



HB 585 and Independence From Political Pressure

Contributed by **Sands L, Stiefer**, Chief Appraiser, Harris CAD

One of the many things HB 585 put into effect is new continuing education requirements for chief appraisers. Mandatory CE includes 2 hours of "chief appraiser ethics." The source for this requirement is Tex. Occ. Code Ann. 6 1151.1581 (West):

(f) As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete: ...

(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.

The "political pressure" reference isn't new. Sec. 1151.164, which has been around a number of years, requires that newly appointed chief appraisers receive training on the same topic.

However, the new CE requirement has raised a lot of questions. Should we somehow change the way we communicate with local and state political figures? Can we take and act on complaints? Can we even talk with our peers in appointed and elected offices?

These are good questions. Once you've taken an ethics program, it might prompt you to make changes in how you interact with others. However, the law itself doesn't impose any new duty on you other than to take the two hours' CE.

My personal view is that this requirement is timely. The appraisal district system is over 30 years old, and a lot of us don't remember a time before appraisal districts. We don't remember that in the old system, political influence could dictate individual value, frequency of

reappraisal, and who received reductions. Having the "why" of our independence — that no one should get special treatment — reinforced can only help us improve.

Independence, really, fits into our general government system of checks and balances. Local officials who spend property taxes can't influence the appraisals except in very limited ways. We appraise the property, but no tax can be levied until the governing body adopts the tax rate.

All of us, however, have a shared interest in making the property tax system work to the best degree possible. If a legislator, a county commissioner, a superintendent, or a congressperson refers a constituent to you, that's an opportunity to make the system work better. Sometimes a property owner may feel more comfortable raising a problem with an official they know, rather than with the appraisal district. We need to welcome the referrals and let the officials know their issues have been handled.

At a broader level, maintaining independence from political pressure is a matter of communicating openly with other officials, reminding them when necessary of the chief appraiser's special responsibilities, and always trying to see the issue from the other person's side. Often, it is a simple matter of education. Staying independent is how you perform your proper role in the system.

Other officials can advocate, but ultimately cannot tell us what to do. Nevertheless, it is never smart to ignore a problem, regardless of who brings it or the tone with which they communicate. Repercussions can come back at budget time and in the legislature. That's real pressure.

HB 585 CEs for CAs

Many of you recently heard from TDLR that chief appraisers need a special two-hour ethics course, as per House Bill 585. Since then, many of you have asked if TAAD would provide this training (and if so, when).

The answer is YES!

During September, October and November, TAAD will conduct a series of regional one-day seminars specially for TDLR CEs for chief appraisers as required by HB 585.

Each seminar will include the HB 585 Ethics course ("maintaining an office free from political pressure") required by TDLR.

Each session will provide five hours of HB 585 CEs for chief appraisers.

Good news: TDLR says registrants who aren't chief appraisers may also attend and get CEs that qualify for their recertification.

TAAD will use a variety of approved topics during these seminars. The one topic each session will have in common is the ethics presentation.

Dates/Locations

(see registration form for exact location)

09/29	Amarillo
09/30	Houston
10/01	Brenham
10/20	Waco
10/21	Dallas
10/22	Tyler
10/29	San Benito
10/30	San Antonio
10/31	Lubbock
11/03	Abilene
11/04	San Angelo
11/18	Austin

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TAAD Classifieds

CCAD Accepting Résumés for **Appraiser**

A licensed RPA is preferred or he/she must start working toward RPA designation.

Complete description available at www.comanchecad.org under employment. A completed resume is required. Submit to info@comanchecad.org in PDF format or bring to 8 Huett Circle in Comanche, TX. This position will remain open until filled. Comanche Central Appraisal District is An Equal Opportunity Employer

The **Medina County Appraisal District**, Hondo, Texas, is seeking a **Chief Appraiser**. The qualified candidate must have a thorough technical knowledge of advanced real property valuation techniques and RPA. Prefer solid intermediate to advanced proficiency with current software applications.

- State Comptroller's ratio studies for last five years should be presented.
- Stable job history.
- Spanish bilingual ability desirable.

