



TEAM at the IAAO Annual Conference in Las Vegas

By Rick Stuart, CAE, TEAM Consulting, LLC

This year's IAAO conference was held September 24–27, in Las Vegas. TEAM was pleased to be a sponsor for the Leadership session on Monday, and a number of our TEAM members were actively involved in the event.

Lifetime Achievement Award



Ed Crapo

It was an especially good conference for TEAM'S **Ed Crapo, CFA, ASA, AAS**. Ed was the recipient of the Professional Development Lifetime Achievement Award.

This award is presented to an IAAO member who has dedicated him- or herself to the organization and its members through education, instruction and the Professional Designation Program over a long period of time.

The recipient will have spent a significant portion of his or her career in the assessment administration, appraisal or property tax fields and distinguished him- or herself as a recognized leader in the area of profession development at the local, national or international level.

Nominees for the prestigious award must have 25 or more years of IAAO membership and served IAAO for 15 or more years through committee work in the

professional development areas as an instructor, course coordinator, curriculum developer or reviewer, demonstration appraisal grader or professional designation advisor.

TEAM Presenters at IAAO

A number of TEAM consultants served as presenters this year.

Ed Crapo, CFA, ASA, AAS. Emerging Issues session "IAAO Compensation Survey: The Assessment Industry's Future." Many assessing offices will see major changes in the next few years, and this session presented industry expectations related to personnel and technology derived from recent IAAO research.



Fred Chmura, AAS.

Emerging Issues session, "What is a Body of Knowledge?" This session provided an overview of the process for developing the IAAO Body of Knowledge—a compendium that captures in one place, a description of the expertise required in effectively work in the assessment profession.



Marion Johnson, CAE, served as one of the trainers for the IAAO annual Instructor Evaluation Workshop.



Brad Eldridge, MAI.

Brad was a presenter for the Management and Personal Development session titled "Engaging the Adult Learner." The session addressed the science of adult learners and included theory, research and feedback from the classroom perspective. Educators learned how to engage the audience for an effective learning experience. **Rick Stuart, CAE, CDEI,** also was a participant in the session.



Ken Voss, MAI, CAE, AI-GRS, SRA

was the facilitator for a session "Golf Course Valuation." The roundtable discussion included areas relating to a golf course's highest and best use, development of the traditional three approaches to value, consideration of personal property and business value, if warranted, and the reconciliation process. ❖

A Winning History...

TEAM is proud to have a number of IAAO award winners in recent years. Marion Johnson, CAE, received the 2016 Rosalyn Johnston Award, and Rick Stuart, CAE, CDEI, took home the 2015 Harry Galkin Award.

Moore Cost Online: Independent RCNLD Online, On Demand

Responding to the need for independent cost estimates for commercial and industrial structures, Moore Precision and CourthouseUSA have teamed up to provide Moore Cost Online. This new web service is available online on demand for a single property, for only those under appeal, or for all the structures in a jurisdiction.

Moore Cost Online adheres to the same guidelines and best practices found in Moore Precision Cost Tables and Models used in jurisdictions around the country. The difference is the online, on demand availability of an independent defensible value to support an existing value or one under appeal.

For the past two years, Wayne Moore, PhD, has considered weaknesses in the current approach to estimating cost for commercial/ industrial structures and found new technology was the answer to outdated methods. For example, the need for

- More choices to select the correct shell structure type.
- More flexibility in configuring interior occupancies.
- The ability to quality grade shell and interior separately.
- More flexibility in separately applying depreciation
- And easier ways to handle changes in occupancy uses and depreciation after remodeling.

The Moore Precision approach follows a logical methodology for calculating cost similar to that used by the construction industry. Structural vertical and horizontal costs plus frame determine the building "Structural Shell Cost."

Introducing Moore Cost Online <http://courthouseusa.com/moore-cost-online/>

Next, interior finish vertical and horizontal costs and electrical, plumbing and HVAC costs are determined by the intended use of the building OR building section. The only difference is that an Appraisal Cost Model contains assumptions about what is typical for each building type as described. To do this, the various described building types must be organized and classified for ease and efficiency of use in appraisal and for accurate association of the building type assumptions with current industry material, labor, and equipment costs. And to do that, the cost tables have to be organized.

