

Quarterly Newsletter – 2nd Quarter, 2023

President's Letter

Greetings NDAA Members,

It is hard to believe that we are halfway through 2023. I hope you were all able to enjoy a relaxing 4th of July in celebration of America's Independence! The Summer solstice was two weeks ago, and we have begun our slow path back to shorter days and snowy weather. Summer months are short in our area and getting out of the house and into the sunshine is extra special this time of the year.

I would like to report that NDAA leadership has had a chance to catch our breath and take in the full results of the 2023 legislative session. As was mentioned in my previous letter we gained valuable experience and knowledge on the legislative process. We are making plans to ensure we will continue to build on the positive relationships that we have developed. We received a big win in HB1225 which provides funding availability to all counties that want to provide real estate data online via a website such as Vanguard. The Government Affairs Committee is working on getting this information out to local counties and officials and to help them understand how vital this information is to appraisers, real estate professionals, and the general public.

The NDAA Board has its annual strategic planning session in early September and I'm eager to hear our directors' new proposals and ideas. Our planning and vision for the next legislative session begins with the thoughts and ideas that are cultivated during our strategic planning summit. I look forward to informing you all on our fruitful discussions.

-NDAA President, Joe Sumers

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Committee Reports

Bylaws/Policy:

Just a reminder that the goal/purpose for this committee is to maintain the bylaws and policy for our association, along with meeting any future needs of our association regarding new or changes of policies and bylaws. There have not been any changes to Bylaws/Policy since the last newsletter was published. This committee will be meeting and looking into a policy regarding requesting surveys of the NDAA membership. In the last newsletter this committee was going to look into a mission statement for our association. At the last board meeting, the Public Relations Committee stated that they have been working on a mission statement for the NDAA, therefore this committee will no longer work on it.

-Committee Chair, Patricia Hodenfield

Finance:

This year we have invested more money in the website and the legislative. We have been able to accomplish this with the surplus that we have had through the years. Thank you everyone for supporting the NDAA. We appreciate you all and hope to see you at the fall classes.

-Committee Chair, Nick Duhscher

Marketing/Public Relations:

The NDAA's First Quarterly Newsletter was completed and distributed to membership on April 17th, 2023.

The NDAA joined (free of charge) 28 states in becoming a member of the National Association of Appraisers (NAA). The Association will provide good exposure for the NDAA as they represent residential and commercial real estate appraisers nationwide, including state coalitions, associations, and NAA's board and committee members.

A draft of the Committee's refocused Mission Statement was presented to Committee Members on May 16th, 2023, with the goal being to finalize it for the upcoming launch of the new NDAA website. Additionally, the Committee will be working on developing a refocused Mission Statement for the NDAA.

Development of the Second Quarter Newsletter commenced with a focus on the recruitment of a candidate for the newsletters Apprentice/New Member Spotlight and the Important Issues topic for discussion. Please submit any comments and ideas for future newsletters to Wade Becker.

-Committee Chair, Wade Becker

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Education/Events:

We continue planning our upcoming education offerings and bringing timely classes to our members. Thank you to the attendees of our spring offering in Bismarck on June 9 with the class: *Inconsistency: It's hiding in plain sight in your residential appraisal*; with Craig Steinley as our instructor. It was a very informative class!

We have also made some changes to the planning for this year's annual conference which will be held in Fargo on November 13 and 14th at The Gate City Bank Swintek Center (500 2nd Ave N, Fargo) with a block of rooms reserved at the Jasper Hotel on Broadway. The classes will be the 7 Hour USPAP Update course taught by Craig Steinley and we switched the 2nd day to a class on non-lending appraisal work with Joshua Walitt from Colorado, a new-to-us instructor. This class is suitable for all genres of licensure and timely in today's market with the mortgage work slowdown. There will be a free social appetizer and beverage bar immediately after the class on the 13th. We are working on moving the spring offering in Bismarck to tie in with the NDREAB board meeting and reserving dates and scouting classes for the future! We would love more people to actively help on this committee, both in year-round planning and at the time of the events. If you'd like to volunteer, please contact Kathy Huss at 701-261-0337 or at Kathyhuss@gatecity.bank.

-Committee Chair, Kathy Huss

Website:

The Website Committee is in the final stages of developing a new website on WordPress. The existing website serves as a starting point for creating a new and improved user experience. We are working on a daily basis to bring the new site to the NDAA as soon as possible!

