



The AAS Case Study Review
Workshop in El Paso, Texas
November 28–30, 2017
see page 5

Now, *This* Is A Problem Property

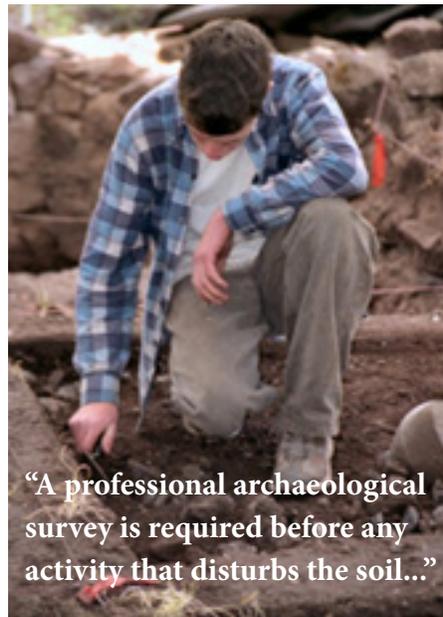
By Rick Stuart, CAE, CDEI

A county assessor recently sent me information about a property that was appealed. It is difficult to believe that one property could have this many issues. The information below is quoted from the property owner.

1. I was shocked to find out there are significant archaeological sites on my property, including human skeletal remains. In addition to the stigma, this impacts any owner's ability to develop the property, especially what is clearly the prime building location where the original home was torn down. This adds uncertainty and substantial cost to any project. A professional archaeological survey is required before any activity that disturbs the soil, even if county permits are not required.

2. There is a dumpsite on the property that has been used by at least since the house was built in the 1890s. A wide variety of trash and construction materials are there, but it also includes batteries, partially full paint cans and oil barrels. I am allowed to remove only the material on the surface. I wanted to truck out the material, but was informed that it is over 50 years old and would require an archaeological survey for that, and probably there are Native American artifacts under that.

Directly below this area is a



“A professional archaeological survey is required before any activity that disturbs the soil...”

freeimages.com/JoeZlomek

spanning ground for a species of fish that is a candidate for federal protection.

3. The septic systems need work. Even digging previously disturbed soil requires an archaeological survey.

4. The 28' x 60' house foundation was built for a doublewide trailer, which was not delivered. We were able to salvage the foundation for a box-like stick frame house, but it still looks much like a double-wide, and does not suit the taste of buyers of shoreline properties.

5. During the excavation of the

pool, evidence of a large ancient fire was discovered. After I found out this might be of archaeological significance, I reported it to DAHP (Department of Archaeological and Historical Preservation).

6. I am compelled to disclose the existence of archaeological issues, but bound by the NDA [non-disclosure agreement] with DAHP as to what I can disclose. I have disclosed as much as I can in that area. There are many other issues with the property. I have been warned by the agent handling the property and an attorney to disclose other issues thoroughly to avoid litigation in the event of buyer's remorse.

7. Over one-third of the total acreage is in the 100-year floodplain.

So, let's see if we can recap what we just read:

- If the owner discloses too much, the government could sue them.
- If the owner does not disclose everything, the purchaser could sue them.

And to think, as an appraiser for the jurisdiction, you have to appraise and defend your value. Wow, you have to love this stuff! ❖

Congrats to New AAS Designees

Article and photos reprinted with permission from Chris Bennett and IAAO



Michael T. Hauke, Jr., AAS, met the requirements of the Assessment Administration Specialist designation in

December. Mr. Hauke has been the Director of Equalization for Brule County, SD, since February 2013. This is his first role in the assessment profession.

Mr. Hauke holds an accounting degree from Ohio Business College, Sandusky, Ohio. He is a member of the South Dakota Association of Assessing Officers, serving as a member of the Executive Board in 2014 and an officer since 2015. He is currently the only assessor from the state of South Dakota to hold an IAAO professional designation.



James E. Molnar, AAS, completed the requirements of the Assessment Administration Specialist designation in December. Mr.

Molnar is the Director of Assessment Administration for the Lucas County Auditor's Office in Toledo, Ohio. He has held this position for the past four years, after serving as the director of the Land Changes (Splits and Combines), CAUV, Adds and

Abates, Special Assessments, Tax Accounting, Forfeited Land, and Exemptions departments.

Mr. Molnar holds a Master of Arts in economics and a Bachelor of Arts in economics with a minor in business administration from the University of Toledo. He is a member of the Hungarian Club of Toledo, the University of Toledo Alumni Association, and Delta Theta–Theta Chi Alumni, serving as secretary, advisor, and vice president. He is also an active volunteer in the Toledo community, serving with the Toledo Warehouse District, Downtown Toledo Improvement District, and Toledo Sister Cities International, among others.



Benjamin D. Campbell, AAS, fulfilled the requirements of Assessment Administration Specialist in January.

