



**Appraisal
Institute®**

*Professionals Providing
Real Estate Solutions*

MetroNewYork Quarterly

The Metropolitan New York Chapter

Volume 7, Number Two

Spring 2008

Metro NY Chapter 2008 Officers

President

Joel Leitner, MAI
Leitner Group Inc
T: (212) 682-0400
E: jleitner@leitnergrouppinc.com

1st Vice President

Matthew C. Mondanile, MAI
Cushman & Wakefield, Inc.
T: (212) 841-7680
E: matthew.mondanile@cushwake.com

2nd Vice President

Kenneth Wong, MAI
Regional Appraisal Associates
T: (212) 610-2817
E: kwong@regionalappr.com

Secretary

Steven J. Schleider, MAI
Metropolitan Valuation Services
T: (212) 213-8650
E: ssschleider@mvsappraisal.com

Treasurer

Theresa M. Nygard, MAI
KTR Valuation & Consulting
Services, LLC
T: (212) 906-9454
E: tnygard@ktrfirst.com

MARK YOUR CALENDARS AND SAVE THE DATE!!!

THURSDAY, SEPTEMBER 25TH, 2008

Annual September Conference
Club 101 / 101 Park Avenue at E. 40th St.
co-hosted by REBNY

“WHO’S ON FIRST?”

An in-depth overview by top real estate and operational executives about who’s doing what, where and with whom, how they are faring and when they expect to have their projects completed in the realm of...

SPORTS, ENTERTAINMENT AND INFRASTRUCTURE

Conference includes Breakfast,
Early Morning Session, Late Morning Session and Luncheon

With Keynote Luncheon Speaker

**JIM CRAMER, HOST,
CNBC’S “MAD MONEY”**



5 Hours of Continuing Education Credits are being applied for to the Appraisal Institute and the states of NY and NJ

Additional information will be going out shortly.

To be a sponsor of this event, please contact the chapter office at 866-966-3710.

President's Message

The times are changing... These are interesting times for appraisers. The economy is slowing, financing is very difficult to find (almost non-existent unless borrowers can meet strict underwriting standards) and the values of properties are in flux.



Concurrent with the meltdown in the residential subprime mortgage market, mortgage fraud became a hot topic in 2007, especially when Andrew Cuomo, attorney general of the state of New York, instituted a lawsuit that spearheaded reform of a system where lenders influenced appraisers to overvalue properties in order to close a deal.

On March 18th, our chapter hosted one of New York City's most prominent, successful and gracious real estate luminaries, Larry Silverstein, president of Silverstein Properties. Silverstein provided a candid conversation of behind the scenes negotiations, disappointments and successes going back decades through his many current

projects. On May 15, David Welch, Chief Financial Officer of SJP Properties spoke to our members about the many projects SJP Properties is handling such as 11 Times Square. On June 11th we held a private tour of 7 World Trade Center which was followed by a cocktail reception. This was a wonderful social event.

We are also continuing to plan our Annual Conference, focusing on a topic that influences every aspect of the industry, commercial, retail, industrial and residential. That topic will be NYC sports, entertainment and infrastructure, covering what has changed, what is being enhanced and what we can expect in the coming years. The conference will feature top real estate and operational executives with a special guest luncheon speaker, Jim Cramer of "Mad Money". This event will be held on Thursday, September 25th at Club 101, 101 Park Avenue at E. 40th St.

Sincerely,

Joel Leitner, MAI
Principal, Leitner Group, Inc
2008 President, Metropolitan New York Chapter of the Appraisal Institute.

OFFICIAL SLATE OF 2009 OFFICERS, DIRECTORS AND REGIONAL REPS

President – Matthew Mondanile, MAI
1st Vice President – Kenneth Wong, MAI
2nd Vice President – Steven Schleider, MAI
Secretary – Theresa Nygard, MAI
Treasurer – Eric Lewis, MAI

New Directors Serving a 3-year term:

Eric Haims, MAI
John Katinos, MAI
Alice Palmisano, MAI
Gerald Sanders, MAI

Regional Representatives:

Matthew Mondanile, MAI – Serving a 1 year term

Kenneth Wong, MAI – Serving a 1 year term
Elinor Brunswick, MAI – Serving a 2 year term
Alexander Hesterberg, MAI – Serving a 2 year term
Dan Houlihan, MAI – Serving a 3 year term
Dan Sciannameo, MAI – Serving a 3 year term

Regional Representative Alternates:

Kevin Brennan, MAI
Joan Marlow, SRA
William Picoli, MAI
Steven Schleider, MAI



NEWLY DESIGNATED MEMBER

Congratulations to Christophe Porsella, MAI (left), Senior Appraiser at Joseph Blake & Associates, who had his MAI certificate presented to him at the March luncheon meeting by Donald Blake, Jr. of Joseph J. Blake & Associates.

NEW ASSOCIATE MEMBERS

Welcome to the Chapter!

Eric D. Icardela
David Neuhauser

NEW AFFILIATE MEMBERS

Welcome to the Chapter!