-Committee Chair, David Whartnaby

Membership:

The strength and sustainability of any organization is the loyalty and commitment of their individual members – every member counts, every voice matters! Since the adoption of the NDAA Bylaws on June 20, 2016, to the first NDAA election on September 12, 2016, to the present times, the NDAA has been blessed to have great membership in numbers and spirit! The NDAA, through their representative membership, has established itself as the “Voice of the Appraisal Profession in ND!”

NDAA News

North Dakota Appraisers Association

The primary purpose of the NDAA Membership Committee is to retain and grow membership, while enhancing the direct membership benefits and seeking qualified election candidates. We strive to promote effective communication of the Association activities to the Members, and between the Standing Committees (7) & the Board of Directors.

For this second quarter of 2023, we closed our annual renewal membership drive and ***currently have 147 NDAA members***. Following is the NDAA Membership History since inception in 2016:

- ✓ 2016 103 members
- ✓ 2017: 121 members
- ✓ 2018: 146 members
- ✓ 2019: 150 Members
- ✓ 2020: 151 Members
- ✓ 2021: 155 Members
- ✓ 2022: 158 Members
- ✓ 2023: 147 Members (- 11 members (-7.0%) from 2022 levels)

With the total number of ND state licensed appraisers (all certifications & apprentices) @ 352, we have about 42% which are NDAA Members. We continue to work to improve upon this representation; however, ***in 2023, for the first time in our membership history, we dropped in membership – why? Two primary reasons: retirement & apprentice appraisers whose one-year free membership expired (and they chose not to renew at this time).***

Our continuing 2023 goals include: We will be recommending nominees (candidates) for the upcoming 2024 NDAA BOD Elections for four (4) qualified BOD positions (to self-nominate or nominate someone else with their prior consent - please contact Bill Gion by September 30th); we will continue recruiting members; formalizing the Honorary Membership; assisting committees for enhanced benefits; and seeking new Membership Committee members.

If you have questions, concerns, suggestions or would like to serve on the NDAA Membership Committee please contact Bill Gion at 701-690-7633 or gionappraisal@gmail.com. You may also contact any NDAA Membership Committee members (contact information is listed on the NDAA Website @ About @ Standing Committees). We meet on a as needed basis, typically via Zoom calls.

-Committee Chair, Bill Gion

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Government Affairs:

While our legislative efforts did fall short of a desired outcome, we did get one victory.

Steve Vetter, a current Board of Director, and committee member for the NDAA and Representative for the State from the Grand Forks District, did continue to work on HB1225 (Centralized Assessing Website). While it did not pass in a traditional legislative session as written, it did not receive any opposition from anyone. The largest question about the bill was, how do we implement this in a fair manner that is beneficial to those that need it. This Bill was passed as a “Grant” from the State of North Dakota to those Counties that choose to implement an assessor’s program that meets the criteria and maintains public access. The grant will be administered through the State “IT” department for program technology. The individual Counties will apply for the grant to create a system. Typically, this will be Vanguard, however they are not locked into any one company in particular.

The NDAA Government Affairs Committee will remain involved in this process with the State IT Department as in how it will be implemented. We will remain involved with the County Assessors Association to make sure that all Counties, Assessors and Directors of Tax Equalization are well aware of this program and what it has to offer. This will also require Memberships involvement to identify those Counties that currently do not have public access to assessors’ data. This may also require membership to contact individuals within the counties to start the process.

We are in the process of arranging a meeting with those implementing this grant and will further arrange a meeting with those associations and counties that will receive this grant. It is our goal to provide a collaborative effort to push counties to implement assessor programs in underserved areas of the State.

More information will be forthcoming once a plan of action is in place. Your involvement as a member of the NDAA will be required to assure we get this program out to the right people and attend the necessary events or meetings to accomplish this goal.

As always, the Government Affairs Committee would like to hear from you as in our membership regarding the issues that may require legislative efforts. The next legislative session will be in 2025 which sounds like a long way away, however as we know it comes much faster than that. Our goal is to have any legislative bill ready to go by October of 2024. This is required for proper lobbying and partners to help push the bill into the House and Senate. You may contact any Government Affairs Committee Member listed on the website or myself any time.

If you are willing to serve the NDAA please join us on this committee or any other committee, you are interested in.

Enjoy the rest of your summer with friends and family and we look forward to seeing you at the Convention in November.