The traditional cost manual organization is as follows:

- 1st organizational level: Use/Occupancy of building
- 2nd organizational level: 5 classes of construction
- 3rd organizational level: Quality of construction, with further adjustments for perimeter/area factor, wall height factor, month/year adjustment.

With the technology we have today, that's just not good enough. There is a better way.

- Separate the building shell costing from the use finish costing.
- Use more building structure types that are more precise. The most commonly applied construction class is too broad. It requires masonry walls but allows wood floor

and roof joists, lumps too many structure types into one classification, and results in an average cost applied to many different types.

- Make use of the computer's capacity to handle detail. Compute exterior wall costs directly based on length and height, and allow greater and more precise selection of exterior wall types.
- Allow user to select from many interior uses. Allow unlimited number of uses in any structure classification, and allow separate structural shell and interior finish depreciation.

The result: Greater precision. By combining the choice of 9 building structure types with 9 possible exterior cover types creates an unlimited number of wall segments of different wall heights resulting in greater cost estimating accuracy.

The Moore Precision method uses the same data that has always been collected for commercial cost, i.e. square foot, perimeter, wall height and type. The accuracy improvements come from having more refined structure type classifications, more choices of wall material, and direct computation of wall cost rather than converting wall cost to square foot area and use multipliers.

In short, the Moore Precision Cost approach relies on a computer to do what it does best, calculate; and Moore Cost Online relies on its web service to deliver immediate results online, on demand. Click on this link to learn more <http://courthouseusa.com/moore-cost-online>. Or contact Marlene Jeffers at Marlene@mooreprecisioncost.com or call (816) 529-9169. ❖

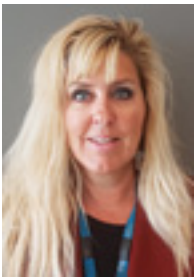
Welcome Kellianne and Lori-Ann to TEAM



Kellianne Nagy

Kellianne Nagy, CAE, CMI, is a new instructor for TEAM Consulting, LLC. Kellianne is one of the few who began her career in the assessment/property tax profession and has remained

in it for over 35 years. Her journey in the property tax world has given her the opportunity to do work in all 50 states and Canada, working as an assessor/appraiser, a consultant and/or a corporate property tax manager.



Lori-Ann Seethaler

Lori-Ann Seethaler

has worked in the property assessment industry for the past 23 years. She is currently

Manager, Valuation and Customer Relations at the Municipal Property Assessment Corporation (MPAC). MPAC is the largest assessment jurisdiction in North America, responsible for accurately assessing and classifying more than five million properties in Ontario in compliance with the Assessment Act and regulations set by the government of Ontario. She is responsible for the Region of Niagara, including seven municipalities and five cities, Haldimand County and Norfolk County. She specializes in commercial, industrial and multi-residential valuation.

Lori-Ann has provided leadership and property assessment expertise in a senior leadership capacity for the past 15 years. She holds her RES designation with the IAAO and is an IAAO instructor. She is a licensed paralegal with the Law Society of Upper Canada and is a member of the Institute of Municipal Assessors and holds an M.I.M.A designation. ❖



A map showing the location of TEAM's instructors. Find the complete list of TEAM instructors and the workshops they teach at <http://www.teamconsulting.cc/instructors.html>.



Instructors for the MAAO class (l-r): Rick Stuart, Susanne Barkalow, Michelle Moen and Stephen Hacken.

TEAM Develops Course for MAAO

MAAO (Minnesota Association of Assessing Officers) contracted with TEAM to develop and conduct the initial offering of a week-long course titled Mass Appraisal Basics. The initial offering was held in St. Cloud, Minn., with 44 students and three MAAO instructors.

Purpose of this course is to provide some guidance and suggestions on the process of performing a mass appraisal on a jurisdiction's properties.