Andrew Bernstein
Sunday Olatunji
Carlos M. Velazquez
Charles S. Webb, III

IN MEMORIAM

The Metro New York Chapter is deeply saddened by the loss of one of our long time members, Anthony F. Fasanella, SRPA. Tony dedicated many years of service to our chapter as an instructor, as well as serving on various other committees and as a board of director. Tony then became President of the Metro NY Chapter in 1993. He will be greatly missed.



The Metropolitan New York Chapter of the Appraisal Institute recently hosted one of New York City's most prominent, successful and gracious real estate luminaries, Larry Silverstein, president of Silverstein Properties (second from left). Mr. Silverstein provided a candid conversation of behind the scenes negotiations, disappointments and successes going back decades through his many current projects. Brian Corcoran, MAI, Cushman & Wakefield (far left) served as moderator for the one-on-one conversation.

Also in photo: Chapter programs chair Ruth A. Agnese, MAI, Appraisers and Planners, Inc.; former Chapter president John Pearson, MAI, Pearson Partners; and Chapter 1st vice president Matthew Mondanile, MAI, Cushman & Wakefield.

May Luncheon guest speaker, David Welch, CFO of SJP Properties, discussed his firm's projects in New York City and New Jersey including 11 Times Square, 45 Park Avenue, The Platinum on 46th Street and Eighth Avenue, 95 Greene Street in Jersey City and Waterfront Corporate Center in Hoboken. Mr. Welch (center) is shown with Programs Chair Ruth Agnese, Appraisers and Planners, and Chapter President Joel Leitner, Leitner Group, who served as moderator.



PHOTOS FROM THE JUNE OUTING AT 7 WORLD TRADE CENTER



FIRST CLASS MAIL
U.S. POSTAGE
PAID
NEW YORK, NY
PERMIT NO. 4987

Appraisal Institute
Real Estate Solutions
Professionals Providing
60 East 42nd Street
Suite 1166
New York, NY 10165

The Metropolitan New York Chapter of the Appraisal Institute thanks the following 2008 Chapter Sponsors:

Albert Valuation Group NY, Inc.



KTR Valuation & Consulting Services, LLC



Appraisers and Planners Inc.



Leitner Group Inc.



Brown Harris Stevens Appraisal
& Consulting, LLC



Metropolitan Valuation Services



Cushman & Wakefield, Inc.



Originators Resource Group, Inc.



Howard M. Guttman
R.E. Appraiser



Pearson Partners, Inc. PEARSON PARTNERS, INC.

Jerome Haims Realty, Inc.



Wilrock Appraisal & Consulting, Inc.



EDUCATION SCHEDULE

Registration for the below courses/seminars can be handled online by logging on to aimetry.com then click on education/events and follow the prompts from there. To register by phone, please call 866-966-3710.

JULY:

General Appraiser Sales Comparison Approach - July 22-25 (State G6)

(Tuesday - Thursday, 9am - 5pm)

Location: Association of the Bar of the City of NY, 42 W. 44th St., NYC

Tuition: \$595

AUGUST:

Report Writing and Valuation Analysis - August 18-23

(Monday - Friday, 9am-5pm / Saturday - can hand in report up until noon)

Location: Association of the Bar of the City of NY, 42 W. 44th St., NYC

Tuition: \$675

SEPTEMBER:

Basic Appraisal Principles (R5) - September 8 - October 27

(Sept. 8, 10, 15, 17, 22, Oct. 6, 20, 27 5:45pm - 9:30pm)

Location: The Real Estate Board of NY, 570 Lexington Ave., NYC

Tuition: \$400

OCTOBER:

General Appraiser Site Valuation & Cost Approach - October 3-24

(Fridays, 9am-5pm for 4 weeks)

Location: The Real Estate Board of NY, 570 Lexington Ave., NYC

Tuition: \$595

7 Hour USPAP Update - October 15th

Location: The Real Estate Board of NY, 570 Lexington Ave., NYC

Time: 9am-5pm

Tuition: \$195

Business Practices & Ethics - October 29th

Location: The Real Estate Board of NY, 570 Lexington Ave., NYC

Time: 9am-5pm

Tuition: \$195

NOVEMBER:

General Appraiser Income Approach Part 1 - November 6 - 11

(Thurs., Fri., Mon., Tues - 9am-5pm)

Location: The Real Estate Board of NY, 570 Lexington Ave., NYC

Tuition: \$595

SEMINARS:

Monday, October 20, 2008

"Foreclosed Real Estate"

Time: Registration: 8:30am / Seminar: 9am - Noon

Location: Association of the Bar of the City of NY, 42 W. 44th St., NYC

Tuition: \$100

3 Hours of CE Credits being applied for

LDAC Addresses Issues and Policy Reform To Ensure The Appraisal Industry Continues To Head In A Positive Direction

By: Michael Neal, MAI

In late April, approximately 100 chapter representatives from across the country, as well as Puerto Rico, gathered in Washington, D.C. for the Appraisal Institute's annual Leadership Development Advisory Council (LDAC). The purpose of the LDAC is largely twofold: the first purpose is to lobby Capitol Hill to ensure the integrity and the continued stability of our profession; the second purpose is to gather passionate appraisal professionals to discuss some of the most relevant issues facing our industry today and provide recommendations to the Appraisal Institute's Strategic Planning Committee. Financial markets and the economy are in a vastly different state than they were when the LDAC last met in the spring of 2007. As talk of regulatory reform continues to permeate everything from mortgage lending practices to the battered securities markets, the appraisal industry certainly wasn't going to go without also finding itself in the regulatory crosshairs.

