

# Chicago Appraisal Times



**President's Letter**

With all the snow outside, it's difficult to believe that Spring is almost here. I hope everyone was able to enjoy some winter activities or get a break somewhere sunny and warm. Committees have been busy planning events for Spring and hopefully members will come out of hibernation and attend some Chapter events in the coming months.

We are lucky to have so many members involved in the Chapter. Tom Munizzo and TJ McCarthy are planning an FHA Appraisal class for the end of April and a Stats, Graphs and Data Science class in Lisle in May. Fernando Sosa is planning a Rising Star event in Chicago in April. Dan Daitchman, Tom Munizzo and Pat Felvey are planning the Chapter's golf outing, which will be held at the Elgin Country Club. We will also have representatives at the ICAP Seminar to promote the Chapter in Lisle on May 20.

In January, we held our annual Capital Markets Event at the Standard Club, which was planned by Susan Boin. In February, Lela Hersh planned the USPAP 7-hour Course, which was held in the UBS Building. Both events were well-attended and provided valuable information to the attendees. Thanks to Susan and Lela for planning these events!

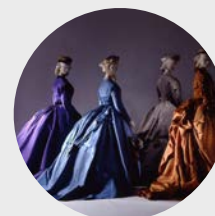
Elections for the Chapter's Board are coming soon. Don't forget to vote when the ballot comes out and let us know if you would like to get more involved with the Chapter.

Judy Moody, ASA  
Chicago Chapter President



**Judy Moody, ASA**  
Chicago Chapter  
President

**Advancements**



Allyson Lee, ASA  
Fine Arts

Caroline Siegel,  
ASA Fine Arts

John Sexton, ASA  
Firearms

Deborah Miller,  
ASA, Costume and  
Couture

Amy Green, ASA  
Residential  
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## CHAPTER NEWS

### Dual Designation with NAIFA and ASA

ASA invites NAIFA designated members to take advantage of all that ASA has to offer, consider adding the ASA designation to your portfolio, and join the current group of appraisers with dual designation- ASA and NAIFA.

Adding an ASA designation is easy, can be completed online, and, best of all, normal fees are waived with a special campaign code when you complete your application.

#### Helpful links:

<http://www.appraisers.org/Disciplines/Real-Property/rp-news-and-events/2018/07/30/new-step-by-step-guide-released-for-dual-designation-online-application>

<http://www.appraisers.org/Disciplines/Real-Property/rp-news-and-events/2018/07/09/special-offer-for-naifa-designated-members-to-add-asa-credential>

<http://www.appraisers.org/Disciplines/Real-Property/rp-news-and-events/2018/05/24/naifa-welcome-faq-s>

Contact Anna Culpepper, ASA Member Services (800) 272-8258 with any questions.



## UPCOMING EVENTS

### FHA Course- HUD Handbook Update CE Course

**April 30, 2019**

8:30am-4:30pm

Main Street Association of Realtors

6655 Main Street

Downers Grove, IL 60516

ASA Member fee: \$99.00

Non-member fee: \$119.00

<https://www.eventbrite.com/e/hud-single-family-housing-handbook-update-tickets-58647311688>

### Look for information on upcoming Spring and Summer events!

We will be sending out details soon for FHA Appraisal Class, Stats, Graphs and Science Class, Rising Star Event, Chapter Golf Outing and End-of-Year Dinner.

## What we have been up to...

### Annual Capital Markets Update

ON January 17th, the Annual Capital Markets Update was held at the Standard Club in downtown Chicago. This event is held jointly between the ASA and the Business Valuation Association. ASA members of all disciplines were in attendance and received updates about the state of the economy and the M&A market. The event was well-attended, with about 45 members and guests participating.

Rick Mattoon of the Federal Reserve Bank of Chicago kicked off the discussion with his take on the 2019 Economic Outlook for the U.S. Except for December, the assessment of 2018 was that the economy demonstrated real strength, with growth supported by the tax package, tight labor markets, consumer confidence and corporate profits. While these factors led to a demand driven expansion, similar expansion was not apparent on the supply side which dampens the outlook for 2019. Above trend growth is still expected (2.3% - 2.5%), but slower than 2018 (3.0% - 3.1%). The slowdown is anticipated due to slower growth in the world economy, aging populations, slow productivity growth, the front-end loaded nature of the TCJA, and the higher cost of borrowing.