Mr. Campbell is a Real Estate Analyst for the Clermont County, Ohio, Auditor's Office, where he has been employed for the past two years. Previously, he served as Chief Deputy for the Campbell County, Ky., Property Valuation Administrator for 12 years. Mr. Campbell holds a Bachelor of Science in forestry from the University of Kentucky. ❖



Always changing...

The appraisal world does not stand still, therefore our workshops do not remain static. The following workshops have already been updated for 2017:

- Valuation of Historic Properties
- Public Relations and Customer Service
- Valuation of Big Box (updated almost every year)

Others to be updated in 2017:

- Valuation of Barndominiums
- Valuation of Self-Storage Properties
- Valuation of Lodging Properties (updated almost every year)

Those updated in 2016:

- Unique and Challenging Homes
- Mass Appraisal Analysis and Benchmarks
- Contamination and Valuation Issues
- Appraising After a Disaster or in Traumatic Events
- Valuation of Lodging Properties
- Preparation and Presenting a Valuation Appeal
- Valuation of Green Residential Buildings
- Valuation of Green Commercial Buildings
- Valuation of Residential Land

Have an idea for a new workshop? Contact Fred Chmura, AAS, at fchmura@teamconsulting.cc or Rick Stuart, CAE, CDEI, at rstuart17@cox.net.

Check out all our workshops on TEAM's website at <http://www.teamconsulting.cc/workshops/workshopoverview.html>. ❖

George is the Man!



George Donatello, CMS

It was reported in the March 2017 issue of IAAO's Fair & Equitable that George Donatello, CMS, is a 40-year member of IAAO. Now, for those of us who have known George for a long period of time, we are surprised it was only 40 years. We thought he created IAAO! Congratulations, George, and thanks for all that you have done for the organization and the mentoring throughout the years. ❖

Stuart, TEAM Workshops Well-Received in Missouri



Rick Stuart

Rick Stuart, CAE, CDEI, instructed four days of TEAM workshops for the Missouri Assessor's Association in February. There were 42 students total, but it was a very inter-

esting mix of students. Some were assessors with less than one year in the office because the previous assessor had retired; others were experienced assessors and some staff. The most intriguing was the number of newly elected assessors who will not take office until September.

Wendy Nordwald, Warren County assessor, coordinates the education sessions, and she did a wonderful job of getting most of the newly elected assessors to the class and in the workshop selections. The industry does a very good job of training for the appraisal practice but not for management.

The following workshops were presented: How to be a Better Manager (2 days), Public Relations and Customer Service (1 day) and The Art of Making a Powerful Presentation (1 day). An exam was given on the final morning, and the attendees then received continuing educational credit.

"Rick is an amazing instructor with the skill set to motivate students to interact and participate in classroom activities without fear, hesitation or apprehension," said Wendy. "Rick's professional command of the classroom keeps and captivates the attention of each student, whether a novice, early in a career or the experienced assessor/appraiser." ❖



IAAO Annual Conference
Sept. 24-27, 2017
Bally's Las Vegas
www.iaao.org

Creative Q & A

By Rick Stuart, CAE, CDEI



A county assessor in Nebraska sent the photo above of a very creative structure (?) to several of us and asked how he was supposed to classify and value this item (followed by, "I love my job.")

In response, a fellow assessor was equally creative with the following observation:

"That is a wood deck, plain and simple. You are probably not familiar with the new trend of EPA compliant construction techniques. It is EPA compliant in a number of ways.

(1) It allows rain and snow to

pass through to Mother Earth. (2) It is made of re-purposed materials. (3) It is unstained so as to reduce the use of harmful chemicals. This goes to show you rednecks can be "green," too.

The fact that this is a modular system is pure genius. Since the individual sections are not attached to each other, when the owner gets the urge, he/she can simply rearrange the pieces to create an entirely different aesthetic. Maybe I should start marketing these things!" ❖



New Workshop: Residential Quality Rating Guidebook: Half-day and 1-day (New 2017)

This workshop can be used as an very abbreviated version of the workshop titled *Residential Quality, Condition and Effective Age*. The purpose of is to provide assistance and guidelines on how jurisdictions can create their own residential quality rating guidebook. Creation of the guidebook will assist in consistency within staff and provides a valuable training tool for new staff. The class will be broken into teams and quality ratings established and compared with other teams. Students will be given a flash drive with a number of photos to work with. Students should bring a laptop or at least one laptop for use by three members from each office.

Travel Squad



TEAM associates continue to serve in teaching, consulting and speaking capacities. In the first quarter of 2017, we have been in Arkansas, Georgia, Idaho, Illinois, Indiana, Kansas, Mississippi, Missouri, Texas, Washington and Nova Scotia.

Looking for a workshop(s) or professional assistance for your location? Visit our website at <http://www.teamconsulting.cc/>

Good Reviews for TEAM Workshops

Idaho

TEAM's Rick Norejko, CMS, and Rick Stuart, CAE, CDEI, presented TEAM workshops in Boise, ID. Both workshops received great reviews. "The American Cadastre," presented by Norejko, was rated 4.8/5.0 overall quality rating. Stuart's course, "Valuation of Big Box," earned 4.7/5.0 for overall quality.