When the LDAC met, a number of bills had recently been introduced to the 110th Congress to combat mortgage fraud and predatory lending in the wake of the sub-prime crisis and its toxic impact on the average household. Certain issues addressed within these bills are of significant importance to appraisers, in particular appraisal independence and appraisal regulatory reform.

The first of 2 congressional topics LDAC participants took to Capitol Hill arose from a pair of bills that was introduced last year that would impose a requirement for every residential appraiser to carry a surety bond, giving consumers a private right of action against the appraiser. It is the Appraisal Institute's stance that the bond would cripple the residential appraisal industry by imposing severe costs (as much as \$40,000 per appraiser per annum), facilitating frivolous lawsuits, and doing nothing to address problems with the existing appraisal regulatory structure.

The second talking point concerns foreclosure prevention. The House and Senate are currently working on a measure authorizing the Federal Housing Administration (FHA) to guarantee billions of dollars worth of refinanced loans if lenders reduce loan amounts to reflect reduced home values. The measure would require banks to make less money on the loans, but it would also reduce their credit exposure and help families remain in their homes. In return, the write-downs would establish a 5 percent loan loss reserve for the FHA. In this case, the Appraisal Institute strongly believes that any successful foreclosure prevention and rescue program requires accurate appraisals where real estate valuation issues are concerned. However, the draft proposals have not been specific as to how the loans would be written down to the current market or appraised value. If loans are to be written down to their market value, it is imperative that appraisals be performed by qualified appraisers.

Together with **Adam Alessi** of the Western New York – Ontario International Chapter and **Tony Iaccio** of the Long Island Appraisal Chapter, I met with legislative correspondents for Senators Hillary Clinton (D-NY) and Charles Schumer (D-NY), as well as Congressman Joe Crowley (D-NY 7th) to discuss these issues in greater detail. Senator Schumer, who chairs the Housing Subcommittee, recently introduced to Congress *The Borrower's Protection Act*. The bill, which holds lenders responsible for policing their associated appraisers and prohibits originators from influencing the appraisal process, highlights the importance of our visit and the need for appraisers to make themselves available to answer any valuation questions members of Congress may have over the next several months as this bill is deliberated.

Our lobbying efforts on Capitol Hill were flanked by several meetings in the Washington Court Hotel. Discussion groups were

broken down to discuss a myriad of topics falling under the following 4 broad categories:

1. What Is Your Designation Worth?
2. Government Enforcement of Existing Standards and Guidelines
3. Innovation in Education
4. Capitalizing on LDAC

The first discussion group addressed issues surrounding the worth of the designation, and the possibility of a fostered environment whereby professionals not yet designated would be more compelled to get their letters. Some notable ideas that arose included the following: creating a deadline for the demonstration appraisal report (the Demo), structuring a mentoring program for associates, and fostering greater interest in the appraisal industry in colleges nationwide. Members on the national Board of Directors, while remaining vague on specifics, hinted several times at future changes to the overall structure of the Demo.

The second discussion group largely focused on the impact of the Appraiser Qualifications Board's (AQB) adopted revisions to the *Real Property Appraiser Qualification Criteria* in February 2004, effective January 1, 2008. These revisions have raised the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification, yet have failed to address the crucial issue of quality control. This discussion group recommended the following: having the Appraisal Institute become more active at State and Local government levels by hosting state board meetings while simultaneously working more closely with the Association of Appraiser Regulatory Officials (AARO), offering Appraisal Institute continuing education (CE) to attendees at state meetings, creating specific education for continuing education (CE) versus initial certification, and having the Appraisal Institute become an active player in supervisor/trainee arena by providing practicum courses.

In the discussion of educational innovations, the group recommended the expansion of certificate programs to allow members the ability to specialize in a particular area of expertise; condemnation work for example. Also, we debated the merits of a classroom education versus an online education, and whether one was more rewarding than the other. Ultimately, the general consensus was that online education is here to stay and that efforts should therefore be made to funnel a portion of the revenue it generates to the chapters to relieve the financial impact this type of education has on a local level.

Lastly, recommendations were made as to how everyone involved can more effectively capitalize on the LDAC. We suggested that the Vice Chairman of the LDAC become a permanent position on the Strategic Planning Committee. Some participants argued that future lobbying efforts could be made more effective by simplifying our handouts to Congress. When the LDAC reconvenes in the spring of 2009, it is my hope that the recommendations and lobbying efforts of this, the 38th meeting of the Council, will be looked back on as a success.



2008 LDAC Representatives