To submit resume for consideration, please send resume with salary history; if you wish to submit a cover letter, add it to your resume. Email PDF to: stacey.cameron@medinacountytexas.org. Or, send by mail to: Stacey Cameron, 1502 Avenue K, Hondo, TX 78861; (830) 741-6111. Resumes should be submitted no later than September 8, 2014

A TAAD of Info...

Departures...

- » **Terry Symons** has announced he will be retiring later this year as chief appraiser of **Ochiltree CAD**.
- » TAAD notes the passing of **Richard Mohundro**, formerly of the **Ellis and Kaufman CADs**.

...and Arrivals

- » **Jamey Orr** is taking over as the chief appraiser in **Lee CAD**; he previously served at **McLennan CAD**.
- » **Burton Jones** will be taking over as the new chief appraiser at **Ochiltree CAD**.
- » **TAAD** welcomes **Ray Pizarro**, who took over as Director of the Education and Examination Division at **TDLR** as of May 1.

Attorney General Opinions/**Requests for Opinions**

GA-1073 (August 4, 2014) RE: Whether a home-rule municipal charter provision may require voter approval to impose an ad valorem tax. (RQ-1183-GA)

Summary: A court would likely conclude that chapter 26 of the Tax Code does not conflict with or preempt a city charter provision that requires voter approval before municipal ad valorem taxes may be imposed.

GA-1070 (July 2, 2014) RE: Whether a municipality that has a current tax rate of zero is subject to a rollback election under section 26.07 of the Tax Code or an ad valorem tax-freeze election under article VIII, section 1-b(h) of the Texas Constitution. (RQ-1179-GA)

Summary: Under section 26.07 of the Tax Code, if a municipality's ad valorem rollback rate is zero and it adopts a tax rate above zero, the qualified voters of the municipality by petition may require that an election be held to determine whether or not to reduce the ad valorem tax rate back to zero. Article VIII, section 1-b(h) of the Texas Constitution requires a municipality with an ad valorem tax rate of zero, upon receiving a properly filed petition from five percent of authorized voters, to

hold an election to determine whether to freeze the total amount of ad valorem taxes imposed on property that is subject to a residence homestead exemption owned by a person that is disabled or is 65 years of age or older.

GA-1072 (July 30, 2014) RE: Whether a taxing unit may reserve mineral interests on property that is acquired through tax foreclosure and then resold pursuant to section 34.05 of the Tax Code. (RQ-1182-GA)

Summary: A court would likely conclude that section 34.05 of the Tax Code does not authorize a taxing unit to reserve mineral interests on property acquired at a tax foreclosure sale if it holds such interests at the time the property is resold under that section.

Request No. 1211-GA RE: Whether an independent school district may use the certified estimate of property tax values to adopt a tax rate after adopting its budget in order to schedule a tax ratification election for the November uniform election date.

Opinion requested by Michael Williams, Commissioner of Education, Texas Education Agency

TAAD Presents a Seminar for Chief Appraisers and all TDLR Registrants

HB 585 CEs for TDLR Credit

HB 585, passed by the 83rd Legislature, requires chief appraisers to earn at least one-half of their CE hours every two years from specific topics.

These regional seminars will provide chief appraisers their mandatory continuing education.

Each seminar will include the *special two-hour ethics class* (on maintaining an office free from political pressure) required by TDLR for all chief appraisers.

There will be an additional THREE CEs for HB 585 credit provided, and the topics will vary by seminar location.

(NOTE: even registrants who aren't chief appraisers can gain CEs by attending!)