Washington

Rick Stuart, CAE, CDEI, presented several TEAM workshops in Washington. In Dupont, Wash., he presented "Mass Appraisal Analysis and Benchmarks," and "Development of Capitalization Rates." Most (82–89%) of the participants in each workshop rated the courses very good or excellent.

Stuart also taught the two-day "Residential Quality, Condition and Effective Age Workshop" in Olympia, Wash., and Kennewick, Wash. The workshop earned high praise from participants. Below are a couple of comments:

"Rick's two day training in quality, condition and effective age was presented in one of the most professional organized classes that I have taken. It was evident that his knowledge of appraisal and current and past practices reinforce Rick teaching this course. The course provides clear examples in both quality and condition, with the ability to adjust his course to match your offices current policies. Listing out key factors along with photo support truly defines each different grade. I would encourage anyone or any office that is unfamiliar with current standards in quality and condition or is inconsistent to their surrounding appraisers to take this course."

Appraiser (2 years of experience), Thurston County

"The Residential Quality Condition and Effective Year class is expertly taught. The materials provided are perfectly paired with the lecture and enhance the learning experience. Rick doesn't short cut in the amount of material, lots and lots of pictures to help drive home the fundamentals of the class"

Rikki Davis, Farm Appraiser, Benton County

Arkansas

Last month, Rick Stuart, CAE, CDEI, taught two workshops, "Unique & Challenging Homes" and "Manufactured Homes" for Pulaski County, Ark. Comments on "Unique":

- "Informative and updated."
- "Information covers what you really need to know about these types of properties. I would recommend this workshop for any level of appraiser."

Comments on "Manufactured":

- "I thought the material was interesting and the information will help us in the field when we look at manufactured homes."
- "The valuation of manufactured homes was very beneficial to my everyday job and helps me in knowing the differences to look for and how to value them accordingly."

Learn more about all of TEAM's workshops and instructors on our website at <http://www.teamconsulting.cc/workshops/workshopoverview.html>. ❖

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 issue. If you have pictures that have piqued your interest, email them to me and I will add to the file and the newsletter. Rstuart17@cox.net

The Nova Scotia Airport photo (top) was submitted by Ruel Williamson. This note from Ruel that accompanied the photo is important: "It isn't obvious, but the Nova Scotia Airport picture is unique as this is a picture of the windows from inside the terminal. The snow is about 20 feet deep and drifted halfway up the windows. It didn't strike me while I was in the airport until I couldn't see out to locate the plane." ❖



Novia Scotia Airport



Glass Tree House



Hole House, Texas

The AAS Case Study Review Workshop in El Paso, Texas

November 28–30, 2017

El Paso Texas Central Appraisal District (CAD) is offering the AAS Case Study Review prepared by Fred Chmura, AAS, and Rick Stuart, CAE, CDEI. This 2½-day workshop provides a review of materials and an understanding of the composition of a case study to help prepare for the AAS Case Study Exam. Topics discussed are:

- USPAP
- Effective tax rates
- Property definitions
- Three approaches to value
- Role of the assessor
- Tax policy
- Assessment administration
- Rates and levies
- Economic principles
- Ownerships and rights
- Attributes in an effective tax system
- Ratio studies
- Reassessment planning

Included are multiple problems associated with the assessment and valuation processes, and the workshop will conclude with a practice four-hour case study exam. This is not an IAAO workshop but one developed by TEAM Consulting, LLC.

Between May 2010 and today, approximately 60 candidates have successfully used this workshop material to obtain their AAS designations. This is a workshop that seldom is offered to the general assessment profession. If you are seeking your AAS, this could be the best opportunity you will have to prep for the IAAO exam. You can see various testimonials on the TEAM website from individuals that have used the material at <http://www.team-consulting.cc/aasreview.html>. *This workshop can take months off the time it will take you to prepare on your own.*

El Paso CAD has arranged for Rick Stuart to proctor the actual IAAO AAS Case Study Exam the day following the review class (December 1). *If you are attending the review class and would like to take the actual exam, please contact IAAO to make the appropriate arrangements.*

El Paso CAD will not seek continuing educational credits from any state or local boards but will provide any needed material if a student wishes to seek the credit.

WORKSHOP INFORMATION

When: November 28 – 30, 2017 (Tuesday – Thursday)

Where: El Paso Central Appraisal District
5801 Trowbridge Drive, El Paso, Texas 79925
Conference Room (Third Floor) • Phone 915-780-2005

Instructor: Rick Stuart, CAE, CDEI

Registration Fee: \$275

Fee includes the material and class. All materials will be provided at the start of the class.

