



Ed Crapo

Crapo to Assist Virgin Islands

Ed Crapo, AAS, ASA, CFA, TEAM consultant and Alachua County, Fla., appraiser, has been appointed to serve on the Virgin Islands Real Property Task Force. The core mandate of the nine-member task force is explained in the following letter sent to Ed by the Lt. Governor's office.

Real Property Tax Reform Task Force, Office of the Lt. Governor of the Virgin Islands

MANDATE

Lieutenant Governor Osbert Potter announces the formation of a new Real Property Tax Task Force that will spend the next twelve months to address the vexing problem of real property taxation in the Virgin Islands. Many Virgin Islanders, especially the people of St. John, are worried about rising property values and want to know how to manage future assessments that are virtually certain to result in higher tax bills.

In response to Territory-wide concerns about rising property taxes since the 2013 revaluation performed at fair market value levels, and the impact of increasing property assessments, the Lieutenant Governor has pledged the resources of his office to developing solutions that address the higher assessments that are driving taxes up and people off of their family land, and out of their homes.

Real estate taxes are the main drivers of a strong economic engine. Any proposed reforms must be based on sound tax policy. While



The core mandate of the Task Force is to review the property tax system and offer reforms to relieve homeowners and other property owners of their increasing tax burdens.

current legislation includes property tax relief in the form of circuit breakers and exemptions, there is still room for improvement to generate property tax relief and reform. As the head of the property tax assessment office, Lieutenant Governor Potter is committed to seeking out and helping to implement those reforms.

The nine-member Task Force will be comprised of two senators chosen by the Senate President, and other experts in the field of taxation, assessment administration, real estate, and public finance. The members come from a wide cross-section of socio-economic and political groups. The Task Force members represent all three islands, and also include one expert from the continental United States.

The core mandate of the nine-member Task Force is to review the property tax system and offer reforms to relieve homeowners and other property owners of their

increasing tax burdens.

At the conceptual level, the Task Force is charged with proposing tax policy recommendations that can address and harmonizes two competing claims: 1) addressing the Territory's need to generate revenue to support public services and infrastructure maintenance—the core functions of local government operations; and 2) helping the people of the Virgin Islands to retain their property in the face of increasing tax liability directly related to increased property values. In addition the Task Force will provide a framework for dialogue with a view to considering developed and emerging best practices and approaches to property assessments throughout the United States.

At the practical end of the spectrum, Lieutenant Governor Potter expects that at the conclusion of the review period the Task Force will present a detailed, written Real Property Tax Reform Plan that includes concrete recommendations that may be adopted by the Legislative and Executive branches. Ultimately, the work of the Task Force is to present several amended or new tax policies that are based on data-driven evidence and sound and sustainable economic principles. ❖



Another Chapter for Rick Norejko

By Rick Stuart, CAE

Rick Norejko dressed as a colonial surveyor.

“It just amazes me how this series has evolved...”

TEAM member Rick Norejko, CMS, has closed one more chapter in his life and opened another. He retired from Buncombe County, N.C., last August. He was hired by the county in 1985 to direct the creation of their cadastral database. In that capacity Rick pioneered the use of orthophotography and GIS for county assessment use in North Carolina.

Following up on that successful implementation he became an IAAO senior instructor specializing in the mapping science curriculum. He has also authored all of their mapping/GIS workshops and courses. His most recent creation is Workshop 854–CMS Case Problem Review Workshop. He taught the pilot of that workshop in Arkansas last May for 16 CMS designees.

In 2014 Rick rolled out a series of workshops, “The American Cadastre: The Rest of the Story.” This lecture series had a very innocent beginning. It started as a short article for IAAO’s *Fair and Equitable* magazine in 2009. That led to an invitation as a plenary speaker at IAAO’s annual conference in Louisville, Ky. From there it evolved into a one-day workshop titled “The History of Land Ownership in United States” and a two-day workshop titled “Real Property Law for Appraisers and Mappers.”

