

NORTHEAST FLORIDA

President's Message

First off, please join me in congratulating our own Reggie Carter, SRA, MAI in being voted in as the Third Director for Region X. Reggie has donated so much of his time to the chapter and national in a host of duties. This selection is a long time coming and definitely well deserved! Congrats Reggie!

I want to thank everyone who came out to Veterans United Brewery for our First Quarter meeting. And I want to give a special thanks to our two panelists, Marvin Ferebee, MAI, AI-GRS and Mark Worthen. Both did an outstanding job and it was a good time for all of those who made the time to attend. An additional thanks to Mark Worthen who brought two members of his staff, Clem Arsenault and Meredith Dominguez, MAI.

Jason Lovett, MAI (Government Relations Chair) and I attended the VALUEvent in Tallahassee in March which was considered quite a success. This year, a residential roundtable was held during the afternoon of the first day to discuss issues affecting the appraisal profession and AI. A similar roundtable will be held during the AI National Conference in Denver later this year. Afterwards, a two-hour CE seminar was held at Proof Brewing Company which included one of the owners, Byron Burroughs, who discussed real estate and legal related issues associated with developing a craft brewery. Afterwards, Mr. Burroughs took everyone on a tour of the facility which was obviously well received by appraisers.

The primary goal of the VALUEvent is focused on bringing appraisal related issues to our elected officials in the hopes of having our voices heard and passing legislation that is helpful and meaningful to the profession. The morning of the second day involves lobbying efforts at the Capitol as attendees are asked to set up meetings with their Representatives, Senators and/or their aids. Jason and I were able to secure a meeting with Representative Cyndi Stevenson. The meeting went well and she was engaged in the conversation of our concerns. (An attached list of this year's talking points is included at the end of this newsletter.)

I highly encourage everyone who has not attended the VALUEvent to explore it in the future. The Florida Gulf Coast Chapter and Region X host portions of the event, which does focus on issues impacting the appraisal profession and not just AI. Thank you Jason for taking the time to attend as well!

Lastly, please reserve space on your calendars for the Fourth Quarter meeting with Installation of Officers and Directors dinner on December 10, 2019 at the Florida Yacht Club. This year we have a special guest performing the installation, Jeff Sherman, MAI, AI-GRS who is the 2020 AI President. This is a rare treat for our chapter and I hope everyone is able to attend.

Best Regards,

Matthew D. Bulecza, MAI, AI-GRS

President Northeast Florida Chapter Appraisal Institute



2019 Officers and Directors

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SAVE THE DATES!

Please mark your calendar for these upcoming chapter meetings!

SECOND QUARTER CHAPTER MEETING: BROKER PANEL

We are hosting a broker panel with retail and multi-family brokers, Jason Ryals and Morgan Williams (Colliers). This event will take place during the last week of June at Veterans United Brewery (8999 Western Way, #104). Doors open at 5:00 PM and the meeting will convene at 5:30 PM. More details to follow.

THIRD QUARTER CHAPTER MEETING: DEVELOPER PANEL

The third quarter meeting will be on **August 22, 2019** at Green Room Brewing (228 3rd Street North, Jacksonville Beach). This meeting will include a panel discussion with developers. Meeting will begin at 6:00 PM. More details to follow.

END OF YEAR CHAPTER MEETING

The annual end of year Holiday party with special guest Jeff Sherman, MAI, AI-GRS (2020 AI National President) will take place **December 10, 2019** at the Florida Yacht Club. More details to follow.

2019 NATIONAL CONFERENCE

This year's National Conference and joint region meeting will be from **July 22 – July 24**, in Denver, Colorado. In addition to representing our chapter at the Annual Conference, Denver is a great town and this year should be a lot of fun!!! We encourage as many members as possible to make the trip. For more information on Keynote Speakers, Speaker Bios, Agenda, etc. please visit <https://www.appraisalinstitute.org/annual-conference/>.