Questions? Please contact Dina Ornelas, EPCAD Administration Dept., at 915.780.2005 or diornel@epcad.org

ATTN Students: It is suggested that students bring a small notebook for use in the practice and actual exam, pencils, erasers and a calculator (even a backup calculator would be good).

REGISTRATION

Name: _____

Entity: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

PAYMENT

Cost: \$275

Send check (payable to El Paso CAD) and registration form to:

El Paso Central Appraisal District
Attn: Administration Department
5801 Trowbridge Drive
El Paso, Texas 79925

continued on next page

Hotel Accommodations

Although there are multiple hotels within a five-mile radius from the El Paso Central Appraisal District (5801 Trowbridge Drive, El Paso, TX 79925), the following are convenient options.



Holiday Inn El Paso Airport

6351 Gateway Blvd. West
El Paso, Texas 79925
1-888-465-4329
915-772-4088 local
www.holidayelpaso.com

Distance from El Paso International Airport: 1.9 miles
Distance from EPCAD: 0.9 miles about 3 minutes driving
Free shuttle within a 5-mile radius (call for confirmation)
Convenient to: Wells Fargo Bank, Walgreens, Costco, shopping mall, Taco Cabana, Taco Tote, Starbucks, Dunkin' Donuts, Famous Dave's, Corner Bakery



Holiday Inn Express & Suites El Paso Airport

6666 Gateway Blvd. East
El Paso, Texas 79915
1-915-771-6200
elpgaafd@tmihospitality.com



Hyatt Place El Paso Airport

6030 Gateway Blvd. East
El Paso, Texas 79905
915-771-0022

Distance from El Paso International Airport: 4.7 miles
Distance from EPCAD: 1.1 mile or 4 minutes
Free shuttle within a 3-mile radius from 8 a.m. to 5 p.m.
<http://elpasoairport.place.hyatt.com/en/hotel/home.html>



El Paso Marriott

1600 Airway Blvd.
El Paso, Texas 79925
915-779-3300
<http://www.marriott.com/hotels/travel/elptx-elpaso-marriott>

Distance from El Paso International Airport:
About 0.3 miles
Distance from EPCAD: 1.9 miles via Montana Ave., about 8 minutes
Various eateries within walking distance or by vehicle: Applebee's, Cattle Barron Steakhouse, Chili's, Peter Piper Pizza, various local eateries, and Corner Bakery.



Embassy Suites by Hilton El Paso

6100 Gateway East
El Paso, Texas 79905
Tel: +1-915-779-6222
FAX: +1-915-779-8846
http://embassysuites3.hilton.com/en/hotels/texas/embassy-suites-by-hilton-el-paso-ELPGWES/index.html?WT.mc_id=zDA01MB2OLG34YX

Wyndham El Paso Airport Hotel and Water Park

2027 Airway Blvd.
El Paso, Texas 79925
1-915-778-4241
<http://www.wyndhamhotels.com>

Radisson Hotel El Paso Airport

1770 Airway Blvd.
El Paso, Texas 79925
Reservations: 1-800-333-3333
Tel. 1-915-772-3333
FAX: 1-915-779-3323
Various eateries within walking distance or by vehicle: Applebee's, Cattle Barron Steakhouse, Chili's, Peter Piper Pizza, various local eateries, and Corner Bakery.

Comfort Inn & Suites I-10 Airport

6645 Gateway West
El Paso, Texas 79925
Ph. 915-225-7890
FAX 915-225-7889
<https://www.choicehotels.com/texas/el-paso/comfort-inn-hotels/txf02>

Distance from Airport: 2 miles (9 minutes)
Distance from EPCAD: 1.8 mile (5 minutes)
Amenities: Free parking, Airport shuttle, Business Center, Wi-Fi, free breakfast
Nearby restaurants offer Mexican, Asian, and Italian cuisine; also Famous Dave's Steakhouse.

See you in El Paso!



“An Investment in Knowledge Always Pays the Best Interest.”

— Benjamin Franklin

TEAM Consulting LLC is committed to improving the appraisal profession through education. Our experts in property assessment, valuation and mapping have developed a wide range of 1- and 2-day workshops for property assessors, appraisers and staff. Most workshops can be taught either by a TEAM instructor or by a member of your in-house staff. Or you can choose to study the materials on your own. *Find a complete listing of our workshops and instructors on our website <http://www.teamconsulting.cc>*

WORKSHOPS

- Appraising After a Disaster or in Traumatic Events
- Unique and Challenging Homes
- Mass Appraisal Analysis & Benchmarks
- Development of Capitalization Rates
- Collection, Interpretation and Model Building of Income and Expense Data
- Contamination & Valuation Issues
- Low-End Residential Properties

Each TEAM Consulting workshop has been developed to maximize learning and can be tailored to fit your organization’s needs.

