



TEAM Welcomes Jerry Rudman

By Rick Stuart, CAE, TEAM Consulting



Jerry Rudman, CIAO/M

TEAM Consulting is pleased to welcome our newest instructor Jerald L. Rudman, CIAO/M (Certified Illinois Assessing Officer/Master.)

Jerry is a certified Illinois assessing officer and a certified general appraiser in Illinois with three decades of professional experience in the assessment field. (His CIAO/M designation qualifies him to become an elected Illinois assessor.) He currently serves as chief commercial deputy appraiser for the York Township (Illinois) Assessor's Office, where he is responsible for the valuation of more than 3,000 parcels of varying non-residential types.

Since 2000, Jerry has also been a classroom instructor for the Illinois Property Assessment Institute, teaching both residential and commercial specialties.

As a TEAM instructor, Jerry will be teaching the following courses nationwide:

- Appraising After a Disaster or in Traumatic Events
- Collection, Interpretation and Model Building of Income and Expense
- Development of Capitalization Rates

- Low-End Residential Properties
- Reconstruction of Income and Expense Statements
- Residential Quality, Condition and Effective Age
- Residential Quality Rating Guidebook
- Valuation of Self-Storage Properties
- Valuation of Lodging Properties
- Valuation of Green Residential Buildings
- Valuation of Green Commercial Buildings
- Valuation of Residential Land
- Mass Appraisal Analysis & Benchmarks
- Senior Housing Valuation Workshop
- Valuation of Big Box Properties
- Valuation of High-End and Difficult Homes

Contact Jerry directly to schedule a training workshop for your organization.

Contact Info

Chief Commercial Deputy Assessor
York Township Assessor's Office
1502 S. Meyers Rd.
Lombard, IL 60148

Office: 630.627.3354

FAX 630.627.3022

Cell: 630.234.1310

Email: JRudman1@prodigy.net ❖

Upcoming TEAM Workshops

A large number of TEAM Consulting workshops have been set. The location, dates, workshops and contacts are shown below. A description of each workshop can be found at <http://www.teamconsulting.cc/workshops/workshopoverview.html>.

Kansas: July 15 – 17, 2019

- Residential Quality, Condition and Effective Age – 2 days
- Residential Quality Rating Guidebook – ½ day

For workshop info contact:

Cindy Brenner, Kansas County Appraiser Association, 620.873.7449
kcaa@sbcglobal.net

Boise, Idaho: July 22 – 26, 2019

- Unique and Challenging Homes
- Valuation of Self Storage Properties
- Valuation of Lodging Properties
- Valuation of Residential Land
- Preparation & Presenting a Valuation Appeal
- Valuation of High-End & Difficult Homes
- Valuation of Manufactured Homes
- The Art of Making a Powerful Presentation

For workshop info contact:

Jeff Middleton, Idaho State Tax Commission, 208.334.7733
Jeffrey.Middleton@tax.idaho.gov

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Round Rock, Texas: Nov. 18 –22, 2019

- Collection, Interpretation and Model Building of Income and Expense Data
- Valuation of Barndominiums
- Valuation of Manufactured Homes
- Development of Capitalization Rates
- Valuation of Residential Land

For workshop info contact:

Doris Koch, Texas Association of Appraisal District, 512.467.0402
dkoch@taad.org

TEAM Classes Get High Marks

Jerry Rudman, CAIO/M, and Rick Stuart, CAE, CDEI, conducted several TEAM workshops in January at the Winter School for the Idaho State Tax Commission. We were very pleased with participants' response. (The highest rating is 5.0.)

- Residential Quality Condition & Effective Age – 4.5
- Residential Quality Rating Guidebook – 4.5
- Low-End Residential Properties – 4.4
- Collection, Interpretation & Model Building of Income / Expense Data – 4.4
- Appraising After a Disaster & Traumatic Events – 4.7
- Contamination & Valuation – 4.6

Let TEAM help you with your educational needs. If you have your own instructors, TEAM will provide the materials. Learn more by contacting: Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE, CDEI, at rstuart17@co.net. ❖



Travel Squad

We've been everywhere, man



TEAM associates continue to serve in teaching, consulting and speaking capacities. In the first quarter of 2019, we have been in Arkansas, Idaho, Indiana, Georgia, Louisiana, Missouri, Mississippi, South Carolina, Texas and Washington.