Chapter Elections

As part of the Second Quarter 2019 Chapter meeting (June 25, 2019), the election for the 2020 Chapter Officers and open Board of Director positions will occur. The 2019 Nominating Committee recently convened under the leadership of Chair Marvin Ferebee, MAI, AI-GRS and are recommending the following names to the membership.

Officers

President – Mark Williams, MAI
Vice President – Chad Rogers, MAI
Treasurer – Matt Earnest
Secretary – Patrick Phipps, MAI

Board of Directors

One Year – Clayton Belger, MAI
Three Year – Anthony Megas, SRA

Voting will occur on Tuesday, June 25, 2019 at the Chapter meeting to be located at Veteran's United Brewery.

MEMBER SPOTLIGHT

This is a new section to the Newsletter, and the goal is to highlight Northeast Florida Chapter Members through a Q&A session.

This quarter's we're highlighting **Robert Green, MAI**

Q: With what firm/company are you presently employed, or are you self-employed? How long have you been in your current position?

Robert: I have worked for The Sage Group most recently since 2009.

Q: What type of appraisal work do you do?

Robert: We appraise any and all types of commercial real estate. I specialize in and enjoy appraising hotels.

Q: How did you get started in the business?

Robert: I originally took a job with The Sage Group right out of college in August 2005 and worked through the end of 2006 as a Trainee. I left to join the brokerage side of the industry in early 2007. Good timing! In late 2009, The Sage Group was looking to hire another appraiser and I jumped at the opportunity with the goal of becoming a Certified General Appraiser.

Q: Who/what is the biggest influence for you obtaining your designation?

Robert: My employer, Larry Sage, always encouraged his employees to work towards the MAI designation, but that wasn't really my plan when I started back appraising. I obtained my CG license in 2012. Seeing a few peers and coworkers work towards and/or obtain the designation (notably, Matt Bulecza and Hunter Arnold), and realizing the opportunities that MAI designees have in the industry, I decided to start the process in early 2013.



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Q: What advice can you give to other candidates about navigating/completing the designation process?

Robert: Just go for it! The Appraisal Institute does a nice job laying out a timeline that makes it very reasonable to accomplish in less than five years – start to finish. The advanced level course work will make you a better appraiser and most instructors are helpful and encouraging. It's a lot of work but rewarding in many ways.

Q: What are your favorite hobbies/activities you enjoy when you step away from the office?

Robert: I enjoy spending time with my family and watching my two kids (6 and 4) grow. My wife and I enjoy concerts at the St. Augustine Amphitheatre and Daily's Place, and I have Jags season tickets with my father. I enjoy golf, although my game needs some serious help. I'll occasionally make a trip with buddies to Tallahassee for FSU football or basketball.

Q: What advice would you share with someone looking to get into the profession?

Robert: It's a good profession that exposes you to a lot of areas of the real estate world and allows a flexible schedule that supports a work-life balance. I would suggest someone new to the industry to make sure to get a 30,000-foot view of the assignment before plugging in comps and churning out an appraisal. Try to understand what the client is looking for; what is going on with the property and what market trends are happening in the immediate area; what is the history of the parties involved and what are their motives; etc.

2019 Legislative Issues

The Appraisal Institute is a global professional association of real estate appraisers, with nearly 18,000 professionals in almost 50 countries throughout the world, and over 1,000 members in Florida. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide. Individuals of the Appraisal Institute benefit from an array of professional education and advocacy programs, and may hold the prestigious MAI, SRA, SRPA, AI-GRS and AI-RRS designations. Learn more at www.appraisalinstitute.org.

Statute of Limitations for Appraisal

Background: Exposure to civil liability for an unlimited duration is unfair and leads to increased costs for appraisers and consumers. Over the past few years, there has been a rise in lawsuits against appraisers for issues unrelated to value on failed loans that were originated 10-15 years ago.