- » **Registration deadline:** One week prior to seminar
- » **Class Hours:** Registration: 8-9am; Class hours: 9-2:30pm; lunch on your own
- » **CEs:** Vary, by location
- » **Location:** See below

Name _____ TDLR number _____

Jurisdiction/Firm _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ E-mail Address _____

Indicate the date/seminar you will attend:

- | | |
|---|---|
| <input type="checkbox"/> 09/29 Amarillo: Potter-Randall CAD
5701 Hollywood Road | <input type="checkbox"/> 10/29 San Benito: Cameron CAD
2021 Amistad Drive |
| <input type="checkbox"/> 09/30 Houston: Harris CAD
13013 Northwest Freeway | <input type="checkbox"/> 10/30 San Antonio: Bexar AD
411 North Frio Street |
| <input type="checkbox"/> 10/1 Brenham: Blinn College Student Center
902 College Avenue | <input type="checkbox"/> 10/31 Lubbock: Lubbock CAD
2109 Avenue Q |
| <input type="checkbox"/> 10/20 Waco: McLennan CAD
315 South 26th Street | <input type="checkbox"/> 11/03 Abilene: ESC 14
1850 Highway 351 |
| <input type="checkbox"/> 10/21 Dallas: Dallas CAD
2949 North Stemmons Freeway | <input type="checkbox"/> 11/04 San Angelo: Tom Green CAD
113 West Beauregard |
| <input type="checkbox"/> 10/22 Tyler: Hilton Garden Inn
220 East Grande | <input type="checkbox"/> 11/18 Austin (limited seating): TAAD Office
7700 Chevy Chase Drive, Building One, Suite 425 |

Registration enclosed:

- TAAD member district \$75
- TAAD associate/affiliate member \$150
- Non-member \$200

Registration fees must reflect current membership status. No refunds for cancellations or no-shows; attendee substitutions allowed.

TOTAL AMOUNT ENCLOSED \$ _____

Preregistration is required!

Please complete the registration form and return it along with payment to:
TAAD | 7700 Chevy Chase Drive; Building One, Suite 425 | Austin, Texas 78752-1558

Office Use Only:

Date _____ Check# _____ Paid _____ DB _____



TAAD's 2014 State Certification Course Schedule

NOTE: Schedule is tentative – length of classes may change!

<i>Month</i>	<i>Course Number</i>	<i>Name</i>
AUGUST 2014		
August 18-21	Course 7	Property Tax Law
August 18-21	Course 10	Analyzing a Real Property Appraisal
August 18-22	Course 2	Appraisal of Real Property
SEPTEMBER 2014		
September 8-11	Course 3	Income Approach to Value
September 8-11	Course 4	Personal Property Appraisal
September 8-11	Course 5	Mass Appraisal
OCTOBER 2014		
October 13-14	Course 30	Ethics
October 13-15	Course 101	Intro to Texas Property Tax System
October 15-17	Course 102	Intro to Appraisal
NOVEMBER 2014		
November 3-5	Course 32	USPAP (new registrants)
November 5	Course 31	USPAP Refresher
DECEMBER 2014		
December 8-11	Course 7	Texas Property Tax Law
December 8-11	Course 10	Analyzing a Real Property Appraisal
December 8-11	Course 3	Income Approach to Value
December 8-11	Course 4	Personal Property Appraisal
December 8-10	Course 101	Intro to Texas Property Tax System
December 10-12	Course 102	Intro to Appraisal
December 8-12	Course 2	Appraisal of Real Property

Course Registration on next page

TAAD's 2014 State Certification Course Registration Form

- Class Hours:** Unless otherwise specified, course hours are from 8:30 am - 5 pm. Registration on day one of class is 8 - 8:30 am.
- Class Location/Hotel Accommodations:** Courses will be held at the **Marriott North**, 2600 La Frontera Blvd., Round Rock, TX 78681, 512.733.6767 or 800.865.0546. Lodging is \$117/single or double per night (free parking). Call at least **three** weeks in advance, ask for the TAAD block.
- CEs:** All of TAAD's state certification courses are approved by PTAD and TDLR for certification and for continuing education (CE) hours.
- Certificate:** All member districts will receive a certificate for \$50-off Member District Course Fee. Certificates are valid for one individual registration. To redeem, please enclose certificate with remaining registration fee.
- Class Materials:** Your class materials will be waiting for you at registration. If you want them sooner, enclose \$10 with your registration. TAAD must receive payment at least three weeks prior to class.
- Cancellations:** There will be a **\$75 fee** charged for cancellations. Written request for a refund must be received at TAAD at least seven days **before** class begins or entire registration is forfeited.