-Committee Chair, Dean Rylander

Important Issues & Links

Important Issue: North Dakota and National Real Estate Appraisers Demographics

For this quarter's newsletter, the demographics of North Dakota real estate appraisers as well as national statistics compiled by the Appraisal Institute will be presented. The following is a demographics breakdown of North Dakota real estate appraisers based off information provided by the North Dakota Real Estate Appraiser Board:

North Dakota Appraiser Demographics

	<u>Total</u>	<u>Percent</u>
<u>Total</u>	352	100%
<u>Age Range</u>		
>66	65	18%
51-65	118	34%
36-50	127	36%
26-35	37	11%
<25	5	1%
<u>Gender</u>		
Male	255	72%
Female	97	28%
<u>Licensing Level</u>		
Apprentice	33	9%
Licensed	31	9%
Certified Residential	87	25%
Certified General	201	57%
<u>In vs. Out of State</u>		
In State	200	57%
Out of State	152	43%

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The following charts provide a further breakdown on the demographics of each of the licensing groups:

<u>Apprentice Demographics</u>		
	<u>Total</u>	<u>Percent</u>
<u>Total</u>	33	100%
<u>Age Range</u>		
>66	0	0%
51-65	3	9%
36-50	12	36%
26-35	13	39%
<25	5	15%
<u>Gender</u>		
Male	18	55%
Female	15	45%
<u>In vs. Out of State</u>		
In State	30	91%
Out of State	3	9%

<u>Licensed Demographics</u>		
	<u>Total</u>	<u>Percent</u>
<u>Total</u>	31	100%
<u>Age Range</u>		
>66	7	23%
51-65	11	35%
36-50	10	32%
26-35	3	10%
<25	0	0%
<u>Gender</u>		
Male	21	68%
Female	10	32%
<u>In vs. Out of State</u>		
In State	27	87%
Out of State	4	13%

<u>Certified Residential Demographics</u>		
	<u>Total</u>	<u>Percent</u>
<u>Total</u>	87	100%
<u>Age Range</u>		
>66	8	9%
51-65	45	52%
36-50	29	33%
26-35	5	6%
<25	0	0%
<u>Gender</u>		
Male	50	57%
Female	37	43%
<u>In vs. Out of State</u>		
In State	66	76%
Out of State	21	24%

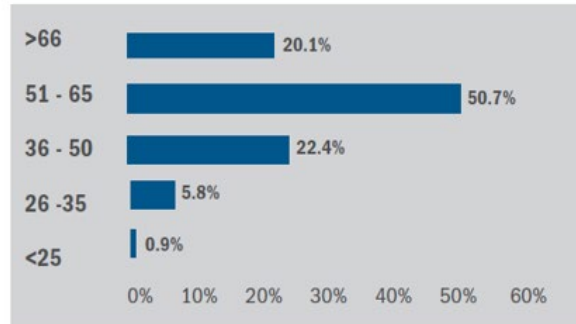
<u>Certified General Demographics</u>		
	<u>Total</u>	<u>Percent</u>
<u>Total</u>	201	100%
<u>Age Range</u>		
>66	50	25%
51-65	59	29%
36-50	76	38%
26-35	16	8%
<25	0	0%
<u>Gender</u>		
Male	166	83%
Female	35	17%
<u>In vs. Out of State</u>		
In State	124	62%
Out of State	77	38%

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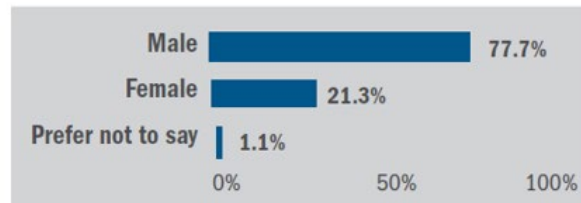
North Dakota Appraisers Association

The following is breakdown on the national demographics of appraisers based on information released by the Appraisal Institute in 2019*:

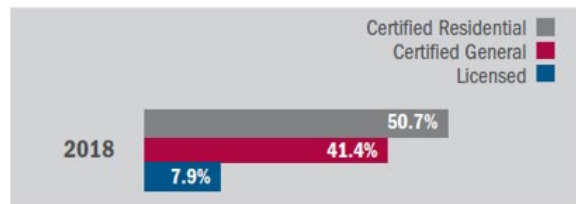
AGE



GENDER



PROPORTIONS OF LICENSED AND CERTIFIED APPRAISERS



* Demographic statistics were derived from a study conducted by the Appraisal Institute in Q1 2019 comprised of 15,600 randomly selected Appraisal Institute and non-Appraisal Institute real estate valuation professionals, resulting in 750 responses. The survey's margin of error is approximately +/- 3.56 percentage points at the 95 percent confidence level.

Please note that as part of the 2024 renewal for the North Dakota Appraiser Association, voluntary survey questions will be included so as to obtain membership demographic information. Your participation would be appreciated!