Looking for a workshop, series of workshops or professional assistance for your location? Visit our website at <http://www.teamconsulting.cc/>. ❖

Praise for TEAM's AAS Case Study Workshop

Earlier this year TEAM hosted a live AAS Case Study Workshop in Texas. TEAM also offers a self-study program. For more info, see the TEAM website at <http://www.teamconsulting.cc/aasreview/aasworkshop.html>

"The material provided and the attendance of the AAS Case Study Workshop was incredibly helpful in refreshing my knowledge that I hadn't used in some time. I feel it was well worth the time and personal investment, which was the biggest contributing factor to my passing of the actual exam. I extend my personal thanks to Rick Stuart, who instructed the course, and to all those who were involved."

—Troy Duke, Senior Analyst, Pulaski County Arkansas Assessor's Office

"It was a great refresher and invaluable for someone like me who took IAAO 101 & 102 many years ago. With our busy lives the workshop helps to get you focused. It was a large part of assisting me in passing the Case Study Exam."

—Carl Chance, CLDA – Sabine, Louisiana Assessor's Office



The 2019 IAAO Annual International Conference on Assessment Administration set for Sept. 8-11, 2019, in Niagara Falls, Ontario, Canada. If you are traveling from the U.S., remember to bring your passport! Canadian law requires that all persons entering Canada carry both proof of citizenship and proof of identity. A valid U.S. passport book, a passport card, or NEXUS card satisfies these requirements for U.S. citizens; however, a U.S. passport card is only valid when crossing the U.S./Canadian border by land (i.e., car). It is not a valid ID for entering or exiting Canada by plane. International flights require a traditional passport book.

To learn more about this year's exciting conference, select the Events tab at www.iaao.org. ❖

Interesting Buildings

By Rick Stuart, CAE, CDEI

Over the years I have collected a very large number of photos. They are actually in a file titled "Weird Buildings," but I thought a more appropriate title would be "Interesting Buildings." My intention is to publish a couple each month. If you have picture(s) of building that have piqued your interest, email them to me at Rstuart17@cox.net, and I will add to the file and the newsletter.



Ripley's Believe It or Not Odditorium, Niagara Falls, Ontario

Doug Will, AAS, Tampa, Fla., sent the Ripley's photo to help those of us who are headed to the 2019 IAAO Conference in Niagara Falls, Ontario, Canada, in September. I don't think Doug believes all the architecture will look like this.



Casa Auto, Argentina

Thanks also to Rob McGee of the Arkansas Assessment Coordination Division for submitting this one-of-a-kind race car-shaped residence.

Check Out the Changes to Keith's Workshops

The following four workshops authored by Keith Cunningham, PhD, are available as a four-day series or as standalone workshops.

History of Mapping Including the Cadastre

Human history has literally connected the dots to define property ownership for several thousand years. Of course, the motivation was typically taxes. This history of mapping led to understanding the shape of the Earth as well as how to measure time. There is lots of humor and surprises on this first day.

Today's Surveying

GPS and professional surveying tools are explained as well as how these points, lines, and polygons are the foundation of your Geographic Information System. Like the first day, we poke some fun at the old ways of doing things, while learning the nuance of map distortions and errors.

Drones

How can drones be safely used to map property and buildings in three dimensions, and what about the privacy laws affecting the safe use of this invasive technology? Another fascinating history of the technology and law, and how society changes with time.

Future Technology

The last day of this series examines how CAMA will likely move towards a three-dimensional cadastre. 3D buildings and virtual reality will be explained. Also, how automated change detection works, including with 3D point clouds but also with neural networks processing new air photos. Included is a discussion of what this means for today's assessor.

Contact Info: Keith Cunningham, PhD, kwc@mobile-map.com. See all TEAM workshops at <http://www.teamconsulting.cc/workshops/workshop-soverview.html>.



KEITH CUNNINGHAM'S two decades of GIS experience is used in the disciplines of land records, CAMA change detection, and quantitative modeling. His assessment experience includes "spatial-accounting" with governments and industry. He has managed large-scale asset inventories for electric and telecommunications utilities to calculate valuations to establish utility base rates and set tariffs. Within government appraisal, he has implemented digital cadastres for many counties. He has also developed several software applications used for geo-referenced "street-view" imaging to enable the desktop property appraisals approved by the 1996 IAAO Standard. Dr. Cunningham's doctoral dissertation investigated the use of artificial neural networks for spatial pattern detection and extraction. This effort has been incorporated in his recent research utilizing light-detection and ranging (LiDAR) to automatically geo-reference CAMA sketches and perform change detection of each sketch against LiDAR footprints. Other experience with spatial modeling includes issues of community development, consolidated planning, and transportation. ❖



■ Beekie Strum, *www.realtor.com*, Jan. 2, 2019. "An economic cocktail that includes rising mortgage rates, the biggest rewrite of the federal tax code in a generation, stock market volatility and rapid home price growth began to cool high-end home sales around the country in the second half of the year, and the trend is expected to continue through 2019 with some notable exceptions, according to a year-end report from *realtor.com*." <https://bit.ly/2Ra7qEn>

■ Betsy Kim, *www.globest.com*, Jan. 15, 2019. **Editor's Note:** Even if you do not work with commercial property, you should read this.