Cost for Courses:

Courses 101 & 102 (each):

\$180 for TAAD Member Districts
 \$230 for TAAD Associate/Affiliate Members
 \$280 for Nonmembers

Course 2:

\$305 for TAAD Member Districts
 \$355 for TAAD Associate/Affiliate Members
 \$405 for Nonmembers

Courses 3, 4, 5, 7, 8, 9, & 10:

\$280 for TAAD Member Districts
 \$330 for TAAD Associate/Affiliate Members
 \$380 for Nonmembers

Courses 28, 30 & 32:

\$230 for TAAD Member Districts
 \$280 for TAAD Associate/Affiliate Members
 \$330 for Nonmembers

Course 31:

\$175 for TAAD Member Districts
 \$225 for TAAD Associate/Affiliate Members
 \$275 for Nonmembers

Course # _____ Course Date _____ TDLR # (if applicable) _____

Name _____ Nickname _____ Title _____

Jurisdiction/Firm _____

Mailing address _____

City _____ State _____ Zip _____

Telephone _____ Email address _____

confirmations are sent by email

Course Materials (please mark one)

- Please **email** my class materials (student responsible for printing and bringing materials to class)
- I will **pick up** my class materials at registration
- Please **mail** my class materials. I have enclosed the \$10 shipping and handling fee.*

Materials mailed only if registration and payment are received **three weeks prior to class.*

Note: Property Assessment Valuation book is ordered directly from IAAO (iaao.org). (Required for Courses 2, 3, 4 and 5.)

Course Registration Fee..... Registration Fee.....\$ _____

PTEC Glossary - optional (\$20) Enclosed.....\$ _____

Mail Course Materials - optional (\$10) Enclosed.....\$ _____

Member District Certificate (must enclose with payment) minus\$ _____

TOTAL AMOUNT ENCLOSED \$ _____



Please complete the registration form and return it along with payment to:

TAAD | 7700 Chevy Chase Drive; Building One, Suite 425 | Austin, Texas 78752-1558

Office Use Only:

Certificate _____ Date _____ Check# _____ Paid _____ Glossary _____

DB _____ Materials mailed _____ Confirmation sent _____

TAAD 2014 IAAO Course/Workshop Schedule

Course 102: Income Approach to Valuation

September 8-12, 2014

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

Covers the theory and techniques of estimating value by the income, or capitalized earnings, approach. The material includes selection of capitalization rates, analysis of income and expenses to estimate operating income, and capitalization methods and techniques.

This course also covers rental units of comparison, as well as real estate finance and investment.

Recommended: Course 101

Recommended text: *Property Assessment Valuation*, 3rd edition (obtain from IAAO)

Course 400: Assessment Administration

October 6-10, 2014

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

Course 400 provides fundamental management concepts for management and supervisory personnel in the assessor's office. The course begins by emphasizing the need for management, and the various roles placed on the assessor and all supervisory personnel. The course then introduces the four major management functions (planning, organizing, directing, and controlling). Although the four functions are interrelated, a separate chapter is devoted to each one. This provides for a greater understanding of the major functions.

Recommended: Course 101, and The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP)

Recommended text: *Assessment Administration* (obtain from IAAO)

Course 101: Fundamentals of Real Property Appraisal

October 13-17, 2014

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

Course 101 is designed to provide the students with an understanding and working knowledge of the procedures and techniques required to estimate the market value of vacant and improved properties.

This course concentrates on the skills necessary for estimating the market value of properties using two approaches to value: the cost approach and the sales comparison approach. The Fundamentals of Real Property Appraisal utilizes lectures, classroom discussion, and homework problems to emphasize the main concepts and procedures taught in the course.

Recommended text: *Property Assessment Valuation*, 3rd edition (obtain from IAAO)

Workshop 151: Uniform Standards of Professional Appraisal Practice (National)

Date: October 13-14, 2014

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Lath Harris, CAE

Fees: TAAD member districts \$225, TAAD associate/affiliate members \$285, Nonmembers: \$325

TDLR credit: 15 hours

This workshop covers materials from The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice which includes: Definitions, Preamble, Ethics Rule, Competency Rule, Departure Rule, Jurisdictional Exception Rule, Supplemental Standards Rule, and Standards 1 through 10. Supplementary materials include The Appraisal Foundation Uniform Standards of Professional Appraisal Practice (USPAP). This workshop includes an exam.