Elliot Farkas of William Blair & Company followed Rick, sharing activity levels and trends in the M&A and capital markets. While total deal value increased 11.9% domestically in 2018, volume decreased 16.1%, reversing the trend of the prior year. Globally, deal value rose 9.4% and volume fell 12.2% last year, with most of the volume decline in the smaller (under \$100M) deals. While there was a marked slowdown in



the last few weeks of 2018, the fundamentals remain positive. These factors include the significant cash reserves remaining in both businesses and PE funds (most in older funds with capital overhang and a smaller amount from recently formed funds), corporate divestitures, growth through acquisitions, and the large number of family businesses expected to transition in the short term. Interest rates are still at low levels, and multiples remain attractive for sellers, especially for larger transactions. While the average multiple for transactions under \$50 million was strong at 8.4x in 2018, it was even better for deals in the \$250 - \$750 million range at 10.1x. Within the deal structures, there seems to be a continuing trend toward shorter timeframes from start to finish. Buyers and sellers are doing more due diligence up front, and sellers are being more selective in their

outreach to buyers. They are also taking out some of the traditional steps to get deals done quickly. Again, the strong activity is expected to continue in 2019, with PE funds participating on both sides of transactions, but there could be some slowdown due to global economic factors and volatility concerns. As usual, the speakers provided valuable information to those attending the event, and they were well-received.

## USPAP 7-HOUR UPDATE:

On Friday February 22, nineteen ASA members met at the UBS building for the 7-hour USPAP update. Participants from MTS, BV, ARM and PP disciplines were in attendance. The instructor Sandra Tropper, FASA, reviewed changes to the 2018-2019 edition, and also discussed a few upcoming changes being considered by the Appraisal Standards Board (ASB). Tropper encouraged all members to review the Fourth Exposure Draft of Proposed Changes for 2020-2021 USPAP edition, and let their opinions be known to the ASB. The next USPAP update class hosted by the Chicago Chapter will be the 7-Hour USPAP update for the 2020-2021 edition. The first class of the new edition always fills up, so be sure to register as soon as the class is publicized, tentatively slated for February 2020.

## EXPLORING MARKETS: NAVIGATING ROUTES 2019 ASA PERSONAL PROPERTY CONNOISSEURSHIP CONFERENCE

Santa Fe, NM  
March 10-13, 2019

The conference opened on Sunday evening with a cocktail party in a beautiful Santa Fe room in the historical La Fonda Hotel. On Monday, participants in the conference titled Exploring Markets: Navigating the Routes, enjoyed two and half jam-packed days of presentations. The conference began with the keynote speaker, Marion Maneker of the Art Market Monitor. He focused the top end of the art market boom of the past fifteen years stating there were roughly 20 artists that account for 60% of auction sales. He also addressed the middle market where a wide range of artists and objects sold to a broad group of buyers. This middle market, which he defined as objects sold between one million to ten million dollars, is good for the art market but at times very chaotic.

Kate Fitz Gibbon of Fitz Gibbon Law, LLC discussed changes in cultural property law with appraiser/broker Tom Cleary who used a case study to illustrate the legal landscape.

Laurie Stein of L. Stein Research provided insight on the red flags of provenance, restitution, and issues of title. Pamela Bensoussan, ASA, ARM-PP discussed the issues of title and restitution of WPA works.

Ana Archuleta of Gerald Peters Gallery gave an excellent talk about fakes and forgeries of Frederic Remington and Charles Russell bronzes. Leila Dunbar, AAA, ISA AM had the audience laughing with her fun and informative talk on appraising sports memorabilia, toys and wine. Soodie Beasley, ASA, AAA and an expert on 20th-century design furniture lectured on the prevalence of fakes and how to spot them in the furniture design market. Jed Foutz of Shiprock Santa Fe discussed Navajo Rugs and Southwest silver. Alastair Nichol, Chairman and Co-owner of Freeman's Auctions talked about price increases in the illustration art market and Louis Bixenman described what an original poster was and the best sources for comparables.