Mass Appraisal Basics

Topics include:

- USPAP
- What is mass appraisal?
- Statistics and data displays
- Modeling
- Organizing, Directing and Modeling the Cost Approach
- Organizing, Directing and Modeling the Comparable Sales Approach
- Organizing, Directing and Modeling the Income Approach ❖

The Assessor's Cadastre

By Rick Norejko, CMS

Modern day local assessment offices are staffed with individuals who possess different skill sets and knowledge than deemed necessary even five years ago. It is through the taxation of real property that tax jurisdictions within the United States generate a majority of their revenue. *The Assessor's Cadastre* workshop is designed to provide students with an understanding of—and most importantly, a working knowledge of—legal documents related to real property ownership and the rights associated with that ownership.

Understanding real property law is critical to the valuation of parcels in conformance with generally accepted appraisal standards. This class covers real property ownership and tax assessment in the United States, as well as real property law, from the county assessment office standpoint.

Workshop Topics. The lecture will cover the following topics:

- History of land conveyances;
- History of real property assessment;
- Understanding the various components of property transfers;
- The recommended order of importance of ambiguous legal instruments;
- How assessment staff should handle various legal deed and taxpayer requested abnormalities;
- Redefining the relationship between the county's recorder's office and the assessor;
- How to acquire new imagery without using the county's capital funds;
- Best business practices for maintaining an accurate and equitable real property assessment database.

Workshop Options. The full workshop length is four-days; however,

there is a two- and a two-and-a-half-day version to meet various continuing educational requirements.

In the states that *The Assessor's Cadastre* material has been submitted for review (NC, VA, AL, AR, MO, KS, WY, ID), all of them have given accreditation to the workshop



Rick Norejko

About the Author & Lecturer

Rick Norejko, CMS, has been acclaimed by students for his ability to untangle the assessment cadastre and recreate the historical connection of real

property law, property assessment and the ownership of property in America. The recipient of numerous accolades for technical articles and teaching, Rick has the ability to make the subject of a county cadastre graspable.

He is a nationally recognized keynote speaker, lecturer and teacher in the field of cadastral mapping. He has over 40 years of experience in all aspects of cadastral mapping. He co-authored IAAO Course 600 and authored Courses 601,650, 651, and 854. He has also published technical articles in *Fair & Equitable* magazine.

Rick has served on committees for various organizations. He is an IAAO senior instructor, instructor training reviewer and trainer, and the CMS designation grading chairman. He was named 2001 IAAO Member of the Year and served on the IAAO Executive Board from 2003-2005. He is former chairman of the GIS/CAMA conference and past president of the North Carolina Property Mappers Association.

To learn more about the series of classes that Rick authored and

presents, go to the TEAM website at <http://bit.ly/2wALzZg>. To set up the classes, contact Rick at richardnorejko@bellsouth.net or Fred Chmura, AAS, at fchmura@teamconsulting.cc ❖

Mapping Classes Done Right!

By Maria Castillo, RMA
Finney County, Kan., Appraiser

Richard J. Norejko taught all three of his classes of the Assessor's Cadastre in Garden City, Kan., on Aug. 28-31. We had a small class of 15 people from different parts of Kansas with the majority from the Finney County Appraiser's Office. The southwest part of Kansas is a very rural community, but we met the minimum requirement to have the class.

We were grateful to have the class out here. Knowing it was part history was exciting for me, but the property law for appraisers turned out to be exciting, too. I appreciate having Rick Norejko come out to teach the class; he is a great instructor and person. Loved his terminology; "Whoo-do, was great.

Some other comments from the participants were:

- Rick was very engaging and the class was informative
- Good teacher
- Rick was very engaging and personable, humorous
- Content was thought provoking, detailed and user friendly
- He definitely loves and is enthusiastic about what he does, as it shows in his presentation

I think the last statement summed it up the best. I enjoy classes I have had from Team Consulting, LLC.

Interesting Buildings

By Rick Stuart, CAE, CDEI

Over the years, I have collected a large number of "interesting building" photos. If you have picture(s) of building that have piqued your interest, email them to me and I will add to the file and the newsletter. Rstuart17@cox.net



The City Hall Building in Milwaukee Submitted by Margie Cusack, AAS.



