modernization. This course took a deep dive into the history/trajectory of AI, Blockchain, Chat GPT and other technology and how it is and will continue to impact the appraisal profession.

Upcoming Education and Events:

Summer Chapter Member Event - Heurich House Museum, August 2023 - Join fellow appraisers for a networking happy hour and a tour of this unique museum.

Metro DC Appraisal Conference - Returns October 4, 2023! Stay tuned for topics, speakers and registration info! We are currently gathering some of the area's top experts for an exciting CE event.

NEW 7 Hour USPAP Update- After several years with no official update, TAF is releasing a new 7 Hour USPAP Update course for 2024. AIDC will be offering this course in January 2024. Stay tuned to be first to take the new course!



Appraisal Education at American University

This semester, American University's Kogod School of Business offered its first Basic Appraisal Principles Class. AIDC University Relations Chair, Ericka Simmons, MAI, AI-GRS, MBA taught as an adjunct faculty member this past Spring semester. This inaugural class was the result of several years of dogged hard and consistent work of Region VI Vice Chair and AIDC member, Don Boucher, SRA, as well as national staff, especially Francine Rosenstein.

Both National AI and AU consider the class a great success with more than 70% of the students taking and passing the final exam; Simmons' class's pass percentage was higher than the average for Principles. Another measure of success for the class is the fact that one student is actively seeking a trainee position in the field. Simmons and AU are hoping to get this student placed ASAP to show a proven path to employment for future students who take the class – career paths are a focus of Kogod's relatively new dean. This is one of the main metrics that the University tracks for all departments, and the ability to place new trainees is an important factor in the continuation of this program with American and adoption by other universities.

At present, American is planning to expand the appraisal course offerings to include 3 more sessions of the Basic Appraisal Principle as well as add Basic Appraisal Procedures and, eventually, the 15-hour USPAP course as a workshop. An ideal timeline for students would be to include the USPAP as an intercession class, and students could complete all three in one year, making them ready to hit the market as trainees.

How can you help and take advantage of these efforts?

Firstly, Simmons is on the lookout for local appraisers who might be willing to either speak to these classes as experts or who may be interested in teaching in this program. Secondly, as new trainees are looking for supervisors, the Chapter is looking for firms or individuals who are interested, willing and able to take on one or more trainees. By putting together a list of potential employers, these students have access to appraisal firms that formerly were accessible only through limited personal connections.

To learn more and to hear from the students themselves, check out this news piece discussing appraisal careers, bias and diversity featuring Simmons and her class: <https://scrippsnews.com/stories/new-class-tackles-bias-diversity-in-real-estate-appraisal-industry/>

Regional Update

National update from your Region VI leadership: Chair, Joshua D. Garretson, MAI, AI-GRS, AI-RRS; and Vice Chair, Donald S. Boucher, SRA. These are some of the major things that the Appraisal Institute is working on:

New Website: Our new website is currently being built and is on-track for completion this year! The phase 1 launch is expected in the Fall of 2023 with a phase 2 launch in the first half of 2024. The website changes will include, among other things:

- * Increase AI brand reputation and awareness
- * Standardize the look and feel across sites by utilizing a content model for consistent, uniform presentation
- * Improve customer experience with a responsive design that renders across size and scale of devices
- * Utilize a consistent taxonomy to deliver content using terms that are relevant to visitors
- * Improve overall usability and reduce complexity of navigation

This is part of the Boards' larger long-term strategic plan to modernize technology. This also includes a rebranding effort to ensure consistent AI branding and messaging. More information relating to the rebranding effort will be forthcoming soon.

AI PAREA: This year, the Appraisal Institute will launch its Practical Applications of Real Estate Appraisal (AI PAREA) program. Modules for both licensed and certified residential will assist aspiring appraisers in their pursuit of licensing and will also assist in removing barriers to entry into the profession. Approval from the AQB for the licensed residential path was received on May 18.

<https://www.appraisalinstitute.org/appraisal-institute-para-program-receives-approval-from-appraiser-qualifications-board/>

CEO Search: Last November, an announcement was sent to membership that our CEO of many years, Jim Amorin, MAI, SRA, AI-GRS, put in his 90-day notice. Our Acting CEO is Beata Swacha, who also serves as our CFO. A CEO Search Project Team led by Chair Jeffrey Enright, MAI, SRA, AI-GRS, and Vice Chair Misty K. Ray, MAI, AI-GRS, has been created with a charge to identify and recommend to the Board of Directors up to three candidates to serve as Appraisal Institute CEO.