Acceptance of this this workshop has been wonderful. In September, Rick will roll it out as a weeklong course for assessment personnel in Missouri.”

“It has always been my belief

that if you’re going to be a professional in the mapping or appraisal field, your body of knowledge should include the history of obtaining title to property that you are appraising, how and why the PLSS was developed, how the first U.S. Congress passed and changed that federal program, and how legal descriptions of property evolved,” Rick said. “I also believe that assessment personnel should understand legal documents related to real property ownership, and the meaning and history of all the terms used in American property law.”

The real property law portion of this workshop is a university-level course that explains the legal recording process, how the owner of record should be listed, the proper interpretation of legal terms and their application to a county cadastre, and the importance of the county assessment system to the national economy.

“It just amazes me how this series has evolved from a single article to a weeklong course explaining how the assessment cadastre developed and how to properly, and fairly, maintain that appraisal system,” said Rick.

A new chapter in Rick’s life has begun as he focuses solely on teaching IAAO classes and his American Cadastre series throughout the United States. When he’s not teaching, he and his wife, Sue, are busy building a log home overlooking the French Broad River basin outside Asheville, N.C.

You can contact Rick about his series of workshops or an IAAO mapping class by email at Richardnorejko@bellsouth.net or by phone at (828) 275-7883. A full list and description of Rick’s classes can be found on the TEAM website at <http://bit.ly/1CRwspv>. ❖



New Workshops

In 2009, TEAM developed a workshop on **The Valuation of Green Buildings**. The workshop was updated in 2012 and 2013. This workshop discussed the valuation of both residential and commercial properties. The amount of information in the market place has become so prevalent, that the workshop needed to be separated into two workshops.

TEAM is pleased to announce the completion of the residential portion, **Valuation of Green Residential Buildings**. The commercial workshop is under construction.

Updated Workshops

TEAM has been on a roll of late updating workshops to keep them current, fresh and responsive to student requests. Here is a list of the most recently updated workshops:

Appraising After A Disaster or in Traumatic Events – Written 2013, Updated 2016

Valuation of Big Box Properties – Written 2013, Updated 2016

Preparing and Presenting a Valuation Appeal – Written 2009, Updated 2011, 2012 and 2016

Valuation of Residential Land – Written 2008, Updated 2014 and 2016

Let us know how we can help your educational offerings get high ratings. Almost 5,000 students have attended our workshops in the last four years. 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>. ❖

Successful AAS Designees Who Used TEAM's AAS Case Study Review

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Richard L. Sanderson, AAS, fulfilled the requirements of the Assessment Administration Specialist designation in December 2015.

For the past 10 years, Mr. Sanderson has been a Senior Property Tax Consultant for Local Government Services International, currently working in Rome, Italy.

His career has included such roles as Deputy Director of the St. Joseph County, Mich., Equalization Department, 1977–1979; Deputy City Assessor for the City of Midland, Mich., 1980–1981; City Assessor of Midland, 1981–1987; Director of the Department of Real Estate Assessments for the City of Alexandria, Va., 1987–2002; and City Assessor for the City of Manassas Park, Va., 2007–2012.

He received a Bachelor of Arts degree in business administration from Northwood University. He has taught on several occasions, including one three-hour and five one-day Land Valuation Workshops for the Afghanistan Land Authority in Kabul, Afghanistan, in 2013 and 2014; “Effective Ways to Enhance Your Public Relations Program” at the IAAO 2006 Annual Conference; and two one-day workshops on “Basic Principles of Property Tax Systems and Management” in Skopje, Macedonia, in 2005.

His article, “Valuation Consulting at the International Level,” appeared in the January 2015 F&E. He also wrote “Keeping Current with Changes in Legislation Affecting Property Assessments: A Resource Guide for Virginia Property Assessors” for the Winter 2012 issue of the VAAO Network newsletter.