The second day opened with Lauren Hunt, owner of Hunt Modern, and another Keynote speaker. She shared the trends and market for 20th-Century European design and explained how this sector of the market has enjoyed record prices with scarcity now driving the market. Daile Kaplan of Swann Auction Galleries outlined the trends and characteristics effecting value in the classical fine art photographs market. The emerging market of photojournalism, a smaller segment of the photography market, provides unique challenges for assigning value. Sidney Monroe of Monroe Gallery lectured on the most important value characteristics of these photojournalist prints. Gillian Blich of Santa Fe Art Auction and Ann Bodelson Brown an Independent Consultant and Broker in Santa Fe, reviewed the rapid changes in the auction market and the challenge of accessing sales prices in the gallery/dealer market. Nicolasa Chavez, Curator of Latino and Hispano, Spanish Colonial Museum of International Folk Art, gave a fascinating lecture on the history, designs and fabrics used in Mantóns and New Mexican Colchas and Saltillos. In a shift from New Mexican decorative and textile arts, authors Joseph Traugott and David Witt discussed the history of art in New Mexico, focusing on Taos modernists, a group of artists formed after WWII. Deborah Miller, ASA, and a member of the Chicago Chapter, provided a visually compelling PowerPoint and discussed the differences between couture and expensive ready-to-wear. This is a distinction often blurred by the designers themselves. She discussed how to read labels and the current market value for rare, pristine couture pieces. That session was followed by an insurance forum with Robert Salmon of Willis Towers Watson, Nicole Sheley of NS International and Lela Hersh, ASA, the Chair of the conference and also a member of the Chicago Chapter. The discussion focused on damage and loss, arbitration and the role of umpires, emphasizing the need for clear, analytical and thorough appraisal reports.



For the final day, Breanna Contreras of Bardacke Allison LLP outlined strategies for creating airtight agreement letters. She was followed by Holly Mitchem, ASA and Janella Smyth, FASA who both provided a step-by-step approach to challenging assignments and the best practices for making the case for your value conclusions. The final lecture of the conference was IRS's Robin Bonner, an appraiser from the Appraisal Services Department, and Karin Gross, Special Counsel. They outlined the dos and don'ts of charitable donation and appraisal reports with Bonner also focusing on estate issues. After the conference, many attendees took a tour of the La Fonda hotel which featured 100s of original works of art. Also, Sandra Tropper, FASA, met with candidates and other appraisers who were thinking about bridging to ASA.

The days of lectures were followed by a day in Taos, NM. After a snowy but breathtaking ride, the participants had tours of the Millicent Rogers Museum, Harwood Museum, and Taos Art Museum/Fechin House. There was time in-between to enjoy a long lunch, go shopping or have yet another margarita!

