



Is It Modular or Not?

By Marion Johnson, CAE

Appraisers don't always think of hotels or apartments as being modular construction, but more and more today we are finding these types of structures in several locations around the country. TEAM Consulting offers a workshop, "Valuation of Lodging Properties," and during a recent class in Boise, Idaho, the class was able to tour the Guerdon manufacturing plant, which is one of the leading builders of modular hotel and apartment units.

The company has current projects underway in Oklahoma, Idaho and California. The construction of the modular units is very similar to the construction of modular residential homes.

The plant in Boise employs over 200 employees and currently builds only commercial modular units mainly for hotel/motel properties and apartment complexes. The units are basically two living units attached together by a hallway. The operations manager at the plant said when the units are delivered, the client can either leave the units attached upon installation or separate the units to make the hallway wider.

Each unit when completed is painted and shipped with all the personal property, including items such as flooring, baseboards, cabinetry, counters, lighting, faucets, showerheads, tile, mirrors, windows, switch plates, thermostats, and even appliances. The units are transport-

ed by trucks.

The Boise plant operates much like an auto production line. It starts with the base floor and then proceeds down the assembly line where the interior and exterior walls and ceiling are installed followed by the interior finishes. There are 22 separate work stations. Workers have just over two hours to complete the work at each station before the unit is moved along the assembly line. Once the structure is completed, it is covered with weather-proof material to keep it safe from the elements.

One question we asked is why developers would choose modular construction over the traditional stick-built structures. The operations manager said it was not necessarily cost savings. He said under certain conditions it is more cost efficient to build these types of units on site, but the main deciding factor is the construction time. These types of units can be constructed and installed from three to six months faster than a stick-built property. The operations manager also said that once the property is on site and installed, it can be completely ready to rent in four and one-half hours.

Additional factors in the decision to use modular construction are: (1) They are never exposed to the weather; and (2) Internal Revenue Service guidelines allow for a seven-year depreciation versus 39.5 years for a stick-built structure. ❖

Welcome CourthouseUSA!

TEAM Consulting LLC is pleased to welcome a new business partner (and longtime friends) CourthouseUSA (CUSA). CUSA is made up of mass appraisal industry experts providing mobile and web-based products for local and state governments. Below is info about one of CUSA's products, ValueArmor. Learn more at <http://courthouseusa.com/>.

ValueArmor is a big data analytics product provided by CUSA that involves comparing and analyzing statewide valid sales for the majority of commercial properties of a given class, in order to support a value for comparable commercial property in a local area within that state. ValueArmor gives assessment jurisdiction commercial appraisers a tool to prepare assessments and defend against the onslaught of appeals filed in bulk by large tax appeal firms, which are shifting the tax burden to other local businesses and all homeowners.

ValueArmor is composed of the expertise of Patrick M. O'Connor in developing commercial geospatial centric AVMs, the data provided by CourthouseUSA to support the AVM, and delivered using Hexagon GeoSpatial's analytics mapping tool, Smart M. apps Incident Analyzer.

CUSA also maintains a 100 million-plus parcel database (boundaries and attributes) available to 3rd party app developers.

IAAO Annual Conference – Tampa, Fla.

By Rick Stuart, CAE

Educational, fun and interesting: that pretty much summarizes the IAAO conference. For us veterans of conferences, we have survived 911, the Sacramento earthquake, and now we dodged a hurricane. It just shows the resilience of us appraiser types.

The conference was held Aug. 28 – Sept. 1, 2016, in Tampa, Fla., and was a fairly typical conference (except the hurricane), with fellow Kansans and TEAM members playing an integral part in the program.

AWARD WINNER



Marion Johnson

Marion Johnson, CAE, TEAM Consulting LLC, was the winner of the Rosalyn Johnston Award. Named for Ms. Johnston's years of service and

dedication to IAAO, this award is presented to a person, regardless of membership type or status, who has contributed to fundraising and other public relations activities of IAAO over the years. The award recognizes those who have advanced the IAAO mission through the contribution of time, effort, talent and resources.

PRESENTERS



Brad Eldridge

Brad Eldridge, MAI, Douglas County. *An Update on the Educational Development Process.*

Course developers, reviewers and the IAAO membership will take a look at the first year of the educational development process. This presentation shows the progress in updating existing courses, and details expectations for the development of new courses and for quality and consistency controls. It high-

lights IAAO's commitment to quality educational offerings.



Peter Davis

Peter Davis, Kansas Property Valuation Division. *The Price Related Bias: Is It Ready for Prime Time?*

Over the last 40 years more than a dozen alternative measures of vertical equity have been proposed. This presentation will demystify this complex measure, reveal some ambiguous guidance, and expose features of this measure that can be used to punish assessor and present some suggestions to resolve these issues.