T.J. Mains with the Washington Department of Revenue sent me the following note and photo of a unique building. "I was in Seattle this weekend and walked by an old building that had new construction currently being built on top of the old building that has been vacant for years. I found this interesting as I have not seen this before." ❖



One Size Can Fit All

By Rick Stuart, CAE, CDEI

Contrary to the old saying, "one size does not fit all," there are exceptions. A perfect example of this is the video TEAM Consulting endorses titled "Who Are Appraisers?"

This video fits all sizes of jurisdictions and is available for the position descriptions of Assessor or Appraiser. It is also available in Spanish. Clients currently using the video include Trego County, Kan., with around 4,800 parcels, and Maricopa County, Ariz., with 1.7 million real and personal property accounts. Take a look at the video and see how well it fits your jurisdiction's needs. Go to <http://www.teamconsulting.cc/videos.html>.

Big Box Like I Have Not Seen...

By Rick Stuart, CAE, CDEI

Thank you, Stephen Hacken, Assessor for Winona County, Minn. I was not aware that the Big Box Dark Store Theory was a result of assessor conspiracies until he sent me the article from Bloomberg BNA, "The Dark Store Theory and Other Lies the Government Told." It discusses "the dark stores theory and why using vacant stores in property valuation is an acceptable appraisal practice." I think it will make your heart pump a little faster. Read the article at <https://www.bna.com/dark-store-theory-n73014462929/>.



Marion Johnson Turns 35

Well, maybe the headline should say Marion Johnson, CAE, has been an IAAO member for 35 years. Marion joins a long list of TEAM Consulting members with over 30 years of IAAO membership. Good job, Marion.



TEAM Workshops: Updates & More Updates

The appraisal world does not stand still, therefore our workshops do not remain static. The following workshops have already been updated in the third quarter of 2017:

- Contamination & Valuation Issues
- Valuation of Lodging Properties
- Valuation of Historical Properties
- Mass Appraisal Analysis & Benchmarks

Travel Squad



TEAM associates continue to serve in teaching, consulting and speaking capacities. In the third quarter of 2017, we have been in Arkansas, Georgia, Florida, Idaho, Illinois, Indiana, Kansas, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Texas, Washington, Wyoming and Nova Scotia.

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

Good Reviews on Workshops

Rick Stuart, CAE presented four TEAM workshops in Boise, Idaho, for the Idaho State Tax Commission, and all received very good reviews. Some comments follow.

Contamination & Valuation Issues:

Overall rating of 4.8 out of a possible 5.0

- It actually expanded my view of contamination— good case studies
- The information & handout were very good—detailed information
- Quite interesting—relevant and informative

Residential Quality, Condition & Effective Age:

Overall rating of 4.7 out of a possible 5.0

- Learned a lot and will be able to use it
- The examples used in the case studies to work on— good class
- Applicable to the real world

Unique & Challenging Homes:

Overall rating of 4.6 out of a possible 5.0

- Very interesting—great examples & cost estimates
- Great examples with recent illustrations & materials— excellent class
- All information will be an exceptional resource

Valuation of Historic Properties:

Overall rating of 4.6 out of a possible 5.0

- Good take-home information—practical application
- Interesting use of comparisons and different ways to value ❖

IAAO Election Candidates

Below are the candidates seeking a position on the IAAO Executive Board. The election is in November.

President-Elect

Tim Boncoskey – Arizona

Vice President

John C. Isbell, AAS, Tennessee

Anthony “Sackey” Kweku, New York

Amy Rasmussen, RES, AAS, Iowa

Region 1 Board

Jeffrey T. Holsapple, CAE, RES, Kansas

Scott K. Teruya, AAS, Hawaii

Region 2 Board

Rebecca L. Malmquist, CAE, Minn.

Donna VanderVries, CAE, AAS, Mich.

Region 3 Board

David B. Baker, PPS, North Carolina

Bryan Kinsey, AAS, Tennessee



Is hospital valuation making you ill?

More and more hospitals are being purchased, and most are moving from exempt to taxable status.

