



Meeting Minutes

November 9, 2011

Meeting was brought to order at 7:30 by President Bridget Weaver

Attendance: Lee Horn, Stanley Silverblatt, Ellen Feinberg, Bob Ward, Donna Mulder, Danny Fisher, Roger Anderson, Greer Maneval, Donna Zetts, Bridget Weaver, Barbara Brittingham and Bobbi Berry

Referrals: Danny to Bob Ward and Dave Koster Roger Anderson to Lee Horn
Greer Maneval to Lee Horn

Welcome back to David Theil who will now be representing Merrill Lynch. David also won the 50/50, which collected \$38.00 and was donated back to the Charitable Contributions.

Discussed Holiday/End of Year Function: include partners/spouses, Evening or Luncheon. Should it be held in January instead of December? Do we want Entertainment?

A Membership Drive Committee was formed by the following volunteers:
Greer Maneval, Ellen Feinberg, Roger Anderson and Danny Fisher as the Alternate

CAPE Business Network Shirts should be arriving in time for our next meeting, November 23rd. Please bring a check to pay for any extra shirts you may have ordered. The first shirt is on CAPE.

Bridget Weaver was our Featured Presentation: Thanks Bridget for a very informative Presentation

Weaver Real Estate Appraisal

Bridget appraises real property: land and improvements that are attached to the land.

In order to be an appraiser, a license is required. There are 4 Levels:

Trainee, Licensed, Certified Residential and Certified General (Regulated by each state)

There are education and experience requirements for each level. Certified Residential: 125 hours of classroom and 2000 hours of supervised work hours.

When the education and experience are completed, you take a state test. Assuming you pass, you are free to appraise real property within the boundaries of your license.

I am Certified Residential Real Estate Appraiser, so I have the education and experience the states (MD and DE) require for this level of licensing. I started appraising in 1992, when the first regulation of appraising went into effect. I also have a bachelor's degree from Hood College and an MBA from Salisbury University. You don't need a college degree to be an appraiser, but it helps.

Appraising is estimating market value. The definition is below:

Market value is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

There is an accepted methodology for appraising real property and it uses this definition of market value Briefly, there are three approaches to value:

- 1. SALES COMPARISON APPROACH: the most relevant for residential property. This is where the appraiser gets a look at the subject property and compares it to property in the local market that has sold recently or is currently listed.**
- 2. COST APPROACH This is typically a supportive approach. The Cost to Build NEW is estimated using a national costing service like Marshall and Swift. Then depreciation is estimated, yard improvements are estimated including depreciation and the lot value is estimated and added in. The resulting number used to be close to the Sales Comparison number but in some markets with a lot of distress, the difference is really wide.**
- 3. INCOME APPROACH This is important where the income producing capability of a property is the primary motivation for owning it. Rental Property for residential appraisers is the main sector. For Commercial Appraisers, its gas stations, apartment buildings, office buildings, shopping centers, all that stuff. So for markets where the return on the investment is the primary motivator, the Income Approach is used.**

In a residential appraisal for these local markets, the Sales Comparison is the most important way to estimate market value.

VALUE. Defining this for ourselves is important because the markets are changing so much and everyone is affected, indirectly or otherwise.

VALUE IS A SOCIAL PHENOMENON: There is no place, thing or idea that has intrinsic value.

Value is always changing because markets are always changing. Market change because people change. That's it. That's the whole thing.

So appraising is reporting on what the market is ... liking and not liking currently. As it pertains to your house. That change in tastes and circumstances is why your house can be worth \$3million last year and only \$2.5million this year.

Next Featured Presentation will be Donna Mulder and the alternate is Danny Fisher

And lastly: Bridget talked last meeting about an intern we have at WESM who is from Lagos and who is finishing his degree in electrical engineering in a couple of weeks. He's taking a year off before he goes to graduate school to explore and adventure and stuff. So mostly because he is interested in us (and also because he is interesting), I invited him to join us at Wednesday's meeting. I know it will be lightly attended because of the holiday but we'll have some fun. So Lukman (Luke-man) Anidu will probably be joining us on Wednesday!

Hope to see you all on the 23rd, if you are not available please have a Safe and Happy Thanksgiving