Editor's Note: This was Pete at his best. He immediately told the audience that this presentation is his opinion and not that of the Kansas Property Valuation Division. He pointed out problems in the IAAO Ratio Standards, discussed possible changes, and pointed out why this is not the assessor's friend. Pete's presentation was informative, humorous and satirical. Again, the Pete we know!



Rick Stuart

Rick Stuart, CAE, TEAM Consulting LLC. *Best Practices for Teaching Adult Learners.*

IAAO Vision 2020 goals include ensuring quality IAAO instructor development. The Instructor Relations Subcommittee will examine sample comments from instructor evaluations to share tips with attendees to avoid negative feedback through andragogy—the practice of teaching adult learners. ❖

Next year's IAAO conference will be held September 24–27 at Bally's in Las Vegas.



New workshop now available:

Valuation of Green Commercial Buildings Workshop Overview (1 Day). Authors: Marion Johnson, CAE & Rick Stuart, CAE

Purpose of this workshop is to provide some guidance and suggestions on the process of data collection and analysis of green commercial buildings from various areas of the U.S. Images and property characteristics of sales and listed properties plus data relating to income and expenses and the related market value will be used.

If your organization is seeking current topics that allow for hands-on application in your office, please contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE, at rstuart17@cox.net.

See all the TEAM workshops at <http://bit.ly/1gCkskG> and <http://bit.ly/1CRwspv> ❖

Travel Squad



TEAM associates continue to move about the country teaching, consulting and speaking. In the third quarter of 2016, we have been in Florida, Idaho, Indiana, Kansas, Minnesota, Nebraska, New Hampshire, Virginia, Washington and Wyoming.

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

Do You Have One (Or More) of These in Your Jurisdiction?



Tiny Home



Container Home

If the answer is **YES**, then you need **TEAM's Unique & Challenging Homes Workshop.**

This one-day workshop deals with unique and challenging home appraisal problems. Using case studies and actual market data, this workshop steps participants through the appraisal process of measuring value and/or value loss.

Topics:

- USPAP
- Tiny Homes
- Shipping Container Homes
- Straw Bale Homes
- Hemp Homes
- Floating Homes
- Yurts
- Tipis
- Cost & Sales Comparison Approach
- All Other Weird and Unusual Homes

To schedule your workshop, please contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE at rstuart17@cox.net. This workshop is also available as a self-study program.

See all of TEAM's workshops at <http://bit.ly/1gCkskG> or <http://bit.ly/1CRwspv> (mapping & GIS workshops)



Tiny Homes, Anyone?

"Tiny homes" have become a fad for television networks such as HGTV and DIY and one of the fastest growing house styles or types. In fact, one of TEAM's

newest workshops is **Unique and Challenging Homes**, written by Marion Johnson, CAE, and Rick Stuart, CAE.

This one-day workshop deals with unique and challenging home appraisal problems, and by using case studies and actual market data, steps the participants through the appraisal process of measuring value and/

or value loss on such unique properties as tiny homes, container homes, straw bale homes and many more.

Tiny homes are fascinating but also puzzling. We understand the concept and reasoning, but are still not sure why a family of two with four cats wants to live in 240 square feet!

Over 6,000 students have attended TEAM workshops from 2013–2016. If your organization is seeking current topics that allow for hands-on application in your office, contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE, at rstuart17@cox.net. ❖

An Airbnb Issue

By Rick Stuart, CAE

Leasing your home through Airbnb may cause homeowners some problems.

In the Aug. 30, 2016, edition of The Wall Street Journal was an article about a couple attempting to re-finance their house. They have a cottage behind their house that they rent through Airbnb, and they included the rent as additional income believing the loan would be well received and approved.

The opposite actually occurred. The lending institution reclassified the loan as an investment property. In this institution, single-family loans are normally around 84% of the loan-to-value ratio with an interest rate of 3.76%. Reclassifying as an investment property is a 72% ratio with an interest rate of 4.29%

I have long believed that the practice of leasing your home through Airbnb or a similar company

could cause the following problems:

1. If the lender discovers you are renting the property, they could call the mortgage as the use does not match the loan purpose.
2. Homeowners insurance may not be in force for the case of a fire, natural disaster, particularly if the tenant was hurt on the property.
3. If located in a jurisdiction that has property classification, part or all of the property may be considered non-residential and thus have a higher assessed value and thus taxes.

I must have too much travel time if I wonder about this type of stuff! ❖

Good Reviews for TEAM Workshops

Rick Stuart, CAE, presented a two-day TEAM workshop in Lacey, Wash., **Residential Quality, Condition and Effective Age**, which received great reviews. Most (86%) of the students rated both the quality of course and the quality of materials as very good or excellent. Some comments are shown below.

Comments:

- Great class
- Very informative class, I enjoyed
- This course was great! I have a completely different outlook on quality that I didn't have before

Annual Summer School

Several TEAM members participated in the annual Summer School in Boise for the Idaho State Tax Commission. Members making presentations were Keith Cunningham, PhD; Marion Johnson, CAE; and Rick Stuart, CAE.