These are not your run-of-the-mill properties, and many appraisers lack the experience to do the research, value, and defend the value on hospitals.

In addition to the hospital itself, there are often separate structures to consider, such as doctors' offices, oncology, therapy, parking lots, storage, power plants—the list goes on and on.

Let TEAM Consulting help. TEAM can provide an MAI (member of the Appraisal Institute) with considerable hospital valuation experience to ensure that you get an accurate valuation.

For more information contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or by calling 860-974-1354.

TEAM
Consulting LLC
Leaders in property assessment & valuation



Real Estate Notes of Interest

By Rick Stuart, CAE

■ www.builderonline.com, June 29, 2017. "The U.S. median home price was \$253,000 in the second quarter of 2017, the least affordable level since third quarter 2008, a nearly nine-year low in affordability, according to ATTOM Data Solutions. The national home affordability index was 100 in the second quarter of 2017 and meaning the share of average wages needed to buy a median-priced home nationwide was on par with its historic average. The index was at 86 in 2008." <http://bit.ly/2sZm2sv>

■ Kaja Whitehouse, www.nypost.com, June 29, 2017. Submitted by Brad Eldridge, MAI. "The federal government won a valuable prize in the war on terror Thursday — full ownership of one of Manhattan's hottest properties: 650 Fifth Ave., where Nike just signed a 15-year lease worth an estimated \$700 million. The 36-story tower, worth an estimated \$800 million, was awarded to the government after a Manhattan federal jury found that it was actually controlled by Iran in violation of US sanctions." <http://nyp.st/2s6Xtaj>

■ Jenny Xie, www.curbed.com, June 29, 2017. "Three years in the making, the Austrian Company Ecolit house is a modular, flat-packed design built from thermal-insulated panels and eco-friendly materials. The exterior looks something like a small, modern barn with a gabled roof, slanted side walls, covered deck, and solar roof system that the company claims can generate both electricity and hot water."



Rick Stuart, CAE, CDEI, is a senior consultant with TEAM Consulting, LLC. He lives in Topeka, Kansas.



Austrian Company Ecolit house

Renderings for the interior show an open-plan living and dining area, with a bedroom on the ground level and another in the mezzanine." <http://bit.ly/2urqf71>

■ www.builderonline.com, July 5, 2017. **Editor's Note:** The video on the website listed below is pretty cool. "In 2014, German engineering conglomerate ThyssenKrupp unveiled its concept for a cable-free, multi-directional elevator. Over the past few years the company has been constructing a 246-m (807-ft) high test tower and refining the technology that would allow multiple cars to move vertically and horizontally in a single shaft using a magnet-based drive system, and it's finally worked." <http://bit.ly/2tKGBu1>

■ Cathie Ericson, www.realtor.com, July 6, 2017. **Editor's Note:** Interesting article titled "9 things buyers regret overlooking in a home: Will you miss them too?" <http://bit.ly/2tPOpu7>

■ John Egan, www.nreionline.com, June 20, 2017. "Does the growing legalization of recreational and medical marijuana represent a pot of gold for industrial real estate? It could, experts say, but only if investors quickly and carefully pounce on opportunities." **Editor's Note:** Never in most of our wildest dream would we have thought this would be part of a supply and demand discussion.

This is an interesting article. <http://bit.ly/2v38VFE>

■ Kenneth Harney, *Miami Herald*, July 20, 2017. "A federal district court has levied nearly \$11 million in fines and damages against Quicken Loans for home owners who the court said were victims of an alleged appraisal tampering scheme by the company during the housing boom and bust years in West Virginia, reports." <http://bit.ly/2uFYMRC>

■ *Forbes*, July 20, 2017. "Foreign investment in U.S. residential real estate has reached a new high in the twelve-month period between April 2016 and March 2017. Foreign buyers and recent immigrants purchased \$153 billion in residential property over this span, a 49% increase over 2016's annual sales volume (\$102.6 billion) and a new survey high over 2015's \$103.9 billion." <http://bit.ly/2uGqE7U>