Mr. Sanderson was presented with the IAAO International Award

in 2015 and was awarded the U.S. Department of State Professional Development Program Fellowship in 2014.



Barbara Teatsorth, AAS, earned the Assessment Administration Specialist designation in December 2015. Ms. Teatsorth has been

Chief Operating Officer for the Appraisal Research Corporation in Findlay, Ohio, for the past 10 years.

The assessment field is her second career, finding it after spending most of her professional career in the semiconductor industry working for Intel Corporation as the People Systems Manager for Global Manufacturing Operations. She received both a bachelor’s degree and a master’s degree in accountancy from New Mexico State University.

She has taught numerous Intel University courses and Accounting 101 at New Mexico State University and has facilitated Stephen Covey’s 7 Habits.



Jack Baines, AAS, completed the requirements for the Assessment Administration Specialist designation in January. Mr. Baines

has been the Chief Field Deputy for Douglas County in Omaha, Neb., for the past year. Prior to this position, he was the Deputy Appraiser for Wyandotte County, Kan., for nine years. He’s also been a Right of Way Appraiser for the Kansas Department of Transportation; the Barton County, Kan., County Appraiser; and the Clay County, Kan., County Appraiser.

He found his way to the

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It Works!

Team Consulting’s AAS Case Study Review Class prepared me to take and pass the IAAO’s case study exam on my way to earning my designation. The information presented in the class, mirrors the material on the new Case Study exam that the IAAO has recently implemented in their designation program. Thanks Rick, Marion and the entire Team Consulting organization for helping me further my assessing career.

—Aaron Suozzi, AAS, Indiana

More AAS Compliments

I want to take a moment to thank you guys for putting together the AAS Case Study Review

materials that I purchased from TEAM last January. I sat for the 8-hour exam yesterday and the study materials were very helpful in preparing me for the topics covered on the exam. I sat for the AAS Master exam and studied the same materials in your AAS Case Study Review. Your material was helpful in taking both the AAS Case Study and Master exams in that it narrowed the scope of material to study from everything in the property assessment and valuation universe to controllable, structured topic areas.

—Richard Sanderson, AAS, Washington, DC; Oregon

assessment field working as a data collector during Kansas's reappraisal in the late 1980s. He is now a Nebraska State Certified Assessor and holds a Registered Mass Appraiser designation in the state of Kansas.



Aaron Suozzi, AAS, earned his Assessment Administration Specialist designation in December 2015.

Mr. Suozzi has been North East District Coordinator for Nexus Tax Group in Fort Wayne, Ind., for the past four years. Prior to his work with this company, he was the Residential Deputy in the Allen County Assessor's Office for three years.

He found himself working in the assessment field after an award-winning career as a newspaper photojournalist. Mr. Suozzi received an Associate of Arts degree in photojournalism from Los Angeles Pierce College and a Bachelor of Science degree in journalism with a minor in geology from San Jose State University.

He has been an adjunct instructor in photography and Adobe Photoshop for Indiana University–Purdue University Fort Wayne for eight years and has taught visual communication classes for Ivy Tech for two years. Aaron coauthored and designed the college textbook *Visual Communications in a Digital Age*. ❖



Henry Riley, CAE

Some Quality Time with Henry

Dr. Wm. Henry Riley, CAE, of TEAM Consulting, was a presenter at the 52nd Northeastern Regional Association of Assessing Officers Annual Conference. The conference was jointly hosted with the Maryland Association of Assessing Officers at the Carousel Resort in Ocean City, Md., on May 15–18. Dr. Riley presented a session entitled "Mass Appraisal and Statistical Software in Market Analysis, Appraisal, and Measuring Assessment Performance".

A former member of the Appraisal Standards Board, Dr. Riley has also been active in the ASB's workgroup charged with reviewing and revising STANDARD 6, Mass Appraisal, Development and Reporting.