## UPCOMING CONFERENCES

### April 2019

**Mid-Atlantic Real Property Conference—Atlantic City, NJ**  
April 10–11, 2019

**Fair Market Value Concepts: Appraisals for Federal Tax Calculations Seminar—Charlotte, NC**  
April 12–13, 2019

**Business Valuation Seminar—Plymouth Meeting, PA**  
April 26, 2019

**Forensic Expert Witness—San Francisco, CA**  
April 26–27, 2019

**ASA Fair Value Conference—New York, NY**  
April 30, 2019

### May 2019

**Energy Valuation Conference—Houston, TX**  
May 2, 2019

**Equipment Valuation—Houston, TX**  
May 2, 2019

### June 2019

**ASA/USC Fair Value Conference—Los Angeles, CA**  
June 20, 2019

### August/September 2019

**2019 International Appraisers Conference— New York, NY**  
August 25–27, 2019

**2019 Advanced BV Conference— New York, NY**  
August 25–27, 2019

**South Africa Conference and Tour—Sun City, South Africa**  
August 27–September 8, 2019

**11th Annual ICVPME 2019—Auckland, New Zealand**  
September 9–11, 2019

# EDUCATIONAL OPPORTUNITIES

## PRINCIPLES OF VALUATION

### Personal Property/Gems and Jewelry

#### **PG201 Introduction to Personal Property Valuation**

June 1-4| Purchase, NY  
OnDemand| Webinar

#### **PG202 Development of a Personal Property Appraisal: Research and Analysis**

June 5-8| Purchase, NY

#### **PG203 Communication of a Personal Property Appraisal: Report Writing**

March 28-31| Boston, MA  
June 9-12| Purchase, NY

#### **PG204 Personal Property Valuation- The Regulatory Environment**

May 2-5| Boston, MA  
June 13-16| Purchase, NY

### Gems and Jewelry

#### **GJ202 Appraising Gems and Jewelry for Insurance Coverage**

April 1-24| Webinar Series

### Machinery and Equipment

#### **ME203 Advanced Topics and Case Studies**

April 25| Chicago  
May 7| Webinar

ME206 Appraisal of Inventory

April 25| Chicago

### Business Valuation

#### **BV201 Introduction to Business Valuation, Market Approach**

April 25| Chicago

#### **BV203 Introduction to Business Valuation, Asset Approach, Discounts and Premiums**

April 25| Chicago

#### **BV302 Special Topics in the Valuation of Intangible Assets**

April 25| Chicago

### Real Property

#### **RP401 Allocating Components in Going Concerns Appraisals**

May 20| Lafayette, CA

## USPAP COURSES

### **15-Hour USPAP for PP, GJ & MTS**

May 30-31| Boston, MA  
September 12-13| Purchase, NY

### **7-Hour USPAP for PP, GJ & MTS**

June 3| Cleveland, OH

## WEBINARS

### **Business Valuation**

#### **BV188 Valuation for M&A**

April 11| Webinar

#### **BV187 Rollover Equity; Common Valuation Issues**

April 18| Webinar

#### **BV191 Determining Discounts for Lack of Marketability**

April 30| Webinar

#### **BV193 Appraising Real Estate Centered Entities by a Business Appraiser**

May 9| Webinar

### **Appraisal Review**

#### **AR117 Techniques to Help your Attorney Prepare the Expert for Testimony to Establish Credibility**

April 16| Webinar

## SPECIALTY COURSES

### **Fair Market Value Concepts: Appraisals for Federal Tax Calculations**

April 12-13| Charlotte, NC

### **PP451 Appraising Fine Arts Overview**

June 1-2| Boston, MA

### **PP451 Appraising Fine Arts Overview**

September 14-15| Purchase, NY

# Chicago Appraisal Times



Chicago Appraisal Times is an online newsletter published by the Chicago Chapter of the American Society of Appraisers, an international, non-profit organization that teaches, tests and awards designations in all appraisal disciplines, including Business Valuation, Gems and Jewelry, Machinery and Technical Specialties, Personal Property and Real Estate.

## Chapter Contact Information

Contact one of the committee chairs as listed on [www.asachicagochapter.org](http://www.asachicagochapter.org)  
Website: <http://www.asachicagochapter.org>

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Website: <http://www.appraisers.org>

### Chicago Chapter Board

President: Judy Moody, ASA  
1st VP: Dan Daitchman, ASA  
2nd VP: James Nutter, ASA  
Secretary: Tony Vescovi, ASA  
Treasurer: Tom Munizzo, IFA, CMAR, DAR, ASA

### Discipline Chairs

Business Valuation: Susan Boin, ASA  
Gems & Jewelry: Michael Holtzman  
MTS: James Nutter, ASA  
Personal Property: Patricia Atwood, ASA  
Real Property: Mark Munizzo, ASA, IFA  
Membership Chair: Mary Warmus, ASA

### Other Positions

ICAP Reps: Doug Anderson, ASA, IFA  
Tami Bellisario, ASA, IFA  
Lee Lansford, ASA, IFA, SRA  
T.J. McCarthy, ASA, IFA, SRA  
Newsletter: Stacy Kammert  
PR: Fernando Sosa, ASA, MRICS,  
Website: David Koller, ASA  
Aaron Keller

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The American Society of Appraisers is an international organization of appraisal professionals and others dedicated to the education, development and growth of the appraisal profession. ASA is the oldest and only major organization representing all disciplines of appraisal specialists, originating in 1936 and incorporating in 1952. ASA's headquarters is in the metropolitan Washington DC area. This newsletter represents the members of the Chicago Chapter of the American Society of Appraisers.





Photo captions:



Elliot Farkas



Elliot Farkas, Susan Boin, ASA, Rick Mattoon



Kersten Nagle, Carole Perry, Stacy Kammert, Margot Note, Patricia Atwood, ASA