"Blackstone Group is expected to close a \$20 billion real estate fund in Q1 2019, for all but some smaller retail investors, according to the Wall Street Journal. The WSJ reported that the amount raised from US and international pension funds, foreign governments and wealthy individuals more than doubled any fund ever raised by a competitor, according to the financial data firm, Preqin.

The article also points out that the actual buying power with the new fund is closer to \$60 billion because Blackstone's real estate funds typically use \$2 of debt for every dollar of equity." <https://bit.ly/2QNtkbv>

■ Erica Morphy, *www.globest.com*, Jan. 16, 2019. **Editor's Note:** Some of the larger jurisdictions may find this of interest. "There has been anecdotal evidence that commercial real estate investors grew more

cautious about an office building if there was a high concentration of coworking space in it. New research from CBRE presents a more nuanced picture of this question but basically arrives at the conclusion that investors tend to be less sensitive to higher concentrations of coworking than previously thought." <https://bit.ly/2Mfmbjn>

■ *Wall Street Journal*, Jan. 16, 2019. "More than 200 golf courses closed in 2017, according to the National Golf Foundation, and the total number of golf courses in the nation has fallen from 16,000 in 2005 to under 15,000 in 2017. A number of these closures stem from a lack of participation, especially among young Americans, according to The Wall Street Journal.

As the sport's popularity drops, many golf course communities are either shuttering their courses or taking extraordinary measures to survive, such as raising dues or requiring mandatory memberships. According to Blake Plumley, a Florida-based development consultant, home prices can fall by about 25% when a nearby course closes or up to 40% or 50% if a legal battle ensues between the club and its residents over mandatory dues." <https://bit.ly/2RuVsp9>

■ Amy Dobson, *www.forbes.com*, Jan. 9, 2019. After a little while as a private listing, the 10-acre Los Angeles estate belonging to now-deceased billionaire Jerrold Perenchio (No. 717 on Forbes Billionaires in 2017) has come on the multiple-listing service with an asking price of \$245 million and a bevy of brokerages representing the property, as the Los Angeles Times reported. This is after being quietly shopped around for the

eye-popping price of \$350 million as recently as August 2017.

<https://bit.ly/2RUi3ut>. **Editor's Note:** Obviously not the home of a government employee.

■ *www.builderonline.com*, Jan. 22, 2019. "Existing-home sales declined 6.4% to a seasonally adjusted rate of 4.99 million in the month of December, down 10.3% from a year earlier, the National Association of Realtors® reported Tuesday. None of the four major U.S. regions saw a gain in sales activity last month." <https://bit.ly/2DsDCdx>

■ *www.remodeling.hw.net*, Jan. 22, 2019. "This site compares average costs for 22 remodeling projects with the value those projects retain at resale in 136 U.S. markets."

Editor's Note: This is the new 2019 version. I have always found this to be a good resource. If you pull up their website, it will require you to answer some questions and set a password, but no big deal.

■ *www.crenews.com*, Jan. 23, 2019. "Investment-sales volume of commercial properties last year totaled \$562.1 billion, according to Real Capital Analytics. That marks a 14.9 percent increase from 2017's \$489.3 billion and fell just \$7.84 billion shy of the record set in 2015. It also marks the first annual increase in sales volume since 2015. Total volume might actually end up topping the 2015 record if Real Capital compiles additional data. Last year's volume, for instance, initially was reported as \$463.9 billion, but was eventually updated to \$489.3 billion." <https://bit.ly/2DwARb5>

■ *www.appraisalinstitute.org*, Jan. 29, 2019. "President Trump on Dec.