The Mass Appraisal Workgroup— ASB 2018-2019 USPAP Revision

The Appraisal Standards Board (ASB) of the Appraisal Foundation has begun work on the 2018-2019 editions of the Uniform Standards of Professional Appraisal Practice (USPAP). The ASB issued a Discussion Draft in January 2016, identifying potential areas of change for the 2018-2019 edition of USPAP. Of importance to assessors, were possible changes to STANDARD 6, Mass Appraisal, Development and Reporting.

The ASB's examination included the formation of a working group of mass appraisers, including ad valorem appraisers. This work group included experienced ad valorem and non-ad valorem mass appraisers.

The work group was charged with reviewing STANDARD 6 for possible edits or revisions. It was asked to offer an opinion as to whether or not STANDARD 6 should be split into separate development and reporting standards like the Standards for real property appraisal (STANDARDS 1 and 2), personal property appraisal (STANDARDS 7 and 8), and business appraisal (STANDARDS 9 and 10).

The mass appraisal working group was in favor of dividing STANDARD 6 into separate development and reporting standards. The group also presented several potential changes to STANDARD 6. All of these potential changes are being considered by the ASB. However, for the first exposure draft (April 16, 2016) only basic changes related to the division of STANDARD 6 and some minor wording changes relating to reporting are being exposed.

These proposed edits would make the mass appraisal reporting standard more consistent with the other standards. For example, the requirement to summarize rather than describe is being proposed as being more appropriate to mass appraisal reporting. This is also consistent with the other reporting standards and the requirements for an Appraisal Report.

Future exposure drafts of the ASB's work on the 2018-2019 USPAP Revisions can be found at the Appraisal Foundation's website following the June 17, 2016, public meeting. ❖

Interesting Buildings

By Rick Stuart, CAE

Over the years I have collected a very large number of photos. My intention is to publish a couple each month. If you have pictures that have piqued your interest, email them to me, and I will include them in the newsletter.

Left: Dome House, Florida.

Right: Dancing Building, Prague, Czech Republic



Good Reviews for TEAM Workshops

Rick Stuart, CAE presented two TEAM workshops in Little Rock, Ark., for the Arkansas Chapter of IAAO: Valuation of Big Box and Mass Appraisal Analysis and Benchmarks. Both received very good reviews.

Rick also presented two TEAM workshops in Springfield, Mo., for the Southwest Missouri Chapter of IAAO: Appraising After a Disaster or in Traumatic Events and Preparation & Presenting a Valuation Appeal. Read some of the comments from participants below.

Valuation of Big Box

Comments:

—I thought the day was time well spent. A unique experience in the world if CE. Good work!!!

—Good data and class discussion.

—Great one-day workshop on a very timely subject!

—Attendees were very engaged and interested the entire day. The market value versus value in use & highest

and best use analysis topics covered in this workshop were spot on and gave attendees some very valuable information that they can use immediately in their jobs when dealing with the current big box issues. This workshop definitely exceeded my expectations!"

Mass Appraisal Analysis and Benchmarks

Comments:

—I learned some things today and normally that does not happen in class.

—Good use of ratio studies.

—This one-day workshop was packed full of valuable information that was beneficial to rookies and a great refresher for seasoned veterans. Attendees were very engaged, which created lots of discussion on the topics of neighborhood analysis, sales validation, and sales ratio analysis.

Appraising After a Disaster or in Traumatic Events & Preparation & Presenting a Valuation Appeal

Comments:

—I have to say, each of the classes was one of the best I have attended in the 25+ years I have been in real estate appraising, the last 16 yrs. in tax assessment. After this long, the classes are total repeats, except for these two—very fresh, well presented, and great discussion elicited from the students. Each class was made up of a mixture of tax assessment personnel and independent fee appraisers. Even the assessment personnel with minimal work experience said the classes were very good with great discussion that was not dominated by the instructor or a student.