Keith conducted his workshop on Drone Technology, while Marion and Rick conducted a series of TEAM workshops. Workshop evaluation scores are shown below, with a maximum score of 5.0.

- Valuation of Lodging: 4.6
- Manufactured Homes: 4.0
- Unique Homes: 4.3
- Barndominiums: 4.8
- Mass appraisal: 4.7
- Cap rates: 4.6
- Better manager: 4.6
- Drones: 4.5

See all the TEAM workshops at <http://bit.ly/1gCkskG> and <http://bit.ly/1CRwspv>.

For more information about any of TEAM's workshops, contact Fred Chmura, AAS at fchmura@teamconsulting.cc or Rick Stuart, CAE at rstuart17@cox.net. ❖

That's No Blarney

By Rick Stuart, CAE

Kansas City hosted their 14th Annual Irish Fest over the Labor Day weekend, and my wife Holly and I again attended. One of the bands was Gaelic Storm, which is an international favorite in Irish music.

After a couple of opening songs, the band leader talked about how great it was to be in Kansas City again and how America is the nicest and most friendly country in the world. He expressed how they are disheartened by the political turmoil in the United States, noting that there appears to be a fight between whether you are a Republican or a Democrat.

"It is not that you are a Republican or Democrat," he said, "but that you are all Americans."

It's a message worthy of repeating throughout the United States. Leave it to the Irish! ❖

Interesting Buildings

By Rick Stuart, CAE

If you have building pictures that have piqued your interest, email them to me, and I will include them in the newsletter. ❖



Forest Spiral in Darmstadt, Germany



Druzhba Holiday Center in Yalta, Ukraine

Now Available:

Video Explains Appraisal Process to Property Owners

TEAM Consulting, LLC and 502 Media Group have produced an award-winning video that explains the fair and equitable appraisal process. This clear and concise tool provides a quick and convenient way to deliver your message.

Video Answers Common Questions About Appraisals

As an appraiser or assessor, you spend countless hours answering questions and fielding appraisal appeals from taxpayers. With each question, it's undeniable that there is widespread confusion about the appraisal process. Often taxpayers are unclear on exactly how appraisers determine a property's worth. This confusion can lead to unnecessary misunderstandings.

We have created a solution that is more effective than presentations, brochures or phone calls:

A custom-branded animation that explains this process in terms that are easy for anyone to understand. The video can be uploaded to your website or your YouTube channel for easy access by your property owners. And it is available in English or Spanish. See for yourself! Preview the English version above.

Let the Video Do the Explaining

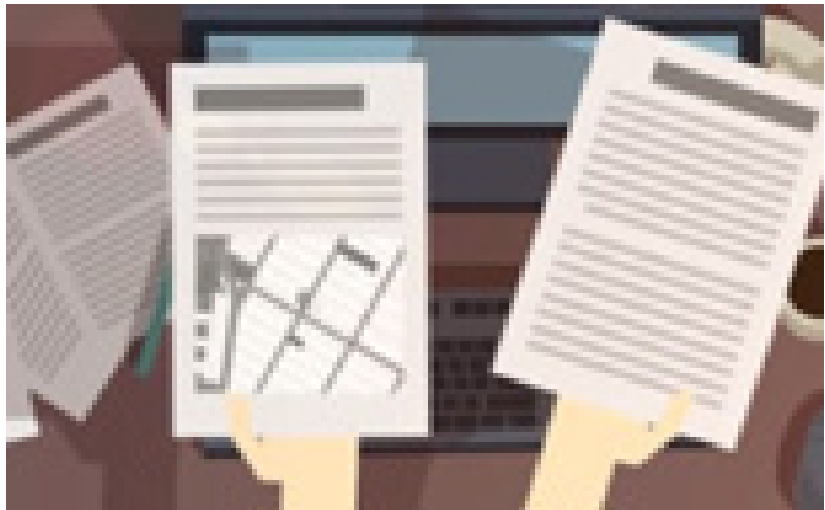
Our goal is to help communicate the appraiser's role in determining fair property values. Our video breaks down each part of this process to clear up any misunderstandings that may exist around property appraisals. Appraisers and property owners alike will appreciate the easy-to-understand information.

See for yourself!

Preview the Appraiser video or the Assessor video below. Once you are ready to order your customized video, simply complete the order form online.



CLICK ON THE IMAGE ABOVE TO PREVIEW THE APPRAISER VIDEO



CLICK ON THE IMAGE ABOVE TO PREVIEW THE ASSESSOR VIDEO

Save Time: Yours & Property Owners'

Fielding questions and processing appeals from taxpayers takes time. Using this video to answer common questions frees you to focus on other demands of your job. ❖

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