- Valuation of Barndominiums
- Valuation of Self-Storage Properties
- Valuation of Lodging Properties
- Valuation of Historic Properties
- Preparation & Presenting a Valuation Appeal Workshop
- Valuation of Big Box Workshop
- Valuation of Fast Food Restaurants
- Valuation of Green Residential Buildings
- Valuation of Green Commercial Buildings
- Valuation of High-End & Difficult Homes

- Valuation of Residential Land
- Valuation of Manufactured Homes
- Valuation of Mobile Home Parks
- Residential Quality, Condition & Effective Age Workshop
- Reconstructing Income & Expense Statements
- The Art of Making a Powerful Presentation
- How to be a Better Manager
- Public Relations & Customer Service
- How to Teach Adult Students

Mapping & GIS Workshops

- Property Photo-models
- Analysis of GPS & Photogrammetric Errors
- Intro to GPS
- Intro to GIS
- GNSS
- Grid vs. Ground in GIS and GPS
- The American Cadastre – The History of Land Ownership in the United States
- The American Cadastre – The Principles of Property Law for Appraisers and Cadastral Mappers
- The American Cadastre – The Rest of the Story

Many of the workshops are also available as a self-study program, so you can learn at your own pace.

AAS CASE STUDY REVIEW

“I successfully completed the AAS Case Study Exam this year after completing the Team Consulting LLC review course.” —J Brent Weisner, AAS

“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 ... mirrors the material on the new Case Study exam that the IAAO has recently implemented in their designation program.”

—Aaron Suozzi, AAS

Read more endorsements at <http://www.teamconsulting.cc/aasendorsements.html>



Contact: Fred Chmura, AAS, fchmura@teamconsulting.cc or Rick Stuart, CAE, rstuart17@cox.net



■ Laura Kusisto, *The Wall Street Journal*, Dec. 14, 2016. “With rent growth flattening out and home prices continuing to shoot up, renting is starting to look like a better choice than buying for the first time in years.”

■ www.capecod.com, Dec. 15, 2016. “Falmouth, Massachusetts has been ordered to pay a Florida woman nearly \$1 million after jurors determined her coastal property lost more than 90 percent of its value because of wetlands protection laws and the town’s refusal to grant her a variance.” The vacant lot’s value was reduced from \$700,000 to \$60,000 in what the jurors concluded was a regulatory taking. <http://bit.ly/2hSls8q>

■ www.htrends.com, Dec. 16, 2016. STR (Smith Travel Research) has reported the following on new hotel/motel construction: “In the ‘In Construction’ stage, the U.S. reported 182,929 rooms in 1,394 projects. Based on the number of rooms, that is a 29.4% increase in year-over-year comparisons. A large percentage of U.S. hotel construction activity (47.1%) continues in the Top 26 Markets by existing supply.” <http://bit.ly/2hMxfVW>

■ Michael Tucker, www.mba.org, Dec. 8, 2016. “Hotel supply growth could increase next year from 1.6 percent to its 1.9 percent long-term average, said PwC (PriceWaterhouse Cooper), New York. Combined with decelerating

demand growth, this could result in declining hotel occupancy—the first such decline in eight years, PwC said. Average daily room rate growth could slow commensurately, which would likely limit revenue per available room growth to just 1.7 percent, the smallest increase since the end of the recession.”

■ www.hotelnewsnow.com, Dec. 21, 2016. “In November 2016, the U.S. hotel industry reported a 2.5% occupancy increase to 60.7%, while ADR rose 3.4% to \$119.71 and RevPAR jumped 5.9% to \$72.68, according to data from STR (Smith Travel Research).” <http://bit.ly/2hKyp6t>

■ www.builderonline.com, Dec. 22, 2016. “In November, national home values rose at their fastest annual pace since 2006, near the peak of the housing bubble. The Zillow® Home Value Index (ZHVI) is \$192,500, 2% shy of the records set in 2007, according to the November Zillow Real Estate Market Reports.” <http://bit.ly/2ijwFho>

■ www.builderonline.com, Dec. 23, 2016. “Sales of new single-family houses in November 2016 were at a seasonally adjusted annual rate of 592,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 5.2% (±14.1%)* above the revised October rate of 563,000 and is 16.5% (±19.3%)* above the November 2015 estimate of 508,000.

The median sales price of new houses sold in November 2016 was \$305,400, up from \$302,700 in the prior month; the average sales price was \$359,900., up from \$354,700.” <http://bit.ly/2i4Mqwo>

■ Kirsten Grind and Peter Rudegeair, www.wsj.com, Dec. 29, 2016. “House flipping, a potent symbol of the real-estate market’s excess in the run-up to the financial crisis, is once again becoming hot, fueled by a combination of skyrocketing home prices, venture-backed startups and Wall Street cash. The number of investors who flipped a house in the first nine months of 2016 reached the highest level since 2007. About a third of the deals in the third quarter were financed with debt, a percentage not seen in eight years.” <http://on.wsj.com/2iE5pud>

■ Richard Rubin, www.wsj.com, Dec. 29, 2016. “The IRS is clamping down on a tax-avoidance technique that turns charitable land-conservation donations into moneymaking opportunities. Investor solicitations for what are known as syndicated conservation easements promise to turn \$100,000 into \$400,000 or more in tax deductions, making them attractive to households in the top tax bracket.