The position is posted on Korn Ferry's website. It can also be found through a link on the AI website under Join Our Team/AI Career Opportunities.

<https://www.appraisalinstitute.org/about/job-opportunities/>



AMERICAN UNIVERSITY
WASHINGTON, DC

Learn more about the Project Team:
<https://www.appraisalinstitute.org/news/presidents-message-february-2023/>

Residential Appraiser Committee: The Board voted to amend Regulation No. 7 to establish a Residential Appraiser Committee. President Steinley appointed Adam B. Johnston, SRA, AI-RRS, to chair this committee and Maria A. Nucci, SRA, AI-RRS, as vice chair.

National Office Move: Build-out of the new, smaller but more efficient office space at our same location is progressing with a move scheduled for this year.

University Relations: Led by Ryan Zink, MAI, the University Relations Committee is launching a pilot program in August designed to target 12 Universities. The purpose of this initiative is to reach out to students, faculty, and administrators at institutions of higher learning in order to promote and enhance awareness of the Appraisal Institute as a leader in the profession, and opportunities in the valuation profession.

DEI Implementation: In August of 2022 the Board approved a DEI (Diversity, Equity, and Inclusion) plan. Implementation of this plan is well underway.

AI Board of Directors Takes Key Actions During May Meeting: Following are some important updates from the latest Board of Directors meeting, held May 11-12, in Chicago.

After considering comments received from AI Professionals, the Board voted to adopt amendments to AI Bylaws and Regulation Nos. 7, 8 and 9 regarding the continuing education program requirement for service.

The Board also:

- Voted to establish a Region Project Team to review Regulation No. 9.
- Voted to amend the criteria for the Women's Initiative SPOTLIGHT Award.
- Voted for the Admissions and Designation Qualifications Committee to review annual income eligibility for Practicing Semi-Retired Designated Member status.
- Voted to provide an electronic copy of Robert's Rules of Order to third regional directors.
- Voted to approve Michael Strong, SRA, to serve a third consecutive term as Alaska Chapter president in 2024.
- Directed to expose for a second time proposed amendments to the Bylaws and Regulation No. 4 regarding Life Membership with additional background and rationale.

- Directed to expose for comment proposed amendments to Regulation Nos. 2 and 3 regarding Residential and Residential Review Experience Requirements.
- Directed to expose for comment proposed amendments to Regulation No. 10 related to Designated Member CE Cycles.
- Approved the appointment of Lindsey M. Willis, MAI, AI-GRS, to the Education Committee for a term running through Dec. 31, 2023.
- The Appraisal Institute also held its Statutory Annual Membership Meeting.

AI Board to Consider 2 Candidates for 2024 Vice President in August: The Appraisal Institute Board of Directors announced June 14 that they will consider two candidates for the position of 2024 vice president at its Aug. 10-11 meeting in Schaumburg, Illinois. The two nominees are (in alphabetical order) Michael J. Acquaro-Mignogna, MAI, SRA, AI-GRS; and Claire M. Aufrance, MAI, SRA

We would like to express gratitude to our membership, our local leadership and all who support us like the Appraisal Institute staff. We appreciate all you do to further and support all members of the profession as we lead efforts moving forward as a cohesive team. We can all help to recognize them with our Volunteers of Distinction program. Past winners from Region VI include James T. Mullin, SRA, Justin Reis, MAI, SRA, and Edward S. Falkowski III, MAI, SRA. Please take the time to recognize members of your chapter for their efforts to move the Appraisal Institute forward. We have recently revamped the submission process and it can all be done in an electronic form in a couple of minutes.

Please see the link below and click submit your nomination electronically to recognize our members!
<https://www.appraisalinstitute.org/awards-and-honors/volunteers-of-distinction/>

If you ever need to discuss anything, please feel free to e-mail us.

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Chair
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Donald S. Boucher, SRA
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Appraisal Bias: Taking Action; Leading the Conversation.

Sandra K. Adomatis, SRA
AI National Vice President

As AI membership, and likely all appraisers, are aware, the past couple of years have found us facing the issue of appraisal bias. Even the words are difficult to hear and against what appraisers stand for in our work. Yet, this challenging issue also provides an excellent opportunity to educate the public about the role of the appraiser, a chance to look at how we can take additional steps to help consumers and focus on making our profession more diverse and inclusive now and in the future. Here are some of the ways the Appraisal Institute is addressing the issues.