■ Jennifer Goodman, www.builderonline.com, July 20, 2017. A must have for all appraisers. "A new toilet from Toto shatters the ceiling for what consumers will pay for a top-of-the-line luxury loo with an eye-popping \$12,000 price tag. The Neorest AC is equipped with similar features as the manufacturer's \$10,000 Neorest 750H, including heated seats, auto open/auto close, warm, aerated water, and warm air drying. In addition, the new model comes with a sleek new wall-mounted system to save space in the bathroom and provide a customizable height for users." <http://bit.ly/2vluzhM>

■ www.zillow.com, July 20, 2017. "The national median home value is now \$200,400, up 7.5% since this

continued on next page

time last year. During the height of the housing bubble more than a decade ago, the median U.S. home value peaked at \$196,600 but never surpassed the \$200,000 threshold." <http://bit.ly/2uGJ2y4>

■ Ryan Dezember and Laura Kusisto, *www.wsj.com*, July 22, 2017. "Four big companies have bought nearly 700 single-family homes in Spring Hill, Tenn. A new breed of homeowners has arrived in this middle-class suburb of Nashville and in many other communities around the country: big investment firms in the business of offering single-family homes for rent. Their appearance has shaken up sales and rental markets and, in some neighborhoods, sparked rent increases." <http://on.wsj.com/2vli31W>

■ *www.gobankingrates.com*, July 24, 2017. "GoBankingRates is out with a study, and a calculator, that will tell folks who live in various places whether it's better to rent than own. To find out where it makes more sense to rent or buy a home, GOBankingRates once again surveyed the cost of renting versus owning a home in all 50 states and the District of Columbia.

Since conducting a similar survey in 2016, we found that the number of places where it's more expensive to own than rent has increased from nine to 11 — this includes a few states where the price difference is minimal." <http://bit.ly/2uVeulZ>

■ Benjamin Parkin & David George-Cosh, *www.wsj.com*, July 23, 2017. "Wildfires in Canada are pushing up the price of lumber, threatening the supply to U.S. home builders. Lumber futures have soared in July as blazes spread across the province of British Columbia, leaving many U.S. wholesalers short-handed. Lumber

dealers ran down their inventories this year as a trade spat between the administration of President Donald Trump and Canadian officials sparked wild price swings. Then Canada's wildfires, a threat every summer, turned out to be the hardest on the lumber industry in more than a decade.

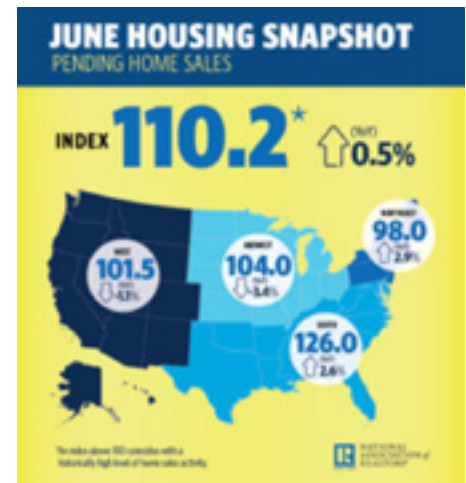
Now home builders in the U.S., which gets around a third of its lumber from Canada, fear prices might climb even higher as wholesalers try to restock amid the price surge. British Columbia produces nearly half of all Canadian lumber, according to Statistics Canada." <http://on.wsj.com/2tq3csi>

■ Laura Kusisto & Sarah Chaney, *www.wsj.com*, July 26, 2017. "Two top demographic groups, baby boomers and millennials, are driving a recent home-improvement craze. Americans are expected to pour a record \$316 million into home remodeling this year, up from \$296 million a year earlier." <http://on.wsj.com/2v2TzV3>

■ *www.builderonline.com*, Aug. 1, 2017. "Home prices were up strongly in June both year over year and month over month, with gains of 6.7% and 1.1% respectively, according to the CoreLogic Home Price Index, released Tuesday." <http://bit.ly/2uhXDfb>

■ David Enrich, *The Wall Street Journal*, July 27, 2017. **Editor's Note:** For those of you that deal with cap rates, this will change what most banks use for calculating loan rates and adjustable rate mortgages. Libor—the London interbank offered rate—was created in 1986 to help banks set interest rates on big corporate loans. Thirty-one years later, a top U.K. banking regulator said the benchmark would be phased out over the next five years.