In one publicly-documented Tennessee deal, a restaurateur’s \$35,000 investment became about \$53,000 within months, subsidized by U.S. taxpayers. Interviews and public documents suggest more than 100 such deals likely have taken place—with each transaction often saving many individual investors tens of thousands of dollars or more.” <http://on.wsj.com/2iMhIJ5>

■ Nancy Mitchell, www.apartmenttherapy.com, Jan. 6, 2017. “Here’s an unusual arrangement I’m spotting more and more lately: a bathtub...in the bedroom? As strange as it



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



Bathtub in the bedroom more common

may seem, master bedrooms and bathrooms are starting to merge, with very interesting results. A lot of this (as astute readers may notice from the photo captions) is driven by hotels, where both bathing and sleeping are luxury activities. Soak for a long time in the tub, towel off, roll into bed: all this may seem totally normal when you're on vacation." <http://bit.ly/2iaH4AF>

Editor's Note: During a class in Boise, Idaho, Justin Aman for the Ada County Assessor's Office made the comment he was seeing bathtubs in bedrooms. The rest of us in the classroom thought he was making it up.

■ www.builderonline.com, Jan. 12, 2017. "According to the Year-End 2016 U.S. Foreclose Market Report, released today by ATTOM Data Solutions, foreclosure filings were reported on 933,045 U.S. properties in 2016. This is a 14% decrease from the 2015 foreclosure rate, and the lowest foreclosure rate since 2006, when 717,522 U.S. properties had foreclosure filings."

■ www.htrends.com, Jan. 16, 2017. "STR's (Smith Travel Research) Dec. 2016 Pipeline Report shows 560,199 rooms in 4,621 projects Under Contract in the United States. The total represents a 19.4% increase in the number of rooms Under Contract compared with December 2015. In the In Construction stage, the U.S. reported 186,965 rooms in 1,424

projects. Based on the number of rooms, that is a 32.9% increase in year-over-year comparisons." <http://bit.ly/2jF1JK2>

■ www.hotelnewsnow.com, Jan. 13, 2017. "U.S. hotel results for week ending 7 January: The U.S. hotel industry reported mixed results in the three key performance metrics for the week ending 7 January, according to data compiled by STR (Smith Travel Research), HNN's (Hotel News Now) parent company. Occupancy had fallen 3.2% to 47.1%, but average daily rate increased 4.5% to \$117.08. RevPAR rose 1.1% to \$55.13." <http://bit.ly/2jrHKHw>

■ Lauren Shanesy, Jan. 18, 2017, www.builderonline.com. "Dark, bold colors have been slowly growing in popularity as contemporary design becomes more popular. Now, manufacturers of kitchen appliances are expecting that black stainless steel finishes for kitchen appliances are going to be the most popular trend among consumers as the new-year begins." <http://bit.ly/2jsowsQ>

■ *The Wall Street Journal*, Jan. 19, 2017, www.builderonline.com. "The Wall Street Journal reported Thursday that Ginnie Mae, the agency that backs FHA mortgages, is worried. It turns out that there still are subprime mortgages, often originated by companies that are not banks and are not as well capitalized. Bonds backed by some of these mortgages topped \$1 trillion in November, for the first time. In the event of a downturn in the housing market, this could have consequences that, as the Journal noted, could look much like the S&L crises of the late 1980s." <http://bit.ly/2jC65om>

■ Hanley Wood Data Studio, Jan. 19, 2017, www.builderonline.com

"Single-family housing starts dipped to a seasonally adjusted annual rate of 795,000 in December, according to new residential construction data released by the Commerce Department Friday morning. This month's result marks a -4.0% decrease from November's rate of 828,000, but represents a 3.9% gain compared to December 2015, when the estimate was 765,000." <http://bit.ly/2iWPGts>

■ www.builderonline.com, Jan. 19, 2017. "ARCHITECT magazine and the Hanley Wood Data Studio report that the monthly Architecture Billings Index (ABI) came in at a score of 55.9 in December, which is up 5.3 points from November's 50.6. The ABI, reported by the AIA, is a vital economic indicator of construction activity in the country, and reflects a nine- to 12-month lead time between architecture billings and construction spending nationally and regionally, as well as by project type. A score above 50, like this month, represents an increase in billings from the previous month, while a score under 50 represents a contraction." <http://bit.ly/2iWZ7cr>

■ *Realtor.com*, Jan. 19, 2017, www.builderonline.com. **Editor's Note:** Fun to look at. I am thinking a retirement home for us appraiser types. "A new listing has hit the market, and it's the most expensive home ever listed for sale in the U.S. at \$250 million. The mansion belongs to "spec king" Bruce Makowsky and is located in Bel Air, Calif. The purchase includes everything in the home, even the furniture, art, and cars in the garage." <http://bit.ly/2jCdFPC>

■ www.builderonline.com, Jan. 23, 2017. "Quartz, or engineered stone, is the new kitchen countertop of choice, according to Deborah K. Dietsch for the Washington

continued on next page

Post. Quartz looks just like granite, though requires less maintenance and is more durable.” <http://bit.ly/2iXpVec>



Homes that turn to face the sun .