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21 signed two pieces of legislation that link the Small Business Administration's appraisal threshold to the threshold for commercial real estate as established by the federal bank regulatory agencies. The legislation is HR 6347, the 7(a) Real Estate Appraisal Harmonization Act, and HR 6348, the Small Business Access to Capital and Efficiency Act." <https://bit.ly/2Wym0EP>

■ Katherine Clarke, *www.wsj.com*, Jan. 23, 2019. "Billionaire Ken Griffin, who is becoming almost as known for his prodigious purchases as he is for his investment acumen, has closed on a New York penthouse for roughly \$238 million. The deal sets a record for the highest-priced home ever sold in the U.S. The purchase is the latest in a string of record-breaking acquisitions by the Citadel hedge fund founder. Earlier this year, Mr. Griffin bought several floors of a Chicago condominium for \$58.75 million." <https://on.wsj.com/2sH5rIO>

■ *Calculated Risk Blog*, Feb. 6, 2019. "Based on an analysis of NAHB data, Calculated Risk Blog's Bill McBride reports that lumber prices are down by 25% year-over-year as of January 2018, down from record highs in early 2018." <https://bit.ly/2t8au5m>

■ *Green Building Advisor*, Feb. 6, 2019. "According to Green Building Advisor's Scott Gibson, vented rain-screens have become an increasingly common exterior detail for walls. Builders use the product to add an air space between the sheathing and the siding to help carry away moisture and prolong the life of the siding. Now, other construction professionals are wondering whether vented rain-screens will be valuable on roofs as well?" <https://bit.ly/2Svjgsw>

■ *www.appraisalinstitute.org*, Feb. 6, 2019. "The Appraisal Institute on Feb. 4 was one of six organiza-

tions signing a comment letter that "strongly opposed" a proposal from the Federal Reserve, the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency to raise the residential appraisal threshold from \$250,000 to \$400,000. If the proposal is approved, nearly three-quarters of residential real estate loans held in portfolio by depository institutions would be exempt from appraisal requirements. A high percentage of those loans are from rural areas." <https://bit.ly/2MRAjji>

■ *www.globest.com*, Feb. 6, 2019. **Editor's Note:** This is an interesting read. "Fifth Avenue Committee, a nonprofit community development organization in South Brooklyn, and the Brooklyn Public Library are turning a concept in "shared-use" spaces into a brick-and-mortar reality. Using the core and shell of the Sunset Park branch of the Brooklyn Public Library, a new eight-story building will be built, expanding and modernizing the library, then adding 49 new units of permanently affordable housing on the upper floors. The project will be at 4201 Fourth Ave." <https://bit.ly/2GrxZhL>

■ David Wilkening, *www.globest.com*, Feb. 6, 2019. **Editor's Note:** Anyone with a struggling or dead mall might find this interesting.

"The most recent news from a once-dead mall: An Atlanta-based real estate company, Branch Properties, LLC, sold it for \$93 million to MetLife Corp. The Nashville Tennessean newspaper said the mall underwent a \$268 million development, with the result: The walkable mixed-use development completely overhauled the site, bringing with it 15 restaurants, 23 retailers, an AMC movie theater, 337 apartment units, two hotels and 200 senior housing units. The Nashville Predators and Metro have teamed up to bring a 120,000-square-foot Preds Ice Cen-

ter to the site, and Metro will build a community center next door." <https://bit.ly/2tbPivw>

■ John McManus, *www.builderonline.com*, Feb. 6, 2019. **Editor's Note:** Very interesting article relating the new federal income taxes and high property tax states.

" • A professional friend from New Jersey just completed work on her 2018 taxes, and got a shock.

• A multifamily developer we spoke to in the past week or so mentioned that people—aka renters—he knew that have begun to take stock of their new individual or married couple deduction are wondering 'why would we ever want to own? What's in it for us?'

• And, for No. 3, we'll shoot a little higher, beyond personal anecdote. A certain governor of a very important Middle Atlantic state, who's not known to pull punches or mince words, just took a look at the state's income tax coffers and blew a gasket, blaming a \$2.3 billion revenue shortfall on a 'diabolical' tax reform that's causing people to flee New York for homes in Miami.

Now, whether Gov. Andrew Cuomo actually went to Miami to confirm that refugees from New York had just bought or rented homes there or whether Gov. Cuomo would feel less than welcome in a place full of people who had run from New York's punishing tax burdens, it's not clear."