IAAO recertification credit: 15 hours-2 days

Workshop 191: Uniform Standards of Professional Appraisal Practice UPDATE (National)

Date: October 15, 2014

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Lath Harris, CAE

Fees: TAAD member districts \$165, TAAD associate/affiliate members \$225, Nonmembers: \$300

TDLR credit: 7 hours

This workshop is the National 7-hour USPAP Update offered for continuing education for licensure and certification through The Appraisal Foundation.

The workshop provides a general overview of USPAP guidelines, advisory opinions, statements, and other appraisal practices. The course is updated yearly to address changes to USPAP and common misunderstandings.

IAAO recertification credit: 7 hours-1 day

Course 300: Fundamentals of Mass Appraisal

November 17-21, 2014

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

Continued on following page

IAAO Course/Workshop *continued*

This course provides an introduction to mass appraisal and is a prerequisite for the 300 series of courses offered by the IAAO. Topics covered include single-property appraisal versus mass appraisal, components of a mass appraisal system, data requirements and analysis, introduction to statistics, use of assessment ratio studies in mass appraisal, modeling of the three approaches to value, and selection of a mass appraisal system.

Recommended: Course 101, 102

Recommended text: *Mass Appraisal of Real Property textbook (MARP)* (obtain from IAAO)

Course 331: Mass Appraisal Practices & Procedures

November 3-7, 2014

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Marion Johnson, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

This course is designed to build on the subject matter covered in Course 300 — Fundamentals of Mass Appraisal and prepare the student to take the more advanced mass appraisal courses. It teaches the student how to use Excel and SPSS to analyze data and apply it. Much of the emphasis will be on data accumulation and analysis primarily directed toward the cost approach. Along the way the student will learn how to use the graphing and analysis tools within Excel for ratio studies in addition to supporting existing cost schedules or building new ones.

Recommended: Course 300

Recommended text: *Fundamentals of Mass Appraisal textbook (FMA)* (obtain from IAAO)

Course 102: Income Approach to Valuation

December 8-12, 2014

Site: Travis CAD, 8314 Cross Park Drive, Austin

Instructor: Rick Stuart, CAE

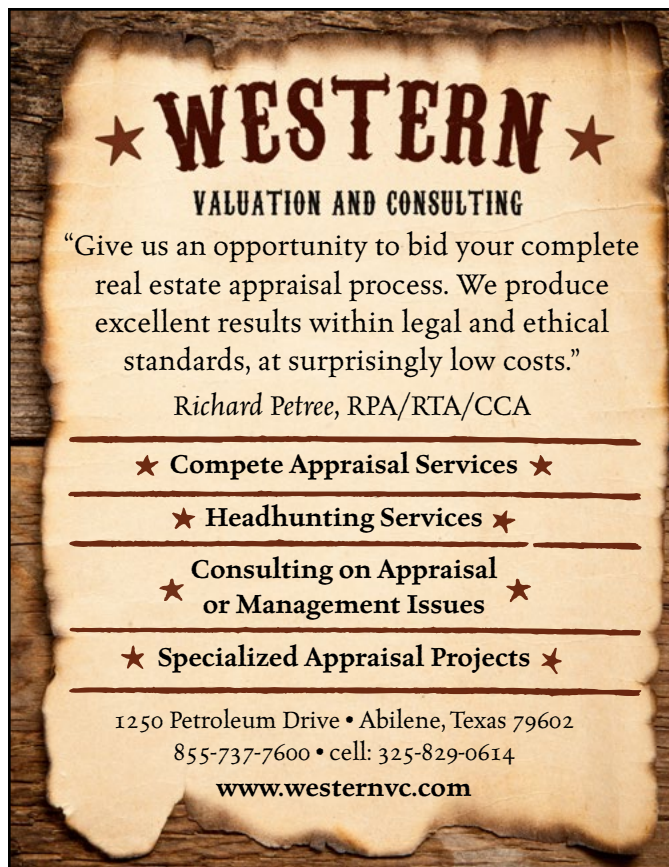
Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

Covers the theory and techniques of estimating value by the income, or capitalized earnings, approach. The material includes selection of capitalization rates, analysis of income and expenses to estimate operating income, and capitalization methods and techniques. This course also covers rental units of comparison, as well as real estate finance and investment.

