

# SOUTHERN ARIZONA Chapter Newsletter

## Upcoming Education

- *Housing & Land: Market Perspective* May 7, 1-5 p  
4 CEU's ABOA & AI

[REGISTER NOW](#)

## Upcoming Meetings & Events

- Candidate Guidance Committee Meeting April 10, 4pm. Contact: Tom Harvey, MAI
- Open Chapter Meeting April 11 at Sullivan's Steakhouse, 11:30a  
Guest Speaker: Maricela Solis

## Upcoming Online Education

[REGISTER NOW!](#)

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## President's Letter

It is an honor to serve as the 2013 President of the Southern Arizona Appraisal Institute Chapter (SOAZAI). My goals for the Chapter are to be inclusive with all real estate appraisers to serve their needs for education and ongoing awareness of the constant changes in our industry. I have been affiliated with the appraisal profession for many years attaining SRA and RM qualifications as a residential appraiser in the 1980's and the MAI commercial designation in 2000.

We began this year having a joint meeting with REASA, a residential appraisal organization, to hear from the Director of the Arizona Board of Appraisal. Our second meeting focused on tax appeals and a recently passed constitutional change to the way property will be

taxed in Arizona. A meeting is planned to hear from our elected officials and there will be more programs that deal with issues of interest to our members. Educational offerings already done or planned include Uniform Standard of Professional Appraisal Practice (USPAP), Complex Litigation Appraisal Case Studies, and Housing and Land Market Update on a local level. The Chapter Board is working diligently to serve the Appraisal community.



## Open Chapter Meeting:

**April 11, 2013**

**11:30 am to 1:00 pm at Sullivan's Steakhouse**

1785 E. River Road **\$35**

**Guest Speaker: Maricela Solis**

Chief of Staff/ Economic Development Advisor for the  
Office of the Mayor of Tucson

Ms. Solis will speak on the topic of recent and proposed changes to the Land Use Code and processes within Development Services, followed by a Q&A session.



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# Data Mining: The New 'Drive-By'

Jeffrey D. Swango, SRA, SR/WA, R/W-AC, R/W-NAC

Many recent articles have addressed the issue of privacy rights and appraisal reports. Data mining by various companies to reinforce automated valuation models has exposed information that was thought to be protected. Privacy rights are a concern but only the tip of the iceberg. Beyond this, AVM's and/or management companies have circumvented the entire inspection process by looking at computer data or contracting to have a picture from the street and attempting to estimate a value via exterior inspection only. Neither source could possibly be considered thorough and may even do a disservice to the owner. Banks and lending institutions, have for many years, attempted to short cut the appraisal process in the name of speed and rapid turn-around times for borrowers. On the surface, this appears to be a favorable turn of events for homeowners. Cheaper, faster, better, right?

Not necessarily when the home has customized features or upgrades that simply cannot be accounted for from a 'drive-by' inspection. In the race to take every short cut available in the name of saving time and money, lenders frequently miss unique features that can influence value. Conversely, specific problems

stemming from deterioration, deferred maintenance and other forms of depreciation can also go unnoticed when relying on only a photograph.

There has been an argument presented by several AVM's that tract subdivisions, where sales data is more readily available, certainly do not need the specialized services of an appraiser. Really? How about the owner that has invested thousands of dollars in a new kitchen? Can that feature be readily seen and accounted for in a drive-by only inspection? What about the home with water damage that is passed off as being in 'average' condition by an AVM? Are they being well served by an out of state or even out of country computerized model?

The entire issue of automated valuation modeling goes far beyond privacy concerns. It leads down the slippery slope of poor customer service, and incomplete even faulty information. Homes in poor condition are called 'average' while the residence with recent upgrades is given the same label. One is over-valued and the other falls short of what the market might truly be willing to pay. This incorrect data is then relied upon by lenders. It affects billions of dollars and an industry that is then based on poor information at best.

## You Should Have Been There:

On Friday, February 22, 2013, the Southern Arizona Chapter of the Appraisal Institute held the 7-Hour National USPAP Update Course. Our instructor was Anthony Wren, MAI, SRA. Mr. Wren is a partner with Anthony J. Wren & Associates in Reno, Nevada. Karen Newhouse, a commercial appraiser, wrote the following of her experience in this class:

*...With relatively few USPAP classes being taught in Tucson, it was a refreshing change. His experience was extensive and varied. The class was small, approximately 15 appraisers, and was held in the more intimate setting of a conference room. The class was informative and effective. Mr. Wren generously made himself available to any of us should we have questions in the future.*

We are very pleased that Mr. Wren was able to teach this course for our chapter, and we hope to have him here again as an instructor in the future.

# SAVE THE DATE!

Join us on Tuesday, **May 7, 2013** for a new local seminar, **Housing and Land: Market Perspective**. This seminar features a keynote speaker and four panels that provide an overview of current market conditions and forecasted trends for residential, multi-family, and residential land markets. This seminar is open to everyone in the real estate profession and will cover single family residences, custom residential lots, multi-family 1-4 units, larger multi-family, subdivision land, multi-family land, and broker's perspective. This seminar is approved for four hours of continuing education by the Arizona Board of Appraisal. All of the panelists have been involved in real estate for many years and are highly regarded for their knowledge of Tucson real estate. They will provide valuable insight into local market conditions. The topics and speakers are as follows:

**Keynote Speaker:** George W. Hammond, Ph.D., Associate Director of Economic and Business Research Center, Eller College of Management, University of Arizona

**Residential Panel:** Victoria Blass, Top Gun Realty  
Pam Ruggeroli, Long Realty  
Dea Venne, Top Gun Realty

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**Multi Family Panel:** Robert Kaplan, PICOR  
Ross McCallister, MC Companies  
Anthony Reed, Long Realty

**Land Panel:** James Marian, Chapman Lindsey Commercial Real Estate Services  
Thrac Paulette, Vast Real Estate Solutions  
Rick Sack, Long Realty

**Builder/Developer:** Jeff Grobstein, Meritage Homes  
Chad Kolodisner, Diamond Ventures  
Stephen Quinlan, Miramonte Homes and Long Companies

This seminar will be from 1:00 to 5:00 pm on Tuesday, May 7<sup>th</sup>. The location is the Tucson Association of Realtor's building at 2445 North Tucson Boulevard. We hope to see you there!

## ***Our Chapter's Newest MAI's and SRA's:***



Tom Baker, MAI, SRA, presenting **Sara Baker** her MAI designation. She also received her SRA designation.



Bill Peterson, MAI, presenting **Tom Harvey** his MAI designation

**Marie Laatsch** also received her MAI designation in 2012.



Bruce Baier, MAI, presenting **Carolyn Van Hazel** her MAI designation.



Bruce Baier, MAI presenting **Tom Kral** his MAI designation. He also received his SRA designation