<https://bit.ly/2l11pph>

■ *www.builderonline.com*, Feb. 7, 2019. "Freddie Mac's (OTCQB: FMCC) Primary Mortgage Market Survey®, out Thursday, reported that the 30-year fixed-rate mortgage has fallen to a 10-month low." <https://bit.ly/2tflLbL>

Housing Wire, Feb. 11, 2019. "A new report from RealPage shows that apartment resident retention (rent-

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ers electing to renew their lease after its initial term expires) hit an all-time high last year, with nearly 53% of renters choosing to renew their leases, reports HousingWire's Ben Lane." <https://bit.ly/2URRI3y>

■ Symone Garvett, *www.builderonline.com*, Feb. 14, 2019. "Hardwood flooring has a long history, one that is said to date back to the 1600s. Like many home trends, it has gone in and out of style depending on interior design trends, the introduction of competing floor surfaces, and homeowner preferences. Today, hardwood flooring and hardwood look-alike products are on top once again. When homeowners were asked what kind of flooring they would choose for their dream home, 66% said hardwood floors, according to a recent survey conducted by the National Wood Flooring Association (NWFA)." <https://bit.ly/2TLyze8>

■ *Portland Tribune*, Feb. 14, 2019. "According to the Portland Tribune, a recent legislative hearing on a bill requiring Oregon cities to increase density in existing single-family neighborhoods is fueling discussion on both sides of the issue. "We are concerned that House Bill 2001 is a one-size-fits-all solution that won't actually fit any," said Erin Doyle, a lobbyist for the League of Oregon Cities.

Kotek's measure would require cities of more than 10,000 and counties of more than 15,000 to allow a range of "missing middle" housing options in urban neighborhoods now zoned for single-family housing. The bill says this could include attached housing of up to four units, small cottages around a central courtyard or rules making it easier to subdivide existing housing." <https://bit.ly/2WZP48i>

■ Nat Levy, *www.geekwire.com*,

Feb. 12, 2019. "A federal appeals court sided with Zillow in a long-running lawsuit over the accuracy and marketing of the real estate giant's controversial Zestimate tool. The court found that Zillow is honest about labeling Zestimate as only an estimate, not an appraisal. The process is most accurate "when errors are not biased to favor sellers or buyers," so Zillow shouldn't have to change Zestimate values when they come in lower than what homeowners expect, Judge Frank Easterbrook wrote in the opinion." <https://bit.ly/2Ejc1Mg>

■ Jeff Collins, *www.ocreger.com*, Feb. 19, 2019. "Good news, America: The next recession may not appear in 2020, as a majority of economists long had forecast. Instead, the next downturn could be delayed until 2021 or later, making the current session of economic growth — now almost a decade old — the longest in U.S. history as of June. That's the view of three housing economists speaking Tuesday at the annual convention of the National Association of Home Builders (NAHB) in Las Vegas." <https://bit.ly/2IsPLni>

■ Lisa Brown, *www.globest.com*, Feb. 27, 2019. "Senate Bill 608, a measure that caps how much landlords can raise rents and stipulates how they may evict tenants, was passed by the [Oregon] House yesterday with a 35-25 vote after previously passing the Senate. Governor Kate Brown is expected to sign the legislation, making Oregon the first US state to cap how much landlords can raise rents. The bill prohibits landlords across the state from raising rents more than 7% per year, plus the annual change in the consumer price index. It carves out an exemption for rental properties that are less than 15 years old." <https://bit.ly/2XqOUHk>

■ *www.builderonline.com*, Feb. 28,

2019. "The 207,957 homes flipped in 2018 represented 5.6% of all single-family home and condo sales during the year, stagnant from 5.6% of all sales in 2017 but up from 5.1% of all sales back in 2008."

<https://bit.ly/2XupZm7>

■ *Philadelphia Inquirer*, March 11, 2019. "According to The Inquirer, the Philadelphia District Attorney's office has filed charges against Robert Stokes, who lives in Philadelphia's Point Breeze neighborhood, for stealing property from the deceased. Using forged deeds and notary stamps to illegally transfer the property to himself, Stokes is charged with 47 counts of forgery, theft, and tampering with records." <https://bit.ly/2NZCVfp>

■ *Sacramento Bee*, March 11, 2019. "According to The Sacramento Bee, authorities have arrested a real estate agent after raiding seven homes in Chino, Chino Hills, and Ontario, California, that were being used to illegally grow marijuana. The million-dollar operation was being financed by funds wired in from China. Authorities seized over 1600 plants and \$80,000 in cash." <https://bit.ly/2TOYlcr> ❖

Meet Our TEAM

Brent Bailey, ASA
Kishin Bharwani
Fred Chmura, AAS
Ed Crapo, CFA, ASA, AAS
Keith Cunningham, PhD
Pete Davis
George Donatello, CMS
Brad Eldridge, MAI, CAE
Lynn Gering
Lath Harris, CAE, SRA
Marion Johnson, CAE
Dan Muthard
Richard Norejko, CMS
Henry Riley, CAE, PhD
Jerald Rudman, CIAO/M
Ron Schultz, CFA
Rick Stuart, CAE, CDEI
Ken Uhrich
Ken Voss, MAI, AI-GRS, SRA, CAE