Recommended: Course 101

Required text: *Property Assessment Valuation, 3rd edition* (obtain from IAAO)



Course 112: Income Approach to Valuation II

December 8-12, 2014

Site: Harris CAD, 13013 Northwest Freeway, Houston

Instructor: Guy Griscom, CAE

Fees: TAAD member districts \$425, TAAD associate/affiliate members \$475, Nonmembers: \$550

TDLR credit: 30 hours

IAAO Course 112 is a comprehensive, interactive program intended for mid-level, commercial-industrial appraisers. The material will cover the income approach to value in depth, and reflect contemporary appraisal theory. The course will be broad based, while covering many topics that will focus on a case study problem that utilizes methodology learned in the course and will allow the audience to work through the case study to its conclusion. Depending on the size of the class, students will be grouped, based on the instructor’s summation of the student’s class participation. The groups will generally consist of 2-4 students. Each group will be expected to present their results to the remainder of the class. The instructor will be available to assist each group.

Recommended: Course 101, Course 102

AQB Approved: 33.50 QE, 33.50 CE with exam / 30 CE no exam

Required text: *Property Assessment Valuation, 3rd edition* (obtain from IAAO)

IAAO Registration Form on following page

Check back ... more courses and workshops will be added!

TAAD 2014 IAAO Course Registration Form

- Class Hours:** Unless otherwise specified, course hours are from 8:30 am - 5 pm. Registration on class day 1 is 8-8:30 am.
- Location/Hotel Accommodations:** Check registration materials for announced location:
 - **Harris County Appraisal District**
13013 Northwest Freeway, Houston
 - **North Austin/Round Rock Marriott Hotel**
2600 LaFrontera Blvd., Round Rock
 - **Travis Central Appraisal District**
8314 Cross Park Drive, Austin
 - **Dallas Central Appraisal District**
2949 North Stemmons Freeway, Dallas

For lodging information, please contact TAAD or refer to TAAD's website for suggestions.
- Registration Requirement:** Payment must be received by TAAD for an individual to be officially registered. *There is no on-site registration.*
- Cancellations:** For all course cancellations there will be a \$100 administrative charge deducted. This includes faxed registrations. *Refund requests must be received by TAAD in writing no later than one week prior to the first day of the course.* There are no refunds for cancellations received by TAAD less than one week prior to first day of class.
- Cost for Courses:** Please refer to the registration materials for cost of registration for TAAD members and nonmembers. Cost of registration is based on *TAAD membership*, not IAAO membership.
- Additional Texts:** Please refer to the registration materials for possible additional IAAO texts needed for the class. *Each student is responsible for ordering and obtaining them from IAAO. No texts will be available at the class.*
- Registration Deadline:** IAAO requires that registrations be processed *at least three weeks prior to the course* in order to allow sufficient time for mailing materials.
- Course Materials:** Students will pick up course materials at registration on the first day of class.

IAAO Course/Workshop # _____ Course Date _____ TDLR # (if applicable) _____

Name _____ Nickname _____ Title _____

Jurisdiction/Firm _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Email Address _____

Course Registration Fee\$ _____
(Fee is based on TAAD membership, not on IAAO membership)

Please submit this course for Continuing Education credit with TDLR

TOTAL AMOUNT ENCLOSED\$ _____

Please complete the registration form and return it along with payment to:
TAAD | 7700 Chevy Chase Drive; Building One, Suite 425 | Austin, Texas 78752-1558

Office Use Only:

Date _____ Check# _____ Paid _____ PC _____

DB _____ ADV _____ Materials Date _____



Pizarro Named TDLR E&E Director

TDLR is pleased to announce that Ray Pizarro has been named the new Director of the Education and Examination (E&E) Division, effective May 1, 2014. Pizarro replaces former Director Don Dudley, who retired at the end of April.