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Important Links:

NDAAs Letter To FHFA: Please see attached document.

Appraisal Buzzcast: [Diving Into PAREA with Craig Steinley](#)

The Appraisal Foundation: [Appraiser Talk Podcast](#)

North Dakota Appraisers Association: [NDAAs Website](#)

Upcoming Events – 3rd Quarter, 2023

8/1/23: 5:00 PM – 6:00 PM CT: Board of Directors Meeting

***9/14/23:** 11:00 AM - 5:00 PM CT: Strategic Planning Session – Fargo, ND

***9/15/23:** 8:30 AM – 12:00 PM CT: Strategic Planning Session – Fargo, ND

***9/15/23:** 12:30 PM – 2:00 PM CT: Board of Directors Meeting

*Tentative schedule. Please check the NDAAs website for further details.

NDAAs News

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Apprentice/New Member Spotlight

Name: Alexandra Horner

Question #1: *Where are you from and in what areas of the state do you appraise?*

I was born and raised in Bismarck, ND. At Boulder Appraisal we typically cover all areas west of Jamestown in North Dakota.

Question #2: *How long have you been appraising?*

I have worked at Boulder Appraisal since August of 2020 and received my apprentice license in February of 2021.

Question #3: *Who do you work for and what type of appraisal work do you perform?*

I work for Boulder Appraisal. We do commercial appraising including, but not limited to, fee appraising for banks, litigation, and eminent domain work.

Question #4: *Who got you started in the appraisal profession and why does it interest you?*

My father is a commercial real estate agent who has crossed paths several times with my boss, Wade Becker. When Wade started looking to take on apprentices, my father passed along his contact information. Wade was not only kind enough to offer me an interview, but also a job. I have been working for him ever since.

Question #5: *What type of credentialing are you seeking and when do you anticipate achieving it?*

I am seeking to obtain my Certified General License. I have submitted my application with all accompanying education and experience material. At this point, the timeline for when I will receive my license is dependent on the North Dakota Real Estate Appraiser Board's review and approval of my submitted material.



Question #6: *What has been the biggest surprise about the appraisal profession?*

Again, I grew up around the brokerage end of commercial real estate. On that side of the industry, competition is tough and many of the local brokers are less than amiable toward one another. As someone who prefers collaboration over competition when possible, I was pleasantly surprised to find that most appraisers, while competitive, are friendly and often find common ground with one another. I think this promotes a solidified front to represent the appraisal profession and allows the industry as a whole to make greater strides in innovation and growth.

Question #7: *What do you see as the biggest challenges facing the appraisal profession?*

The biggest challenge is the appraiser shortage. The number of appraisers in the industry has been on a steady decline for over a decade, and it is well known that the demographic of appraisers in recent years is comprised primarily of those within a decade or two of retirement age. Further, close to half of all appraisers are sole proprietors with no employees or apprentices. With the majority of appraisers approaching retirement age, and almost half not training apprentices to enter the industry, it is a natural conclusion that appraiser numbers will continue to decline. Options for those looking to circumvent appraisals have become more common. If appraisers aren't available to fill the market's need, they may eventually be viewed as unnecessary.

Question #8: *How do you view the current supervisor/trainee model as it relates to the educational and experience requirements?*

The process to obtain the necessary education and experience requirements to apply for the Certified General License was extensive and time consuming. Despite this, I wouldn't change the model at all. There is such a wide variety of property types and the number of differing circumstances and problems an appraiser has to work through is unending. The education and experience requirements allow an apprentice to learn the tools necessary to rationalize and work through those tougher appraisal problems. In the end, I always reminded myself that if something is worth doing, it is worth doing the correct way, not necessarily the easiest or fastest way.

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North Dakota Appraisers Association

Contact Information

Please feel free to reach out to any members on the North Dakota Appraisers Association Board of Directors for comments, questions, or future opportunities to volunteer:

- President: Joe Summers – Fargo, ND / (701)200-9610
jsumers@fibt.com joseph.sumers@gmail.com
- Vice President: Wade Becker – Bismarck, ND / (701)751-4496
wade@boulderappraisal.com
- Secretary Treasurer: Patricia Hodenfield – Bismarck, ND / (701)595-2151
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- Director: Bill Gion – Regent, ND / (701)690-7633
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- Director: David Nord – Grand Forks, ND / (701)772-4700
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- Director: Nick Duchscher – Dickinson, ND / (701)260-5089
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Submit comments and ideas for future newsletters to Wade Becker.