—I attended both days offered and the information was insightful and informative. I especially appreciate how you took special care to address Assessor's Office situations in addition to situations regarding private appraisers. Great interaction between you and the class seemed to make the time go by quickly. Thanks again for sharing your wisdom & knowledge with us.

Senior Housing Valuation

Last issue we highlighted the Senior Housing Valuation seminar presented by Brad Eldridge, MAI in a five-city tour of Texas. Well, the evaluations are in—and *they are good!* In fact, the abundance of helpful information (see comments below) suggest the need for a one-day and a two-day version. Stay tuned.

Overall quality of material: 4.8 out of a possible 5

Comments:

—With the elderly population growing, here in North Texas and elsewhere, it's always helpful to see how others address this issue. Finding a comparable, knowing which items are allowable for expenses, etc. Good reference information and practical applications—the text style book provided is superior to common outline format.

—I feel that this information will be very helpful since several senior housing developments are being constructed in our county.

—The materials were so in depth, I think that this needs to be a two-day course.

—The amount of information was almost too much for a single day. Still digesting the handouts and will use for the future year. ❖

Travel Squad

TEAM associates continue to move about the country teaching, consulting and speaking. In the second quarter of 2016, we have been in Arkansas, Georgia, Indiana, Iowa, Kansas, Louisiana, Maryland, Missouri, New Jersey, North Dakota, Oklahoma, Texas and Virginia.

Looking for a workshop, series of workshops or professional assistance for your location?

Find them on our website at <http://www.teamconsulting.cc/>.



Check out all of TEAM's workshops at www.teamconsulting.cc.



■ www.hotelnews.com, Feb. 23, 2016. **Editor's Note:** Want to see if any hotels in your area have or are scheduled for upgrading? Check out Hotel News Now at <http://bit.ly/1MCgNzm>

■ Rose Quint, www.eyehousing.org, March 21, 2016. The average net profit for home builders for 2015 was 6.4%, which was the highest since 2006. <http://bit.ly/1ReS3Cy>

■ JLL Construction Outlook, www.realtyrates.com, March 22, 2016. "The copious growth of the construction industry in 2015 is fueling continued strong activity in 2016. According to JLL's latest report on non-residential construction activity, the rate of growth in construction is slowing—yet, starts continue at a strong pace. The catch: growth is expensive. While a welcome decline in prices for steel and some other materials is underway, high labor costs, glass prices and steep competition throughout the industry continue to prove challenging."

■ www.proudgreenbuilding.com, March 25, 2016. "CubeSmart, a leading national owner and operator of self-storage facilities, has opened Austin, Texas' first net zero commercial building—meaning it generates more solar energy than it consumes, according to a press release." <http://bit.ly/1RDfwPU>

■ Jan Freitag, www.hotelnews.com, March 25, 2016. "Five things to know about the hotel/motel market:

1. RevPAR has now grown for 72 months
2. Supply growth has outpaced demand growth for two consecutive months



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

3. Chain-scale performance data looked like the U.S. data

4. Group ADR increased 5.9%

5. The top 25 markets' 2.7% RevPAR growth was the same as all other markets." <http://bit.ly/22OXOej>

■ Laura Kusisto, *The Wall Street Journal*, April 8, 2016. "The apartment rental market cooled in the first quarter, according to reports from three research companies, suggesting a six-year boom that has pushed the cost of housing to unaffordable heights in many U.S. cities might be coming to an end."



Prism project

■ Jennifer Goodman, www.builderonline.com, April 14, 2016. "An urban infill project in Los Angeles is pushing the boundaries on the meaning of 'detached.'"