Collaboration

- AI is collaborating with other valuation-focused organizations such as The Appraisal Foundation, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, National Society of Real Estate Appraisers and MBREA | The Association for Valuation Professionals.
- Through collaboration, we have hosted webinars to share the value appraisers bring to real estate transactions and clarify how we fit into the broader home appraisal ecosystem.

Media

- AI's president is often interviewed, sharing salient points during lengthy Q&A. Unfortunately, only a few important points are covered and sometimes they are taken out of context.
- AI is nurturing relationships with current media contacts, establishing new connections, and telling our story as often as possible.
- AI has enjoyed coverage in many high-profile national and local media outlets, including Bloomberg, The Washington Post, NBC.com, HousingWire, National Mortgage News and National Public Radio.
- AI chapters and members are urged to send media inquiries to our national Director of Communications, Brent Roberts, broberts@appraisalinsitute.org.

Legislators and Regulators

- AI's representatives have testified before Congress.
- AI has provided input to the Biden administration's Property Appraisal and Valuation Equity Task Force (PAVE).
- AI has provided input to advance model state legislation on valuation bias and fair housing.
- AI has driven numerous discussions that focus on protecting consumers AND advocating for appraisers.
- AI is giving a consistent and balanced public message, earning us a seat at the table.
- AI's consistent message allows legislators and regulators to find our message firm in advocating for appraisers, yet open to conversations on solving complex challenges.
- Questions about the efforts in Washington and in state capitals should be directed to Bill Garber, director of government and external relations, bgarber@appraisalinstitute.org.

Appraiser Diversity Initiative

- AI has a leading role in the ADI, which is a partnership with Fannie Mae, Freddie Mac and the National Urban League.
- AI received a \$3 million commitment from Chase Bank to fund scholarships for diverse aspiring appraisers. These scholarship recipients are taking our education and buying our books.
- The ADI program is providing opportunities to aspiring appraisers and exposing new appraisers to the AI Body of Knowledge and the profession's best education.
- To learn more about this program go to: <https://www.appraisalinstitute.org/the-appraisal-profession/appraiser-diversity-initiative/>.

PAREA

- The AI Board of Directors has invested in the future of appraisal experience opportunities by developing a Practical Application of Real Estate Appraisal program. AI was awarded a \$500,000 grant from TAF to supplement this investment.
- This program will attract aspiring appraisers and give AI a first touch for education and mentors that guide them to successful completion.
- To date, more than 30 states have accepted the PAREA program as an alternative to the experience requirement. This eliminates the challenge of finding a supervisor.

2023 AIDC Chapter Leadership

President

Matthew Solomond, MAI

Vice President

Greggie Pascual, MAI, SRA, AI-GRS

Secretary/Treasurer

Michael Haller, MAI

Past President

Ayako Marsh Miranda, SRA

Directors:

Sarah L. Watkins, SRA

Erica Simmons, MAI, AI-GRS

Samuel Sherwood, MAI

Jack Sonceau, SRA

Gregory Laikind, MAI, SRA, AI-GRS, AI-RRS

Peter Sullivan

- AI Board of Directors committed \$2 million to seeing this program completed. This is a commitment to growing the residential appraiser population and potentially AI membership.
- Learn more about PAREA: <https://www.appraisalinstitute.org/service/faq/#572>

AI's Bias Research Solutions Project Team

- AI's Bias Research Solutions Project Team was created to review several studies that address the topic of appraisal bias.
- During the past 1 ½ years, the Project Team has carefully analyzed studies published by government sponsored enterprises, university researchers and others, and have developed initial findings.
- The Project Team hopes to publish its final report in the next couple of months.
- Once the Project Team's report is finalized, it will be shared with the national Board of Directors, as well as AI's membership.
- National leadership also will be prepared to address the studies, if asked, by the media, legislators or other interested parties.

Going Forward

- The Appraisal Institute continues to be a voice for professional appraisers and an active thought leader in education, guidance and policy.
- AI must be a part of the ongoing conversations with the media, legislators and regulators.
- AI must work with other organizations to protect the future of the profession.
- AI must encourage new, and diverse, individuals to join our organization.
- AI must stand with other organizations in defense of appraisers.
- AI must continue to acknowledge and seek opportunities for growth and change.

Appraisers are a proud, dedicated, hard-working group of professionals, and together, no challenge is too big. Is AI a great organization now? Yes! Could we be even better in the future? Absolutely!

Please stay tuned on this topic, and if you have any comments, questions or suggestions, please let me know.