■ National Association of Realtors,



July 31, 2017, *www.builderonline.com*. "Pending home sales reversed a three-month slide in June, rising 1.5% to a Pending Home Sales Index of 110.2, the National Association of Realtors reported Monday. The West, South and Northeast posted gains; the Midwest was the sole region with a decline." <http://bit.ly/2udBs9V>

■ Prashant Gopal, *www.nreionline.com*, Aug. 8, 2017. **Editor's Note:** This is an interesting article. "People 55 and older own 53 percent of U.S. owner-occupied houses, the biggest share since the government started collecting data in 1900, according to real estate website Trulia. That's up from 43 percent a decade ago. Those ages 18 to 34 possess just 11 percent. When they were that age, baby boomers had homes at almost twice that level." And apparently they are not moving. <http://bit.ly/2vk1cDu>

■ *www.cnn.com*, Aug. 8, 2017. **Editor's Note:** You might only see this once in a lifetime. "These days, the price of a San Francisco home can easily top a million dollars. But one savvy investor has bought up a whole street in the city's most exclusive neighborhood for a mere \$90,000.

Trouble is, some of the extremely wealthy residents of Presidio Terrace were not aware their street was up for sale and are not

pleased it has been sold." <http://cnb.cx/2vGSjGO>

■ Mike Sorohan, *www.mba.org*, Aug. 1, 2017. "The market shift toward more purchase mortgages, coupled with rising rates and tight inventory, is generating the consistent upward trend in defect risk, said First American Financial Corp., Santa Ana, Calif. The company's monthly Loan Application Defect Index said frequency of defects, fraudulence and misrepresentation in the information submitted in mortgage loan applications increased 1.2 percent in June from May. From a year ago, the Defect Index increased by 16.7 percent but is down by nearly 18 percent from its high point of risk in October 2013." <http://bit.ly/2wvoDtR>

■ Roger Yu and Paul Davidson, *www.usatoday*, Aug. 11, 2017. "The number of residential houses available to buy is at a 20-year low as the appeal of McMansions wanes and Baby Boomers grow increasingly reluctant to trade up or down from their current homes, according to a survey by Realtor.com." <https://usat.ly/2fvb3CE>

■ Smith Travel Research, *www.htrends.com*, Aug. 15, 2017. The U.S. reported 188,734 rooms in 1,436 hotel projects in construction in July 2017, according to STR's pipeline report for the month. The number of rooms is a 10.2% year-over-year increase compared to July 2016." <http://bit.ly/2v14EI3>

■ Samantha Smart, *www.forbes.com*, Aug. 15, 2017. "In a recent survey from ValueInsured, 58% of the 1,079 adults surveyed agreed that there will be a "housing bubble and price correction" in the next two years. Forbes' Samantha Sharff reports that a price correction does not have to mean that there is a bubble. Sharff explains that the last up-cycle ran for 17 years before

the crash in 2006, and this number could well be the new normal for up-cycles. She goes on to explain how today's market differs from that of the previous decade." <http://bit.ly/2w0NAA2>

■ Laura Kusisto, *The Wall Street Journal*, Aug. 26, 2017. "Sales of previously owned homes fell in July to their weakest level of the year as a shortage of houses for sale weighed on the market."

■ *The Casper Star Tribune*, Aug. 27, 2017. "The benchmark 30-year mortgage rate is at new low for the year, touching its lowest level since last November. Mortgage buyer Freddie Mac said Thursday the rate on 30-year, fixed-rate mortgages fell to 3.86 percent from 3.9 percent last week."