Developed by Planet Home Living, the 15 single-family homes of the Prism project are a mere eight inches apart. They have the appearance of attached housing—the air space between them is weather-sealed—but is considered single-family." <http://bit.ly/1T7DRuB>

■ Tech Insider, www.builderonline.com, April 14, 2016. "Debuted at the Salone del Mobile design festival in Milan, the invisible sink starts out as a flat, smooth surface in-line with the countertop, but with a quick hand gesture, the cutout begins to descend into the surface and the water turns on." <http://bit.ly/1SGTrdE>

■ Jennifer Goodman, www.builderonline.com, March 10, 2016. "Most people try on clothes before buying them, test-drive a new car before signing on the dotted line, and sample paint colors before painting a full room. Along those

same lines, an Illinois-based builder is allowing customers to try out homes before making a purchase.

At Heritage Harbor Ottawa Resort, a marina resort community in Ottawa, Ill., potential home buyers can spend the night in a rental cottage in the community to experience what it would be like to live there, says Tammy Barry, director of sales and marketing. The community's vacation rental program allows current homeowners to make their homes available for short-term rentals through an on-site management program." <http://bit.ly/1SJWs3a>

■ Jennifer Goodman and Lauren Shanesy, www.builderonline.com, April 26, 2016. "New York City's first micro-unit development is shaking up the area's rental market with tiny models that do away with notions of the city's infamously cramped studio apartments. Located in the Kips Bay neighborhood on the East Side of Manhattan, Carmel Place's 55 units—some as small as 250 square feet—feel light and airy thanks to 9-foot-8-inch ceilings, oversized windows, and Juliet balconies. Carmel Place is one of the first multi-unit buildings in Manhattan to use modular construction and one of the tallest modular buildings in New York City." <http://bit.ly/1MX0GC8>

■ Beth Mattson-Teig, www.neionline.com, April 27, 2016. "The strong investment sales environment in the past two years has created a booming 1031 exchange market. Yet renewed discussion about potential tax code reforms and an intensely competitive sales market is casting a bit of a shadow on the sector.

Sales motivated by 1031 buyers are back to pre-recession levels of 2005-2007, says David Sobelman, executive vice president and managing partner at Calkain Co., a brokerage firm that specializes in the net lease sector. At Calkain, 1031 exchange-driven sales took a precipitous drop when the recession hit, falling to about 5 percent of transactions. Now that business has rebounded back to a high of about 50

percent. “We are right back to where we were a decade ago,” says Sobelman.” <http://bit.ly/1SQJA1r>

■ www.htrends.com, April 22, 2016. “Compared with Q1 2015, the U.S. hotel industry’s occupancy dipped 0.5% to 60.7%. However, average daily rate rose 3.2% to US\$120.92, and revenue per available room increased 2.7% to US\$73.34.” <http://bit.ly/1Wsk7V8>

■ www.neionline.com, April 28, 2016. “The average cap rate for retail properties nationwide moved up by 11 basis points between the fourth quarter of 2015 and the first quarter 2016, to 6.59 percent, according to a recent report from commercial real estate services firm CBRE. Still, the figure represented a 13 basis points decrease year-over-year.” <http://bit.ly/1qZGK7d>

■ www.appraisalinstitute.org, May 1, 2016. “In “Bubble Vision,” by Deborah R. Huso, the presidents of the Boston and the San Francisco Federal Reserve Banks express their concerns about an impending commercial real estate bubble, but other experts, including appraisers and economists, say that a bubble is unlikely and such talk is largely hype. The experts acknowledge that some markets are stronger than others but overall commercial real estate is healthy due to a combination of tight underwriting, strong fundamentals and low unemployment. Read “Bubble Vision” in Valuation magazine’s first quarter 2016 issue.”