Current Law: Professional malpractice claims (contract and tort) against real estate appraisers are subject to a two-year statute of limitations. This limitation of actions applies only to “privity” claims. A four-year limitation applies to non-privity negligence claims. Non-privity breach of contract claims has a five-year statute of limitations. Actions for specific performance pursuant to a contract are subject to a one-year statute of limitations.

Discovery: Claims against real estate appraisers are subject to the “discovery rule” meaning that they accrue from the time the cause of action is discovered or should have been discovered with the exercise of due diligence. The discovery rule results in an almost infinite statute of limitations as defects in appraisals are often not discovered until something occurs (i.e., a mortgage default) that results in a forensic review of an appraisal. With reasonable due diligence on the part of users of appraisal services, any defect in an appraisal should be discovered at the time, or near the time, that an appraisal is performed.

Recordkeeping: The Uniform Standards of Professional Appraisal Practice (USPAP) require an appraiser to retain a workfile for a period of at least five years after preparation of an appraisal, or at least two years after final disposition of any judicial proceeding.

Action Requested: Support legislation that would require that any civil action against an appraiser or an appraisal firm commence within six years after the date of the “act or omission giving rise to the action.” In most cases, this would be 6 years from the date that the appraisal service was performed or should have been performed. The limitation would not apply to actions that allege fraud or misrepresentation.

Real Estate Appraisal Board Composition

In support of the Governor’s deregulation agenda, the Appraisal Institute supports legislation to reduce the size of the Florida Real Estate Appraisal Board (FREAB).

History: The number of FREAB members was increased in 2010 from seven to nine and added two representatives of the appraisal management industry. The current makeup of FREAB is four appraisers, one user of appraisal services, two public members, and two representatives of appraisal management companies (AMC). As of December 2018, there were approximately 6,400 active registered trainee appraisers and licensed/certified appraisers subject to regulation by FREAB, but only 227 AMCs.



Issue: A law enacted in 2010 unnecessarily made government bigger and provided AMCs with disproportionate FREAB representation. AMCs makeup over 20% of FREAB but represent only 3.5% of the regulated entities. AMCs have one FREAB seat for every 114 regulated entities. Appraiser licensees represent 97% of the regulated persons/entities but only 44% of FREAB – one for every 1,600 licensees. Overall, there is one member for every 736 licensees.

The Florida Real Estate Commission (FREC), which regulates over 300,000 individuals and entities, has seven commissioners (one for every 42,000 regulated entities), including five real estate licensees (one for every 60,000 real estate licensees).

If the same proportion of licensees to board/commission members applied to FREC as currently exists with FREAB, there would be over 400 real estate commissioners!

Solution: Reduce the size of FREAB from nine to seven members by eliminating one of the appraisal management industry seats. In order to maintain an odd number of board members, one of the seats reserved for a representative of the general public would also be eliminated. The size reduction should be by attrition as the affected members' terms expire.

Free Copy of Appraisal Standards

All Florida licensed and certified real estate appraisers are required to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) which has been incorporated into Florida law by reference. USPAP is owned and copyrighted by The Appraisal Foundation (TAF), a private entity. All Trainees are required to take and pass the 15-hour USPAP class in order to receive a trainee license. Additionally, all licensed and certified appraisers are required to complete a 7-hour USPAP class as part of their Continuing Education requirements every two-years to renew their licenses. Every person taking a USPAP course must have their own, unpirated paper or electronic copy of USPAP (\$75) and the USPAP Student Manual (\$35).

Issue: Real estate appraisers are the only regulated occupation or profession required to purchase a copy of the law with which they must comply from a private entity. It does not seem at all appropriate to force a licensee to purchase a copy of the law that they will be required to follow. Similarly, it may be inappropriate for the state to adopt as law standards of practice that are owned and copyrighted by a third-party, non-governmental entity and have not been reviewed and considered by the Florida legislature.

Solution: Enactment of legislation that requires the Division of Real Estate to provide a free copy of USPAP to every licensee at the time of renewal.

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