■ CNN, Jan. 23, 2017, www.builderonline.com. “A new wave of architecture is taking inspiration from sunflowers, not in color or design but in function. Around the world, homes that turn or transform to face the sun are taking shape. CNN rounded up eight homes that are sitting on bases that allow the homes to turn throughout the year. Each room will have different views throughout the year and the home maximizes its energy efficiency based on the direction of the sun.” <http://bit.ly/2jRR1CN>

■ www.builderonline.com, Jan. 23, 2017. “Sales of existing homes fell 2.8% in December to an annual pace of 5.49 million from the upwardly revised estimate for November and finished the year at 5.45 million sales, the highest level since 2006’s 6.48 million, the National Association of Realtors reported Tuesday. Still, December 2016 came in 0.7% ahead of the same month a year earlier.” <http://bit.ly/2jODERs>

■ David Logan, www.eyehousing.org, Jan. 24, 2017. “The 2015 American Community Survey data shows that New Jersey still leads the nation with the highest average annual real estate tax (RET) bill of \$8,180—\$7,528 more than RETs paid by Alabama’s homeowners. The overall distribution remained

roughly unchanged since 2014, as the composition of the top and bottom ten remained the same. The map [above] clearly illustrates that the highest property tax states are found in the Northeast while—with the exception of Texas—southern states boast the lowest RET bills for their resident homeowners.” <http://bit.ly/2kteBTo>

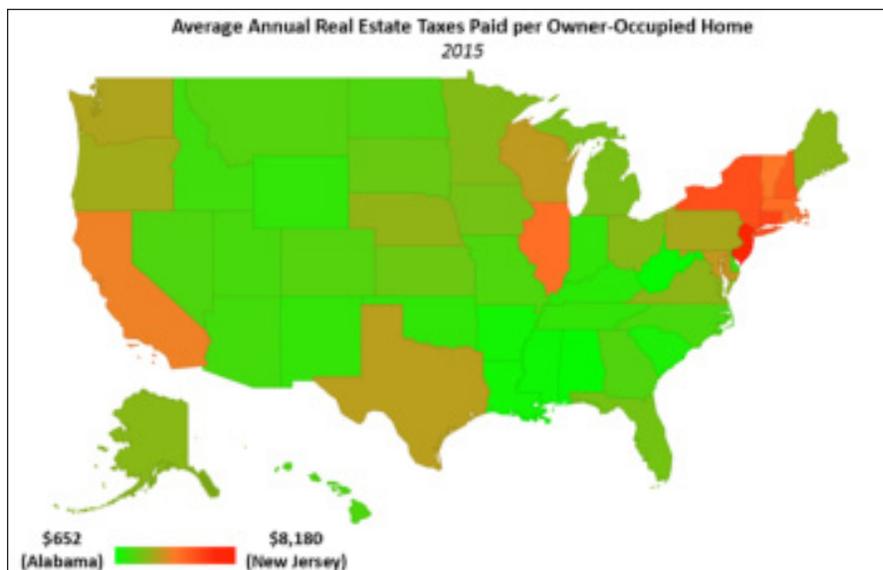
■ *Bloomberg*, Jan. 26, 2017. “Flipping houses became so popular just before the crash that it nearly defined the market conditions of that period, and now it’s back. According to Trulia, home flippers accounted for 6.1% of home sales in 2016, which is the highest it’s been since its glory days in 2006 at 7.3% of sales.” <http://bit.ly/2kxrdNa>

■ *Bloomberg*, Jan. 27, 2017, www.nreionline.com. “China’s escalating crackdown on capital outflows is sending shudders through property markets around the world. Less than a month after China announced fresh curbs on overseas payments, anecdotal reports from realtors, homeowners and developers suggest the restrictions are already weighing on the world’s biggest real estate buying spree. While no one expects Chinese demand to disappear anytime soon, the clampdown is deterring first-time

buyers who lack offshore assets and the expertise to skirt tighter capital controls.” <http://bit.ly/2jpsXmU>

■ Case Shiller, Jan. 30, 2017, www.builderonline.com. “Home prices continued rising in November, according to the S&P CoreLogic Case-Shiller Indices, out Tuesday morning. The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.6% annual gain in November, up from 5.5% the prior month. The 10-City Composite posted a 4.5% annual increase, up from 4.3% the previous month. The 20-City Composite reported a year-over-year gain of 5.3%, up from 5.1% in October.” <http://bit.ly/2kdayM2>