■ *www.builderonline.com*, Aug. 29, 2017. "The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.8% annual gain in June, up from 5.7% the previous month, S&P/Dow Jones reported Tuesday. The index at the end of June stood at 192.60, 4.3% ahead of the 2006 pre-crash peak and 43.7% above the post-crash trough in 2012." <http://bit.ly/2wPU5GA>

■ *www.builderonline.com*, Aug. 29, 2017. "In the second quarter of 2017, the delinquency rate for mortgage loans on one-to-four unit properties fell to a seasonally-adjusted rate of 4.24% on all loans outstanding, according to the Mortgage Bankers' Association's National Delinquency Survey. This rate is down 47 basis points from the past quarter, and 42 basis points from one year ago." <http://bit.ly/2wGuz6o>

■ Christina Rexrode, *www.wsj.com*, Aug. 27, 2017. "Rising home prices are getting borrowers comfortable again with the idea

of tapping their homes for cash. Home-equity lines of credit and cash-out mortgage refinances, two products that let consumers spend the windfall of home ownership, are back in vogue with consumers. That reflects growing confidence and is a potential benefit to the U.S. economy as homeowners have more money to spend." <http://on.wsj.com/2wJyFtn>

■ Kenneth Harney, *www.chicagotribune.com*, Aug. 29, 2017. "Would you welcome the option to buy a house but not have to pay hundreds of dollars for an appraisal? If an appraisal-free home purchase sounds intriguing, you might be interested in groundbreaking new policy changes by the two largest sources of home financing — Fannie Mae and Freddie Mac. Both government-chartered companies now are willing to waive their decades-old appraisal mandates for certain home purchases, provided their automated valuation models — loaded with previous appraisal and current market data — flash a green light."

Editor's Note: You should read this article. <http://trib.in/2vPQS9T>

■ *www.htrends.com*, Sept., 13 2017. "In the Construction stage, the U.S. reported 192,132 rooms in 1,463 projects and based on the number of rooms, that is a 12.9% increase in year-over-year comparisons." <http://bit.ly/2y3524m>

■ Yvonne Morris McCallum, *www.wsj.com*, Sept. 12, 2017. This article discusses the added tax on properties owned by anyone not Canadian. **Editor's Note:** I was not aware that the extra tax applied to previously purchased properties also. <http://on.wsj.com/2jw3LAA>

■ Patrick Kirk, *www.nreionlin.com*, Sept. 19, 2017. "Rebuilding after both Harvey and Irma will likely cause building costs to skyrocket

nationwide due to increased demand for building materials and skilled labor, says Doug Wilson, chairman and CEO of San Diego-based Douglas Wilson Co., a commercial real estate development and advisory firm that operates a problem resolution and fiduciary services division. Hurricane-affected areas are considered a priority by both the Federal Emergency Management Agency (FEMA) and labor unions, so skilled workers from around the country are likely to end up working in Texas and Florida, which will increase labor shortages elsewhere, he notes." <http://bit.ly/2fj1Ptv>

■ Laura Kusisto and Josh Mitchell, www.wsj.com, Sept. 20, 2017. "Sales

of previously owned homes fell in August to the lowest level in a year, reflecting a shortage of properties on the market and a sharp drop in Houston home purchases because of Hurricane Harvey. Existing-home sales declined 1.7% from a month earlier to a seasonally adjusted annual rate of 5.35 million, the National Association of Realtors said Wednesday. That marked the third straight monthly drop, with continued declines expected in the coming months. Sales rose just 0.2% over the 12 months ending in August." <http://on.wsj.com/2flrkud>

■ Jan Swanson, www.mortgage-newsdaily.com, Sept. 9, 2017. The new product, branded as the Enhanced Relief Refinance Mortgage,

will provide refinance opportunities to borrowers with existing Freddie Mac mortgages but who cannot utilize the Freddie Mac "no cash-out" refinance because the LTV of the new loan would exceed that program's maximum limit. There is no maximum LTV for a fixed rate Enhanced Relief Mortgage but there is a maximum LTV of 105 percent (emphasis added) for an adjustable rate (ARM) version. Refinancing into an ARM will only be allowed if the existing mortgage is also an ARM. **Editor's Note:** Just about monthly I continue to have flashbacks to the pre-residential crash. <http://bit.ly/2wBsKbG> ❖



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