■ www.freddiemac.com, April 26, 2016. **Editor’s Note:** *This is interesting.*

Quote attributed to Sean Beckett, chief economist, Freddie Mac:

“One challenge for housing economists is predicting the time path of house prices in areas likely to be impacted by climate change. Consider an expensive beachfront house that is highly likely to be submerged eventually, although ‘eventually’ is difficult to pin down and may be a long way off. Will the value of the house decline gradually as the expected life of the house becomes shorter? Or, alternatively, will the value of the house—and all the houses around it—plunge the first time

a lender refuses to make a mortgage on a nearby house or an insurer refuses to issue a homeowner’s policy? Or will the trigger be one or two homeowners who decide to sell defensively?” <http://mwne.ws/1NiEUd>

■ Lauren Sommer, www.npr.org, May 11, 2016. “There’s been major pieces of infrastructure that have been underwater in the recent past,” says Mike Mielke, with the Silicon Valley Leadership Group. And that’s only a small taste of what’s to come. Measure AA — on the June 7 ballot in nine Bay Area counties — would raise money to protect the region from the expected rise in sea level. Mielke says the measure, if passed, would institute a modest \$12 a year or \$1 a month parcel tax. And that would be a first. Other coastal cities such as New Orleans have turned to federal grants to protect themselves. Measure AA would tap Bay Area residents to deal with climate change. The property tax is projected to raise \$500 million to defend against sea level rise by restoring marshes.” <http://n.pr/23HFBhi>

■ www.htrends.com, May 3, 2016 **Editor’s Note:** If you value hotels/motels, this is a good article for you. “This exhaustive survey results in the LIIC Top Ten: a highly regarded profile of investment sentiment and attitudes for the lodging industry for the forthcoming 12 months. Altogether, the members of LIIC represent direct acquisition and disposition control of well over \$40 billion of lodging real estate.” <http://bit.ly/23opZ24>

■ Michael Brush, www.marketwatch.com, May 2016. **Editor’s Note:** I have been expressing for about the last 18 months that we are headed down the same lending practices and processes that caused problems a decade ago. This article, “The seeds of the next housing crisis have already been planted,” makes me all the more concerned.

“We’re seeing the same telltale signs that we did a decade ago. Back when the 2005-07 housing bubble was brewing, photos of impossibly small houses selling for insanely high prices famously made the rounds. It was one of those signals that you look back on and say, Hmmm ... that was a

clear indicator of trouble ahead.” <http://on.mktw.net/1TOy2T9>

■ Bendix Anderson, www.nreonline.com, May 6, 2016. “Institutional investors continue to buy single-family rental homes. “We think this is a great business,” says Jonathan Olsen, managing director and head of capital markets for Invitation Homes, an owner and investor in rental houses, founded by Blackstone Group. “We are still actively buying today. In February, American Homes 4 Rent, a single-family rental REIT, closed its deal to merge with American Residential Properties Inc. The deal added 7,246 leased properties to the portfolio of American Homes 4 Rent, growing its portfolio to 44,455 leased properties at the end of the first quarter.” <http://bit.ly/21OYf7u>

■ www.builderonline.com, May 12, 2016. “Inventory shortages and rising prices notwithstanding, the Realtors meeting here this week see 2016 as the best year for home sales since 2006.” <http://bit.ly/1TIViWa>

■ Jennifer Goodman, May 17, 2016, www.ecobuildingpulse.com. “Phase one of Babcock Ranch is slated to open early next year. In 2006, developer Syd Kitson released plans for Babcock Ranch, a massive community to consist of 19,500 homes powered exclusively by the sun (but void of any unsightly solar systems on roofs). The original timeline for the 18,000-acre development near Fort Myers, Fla., was stymied by the plummet of the housing market in 2009, but Kitson’s vision remained unchanged, and the development is back on track. The latest plan for the project was unveiled in late April and a first-phase opening is slated for early 2017.” <http://bit.ly/1sqGDCq>

■ Michael Tucker, www.mba.org, May 12, 2016. “U.S. hotel industry revenue topped \$189 billion in 2015, up nearly \$14 billion from 2014, reported STR, Hendersonville, Tenn. Hotel sector profits increased 9.4 percent year-over-year to more than \$72 billion, STR said. ‘Industry revenues and profits continue to reach record highs [and] we saw

continued on next page

profit margin finally surpass the previous peak from 2007,' said STR Director of Financial Performance Joseph Rael. The average sales price per room fell 7 percent from last year's record level to \$148,918." <http://bit.ly/1NyY65y>