■ Paul Bubny, Feb. 16, 2017, www.globest.com. “The fourth quarter of 2016 represented the 19th consecutive three-month period of growth in the hotel construction pipeline, Lodging Econometrics said Thursday. On a year-over-year basis, the Q4 pipeline of 4,960 projects and 598,688 keys represented a 12% increase in the number of projects, while the number of rooms was up 10%. It’s a far cry from the cyclical bottom of 2,720 projects and 331,129 keys reported in Q1 2012.” <http://bit.ly/2kR7eFN>



■ Jeffrey Mario, *www.redfin.com*, Feb. 16, 2017. “The median home sale price increased 7.0 percent in Jan. to \$261,100, continuing a trend of steady annual growth. Home sales were up as well, increasing 5.6 percent compared to last year despite mortgage rate uncertainty and a continuing inventory crunch.” <http://redf.in/2IDcl10>

■ *www.builderonline.com*, Feb. 15, 2017. “Metrostudy, a Hanley Wood company, announced Wednesday that its national RRI (Residential Remodeling Index) Activity Index reaching a new all-time high of 106.1, which also represented a healthy increase of 4.5% from one year earlier. The index has now seen nineteen consecutive quarters of year-over-year gains since 2011, the bottom of remodeling activity nationwide.”

■ *www.builderonline.com*, Feb. 22, 2017. “Existing-home sales stepped out to a fast start in 2017, surpassing a recent cyclical high and increasing in January to the fastest pace in almost a decade, according to the National Association of Realtors. All regions except for the Midwest saw sales gains last month.” <http://bit.ly/2lx16X4>

■ *www.builderonline.com*, Feb. 23, 2017. “When renovating a kitchen for a family in Indiana, designer Susan Brook knew that storage would be important, says Carol Crotta in the Arizona Daily Star. The family asked that every inch be utilized for maximum storage. Corner drawers were one of the solutions. The pull-out angled drawers house everything from items like tea towels to large pasta pots.” <http://bit.ly/2mgdZ5e>

■ Ben Lane, *www.housingwire.com*, February, 2017. **Editor’s Note:** This is scary but should be read. “The federal government

will continue investigating whether foreign buyers are using high-end U.S. real estate to launder money after an expanded investigation found that potentially illicit activity is behind as many as one in three cash purchases from foreign buyers in select markets.” <http://bit.ly/2mm0m7B>

■ **Editor’s Note:** I recently read an article that stated residential fee appraisals would soon include HERS. There was no explanation on what HERS was. I emailed a friend of mine that owns an appraisal company. She indicated she had not heard of it but found the following for me:

“The Home Energy Rating System (HERS) Index is the industry standard by which a home’s energy efficiency is measured. It’s also the nationally recognized system for inspecting and calculating a home’s energy performance. The HERS Index measures a home’s energy efficiency and there are a lot of great reasons to have a home energy rating performed on your house.” <http://bit.ly/2lvrSM9>

■ Ellen Sheng, *www.forbes.com*, March 2, 2017. “Chinese buyers are flocking to Seattle after Vancouver, a former favorite of those looking to invest in property abroad, imposed a 15% tax on foreign investment. Chinese buyers made up less than 25% of buyers in 2014, 35% in 2015 and about 50% or more in 2016 in the most popular neighborhoods.” <http://bit.ly/2lvFY4h>

■ *www.hotelnewsnow.com*, March 2, 2017. In a year-over-year comparison with the week of 21-27 Feb. 2016:

- Occupancy: +2.3% to 65.6%
- Average daily rate (ADR): +3.7% to US\$124.37
- Revenue per available room (RevPAR): +6.1% to US\$81.56

■ *www.builderonline.com*, March 8, 2017. “ATTOM Data Solutions, Irvine, Calif., on Thursday released its 2016 Year-End U.S. Home Flipping Report, which shows that 193,009 single family homes and condos were flipped— sold in an arms-length transfer for the second time within a 12-month period—in 2016, up 3.1% from 2015 to the highest level since 2006, when 276,067 single family homes and condos were flipped.” <http://bit.ly/2mMwj9j>

■ *www.builderonline.com*, March 8, 2017. “According to the Mortgage Bankers Association’s (MBA) Weekly Mortgage Applications Survey (for the week ending March 3), the average loan size for purchase mortgage applications reached \$313,300. HousingWire staffer Ben Lane reports on this figure, which is the highest since the MBA began conducting this survey in 1990.” <http://bit.ly/2mMyk5b>



Longaberger Company

■ *www.nreonline.com*, March 16, 2017. “The unusual building was once home to the Longaberger Company, a direct sales business best known for its picnic baskets. Completed in 1997, the 180,000-square-foot basket cost \$32 million to build, a pittance for a company that once boasted sales of \$1 billion. Including fees, the total amount owed is a bit more than \$700,000, considerably less than its estimated worth. The building is currently on the market for \$5 million or about \$28 a square foot.” <http://bit.ly/2nPMgIn> ❖