■ www.builderonline.com, May 19, 2016. "Sales of existing homes rose for a second straight month in April, up 1.7% to an annual rate of 5.45 million, the National Association of Realtors reported Friday. That represented a gain of 6% over April of last year and reflected an upward revision of the March seasonally adjusted annual rate to 5.36 million. Primarily driven by a convincing jump in the Midwest, where home prices are most affordable, sales activity overall was at a healthy pace last month as very low mortgage rates and modest seasonal inventory gains encouraged more households to search for and close on a home, said Lawrence Yun, NAR chief economist." <http://bit.ly/1sKdyTh>

■ www.builderonline.com, May 24, 2016. "April new home sales surged to a seasonally adjusted annual rate of 619,000, the highest level in more than eight years, according to a joint release of New Residential Sales data by the Census Bureau and the Department of Housing and Urban Development Tuesday morning. This was a 16.6% jump from the upwardly revised March rate of 531,000, and was 23.8% above April 2015, when the estimate was 500,000." <http://bit.ly/1VhreAO>

■ www.realtor.org, May 26, 2016. "Pending home sales rose for the third consecutive month in April and reached their highest level in over a decade, according to the National Association of Realtors®. All major regions saw gains in contract activity last month except for the Midwest, which saw a meager decline." <http://bit.ly/1P070tp>

■ Laura Kusisto and Chris Kirkham, *The Wall Street Journal*, June 1, 2016. "Home prices are back to near-record highs across the United States. The S&P/Case-Shiller, national home-price index, has clawed its way back to within

Highest Property Tax Rates on a Median Valued Home (2015)			
1	Bridgeport (CT)	3.88%	Why: High property tax reliance
2	Detroit (MI)	3.81%	Why: Low property values
3	Aurora (IL)	3.72%	Why: High property tax reliance
4	Newark (NJ)	3.05%	Why: High property tax reliance
5	Milwaukee (WI)	2.68%	Why: Low property values, high property tax reliance
Lowest Property Tax Rates on a Median Valued Home (2015)			
49	Boston (MA)	0.67%	Why: Classification shifts tax to business, high home values
50	Birmingham (AL)	0.66%	Why: Low property tax reliance, classification shifts tax to business
51	Denver (CO)	0.66%	Why: Low property tax reliance, classification, high home values
52	Cheyenne (WY)	0.65%	Why: Low property tax reliance
53	Honolulu (HI)	0.30%	Why: High home values, low local gov't spending, classification

■ www.builderonline.com, June 14, 2016. The Lincoln Land Institute conducted a study of the 50 U.S. cities with the highest property tax. The percentage is the effective tax rate. <http://bit.ly/1Yqkxwr>

4% of the 2006 peak, a steep rise from the near 30% decline at the bottom of 2012."

■ Melissa Kennedy, www.realtytimes.com, June 9, 2016. From "4 Tips to Maintain Your New Home's Value":

- (1) Regular maintenance
- (2) Fix heat leakers
- (3) Landscaping and gardening
- (4) Do major repairs the right way.

Editor's Note: This is the third article in two months discussing the added value of landscaping. In mass appraisal we do not collect the data and thus cannot quantify any value indications. Someday, we may have to change that philosophy. <http://bit.ly/24E0ydu>

■ Tucker, Michael, www.mba.org, June 9, 2016. "The U.S. hotel industry could experience record-breaking room demand but low room rate growth this summer, reported STR, Hendersonville, Tenn. The number of rooms sold during the summer months should increase by 2.1 percent year-over-year, STR said. But a healthy supply pipeline should lead to a 1.7 percent increase in the number of rooms available, keeping occupancy growth muted. Additionally, hoteliers do not expect to increase prices at the same level as last year, said STR Senior Vice President for Lodging Insights Jan Freitag." <http://bit.ly/23c5abw> ❖



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