"I'm happy and excited with the changes that are happening in the Education and Examination Division," says Pizarro. "I'm looking forward to watching my team grow and get better for the future. I'm very proud to be a part of the TDLR family."

Ray began at TDLR in the Licensing Division in November 2003. He then moved on to become a Program Specialist in Education and Examination in 2004. You can reach Ray at Ray.Pizarro@tdlr.texas.gov



Forget The "R" Word And Envision Your Future Self

Opportunity: It's one of the promises of life after work, also known as retirement. Your future is wide open — and that can make planning for it a big challenge.

Life Reimagined (<http://lifereimagined.aarp.org/>) is a website created by AARP to help users define and accomplish their goals. According to Ashley Schmidt, a senior program specialist with AARP, the website reflects a profound change in the way people look at retirement, even if it never uses the word "retirement."

"The 50-plus [age group] reject the notion that their possibilities are shrinking as they get older," Schmidt says. "They want to use their years of experience to reach even higher. They're reflecting on where they are, where they want to be and what's it going to take for them to get there."

The site leads you through a series of exercises designed to help you work through the process of determining your goals and how to achieve them. If it sounds like more questions than answers, you're right.

"It hits a niche that people are looking for," Schmidt says. "I think everyone is asking themselves 'Am I doing what I want to be doing?'... It's a dialog I think we all engage in. The website provides some really useful tools to help you work through that."

Visualizing yourself in retirement is critically important to planning for it, according to Will Smayda, Preferred/Merrill Edge Region Executive. That's where Face Retirement (faceretirement.merrilledge.com), created by Merrill Edge, can help. The site takes a picture of you with your webcam, then age progresses it from your current age to age 99. Estimates of how much the cost of living may increase, as well as different savings options, are also provided.

"When you tie an abstract concept like compounding interest and saving for retirement with a very real view of yourself, I think that folks have a very visceral reaction," Smayda said. "It personalizes the concept of retirement savings."

Once you decide what you want your retirement to look like, you can take steps to make it a reality.

Article reprinted with permission from Horizons, TCDRS' member newsletter.

Real Estate Notes of Interest

Rick Stuart, CAE

Rick is a Senior Consultant with TEAM Consulting and lives in Topeka, Kansas.

Josh Peter, USA Today, May 22, 2014

The controversial owner of the Los Angeles Clippers, Donald Sterling, is now being probed by the Los Angeles County Assessor's Office on two properties that were owned by his grandmother and mother. The name was never changed into anyone else's name after their respective deaths and that, in most states, is no big deal. But with Proposition 13 in California it automatically triggers an appraisal update to market value. The deaths were in 1966 and the 1980s.

The Wall Street Journal, May 17, 2014

A potentially interesting court case on eminent domain may be in the future for Atlantic City, New Jersey. In 1996, the Casino Reinvestment Development Authority attempted to take some properties for casino and parking expansion but was denied by a New Jersey District Court. In a famous 2005 U.S. Supreme Court ruling in favor of eminent domain, a town condemned older homes for a shopping center. Now we are back to New Jersey where the same Authority wants to use eminent domain to replace some homes and businesses with unspecified private development.

www.htrends.com, May 20, 2014

"The U.S. hotel industry reported positive results in the three key performance metrics during April 2014, according to data from STR. Overall, the U.S. hotel industry's occupancy was up 3.2 percent to 65.7 percent, its average daily rate rose 4.0 percent to US\$114.67, and its revenue per available room increased 7.4 percent to US\$75.30."

<http://bit.ly/1mk7tDs>

Lawrence Yun, www.realtor.org, May 27, 2014

"The outlook for all of the major commercial real estate sectors is slightly improving despite disappointing economic growth during the first quarter of 2014, according to the National Association of Realtors® quarterly commercial real estate forecast." <http://bit.ly/1rgoCli>

Peter Miller, www.realtytrac.com, May 27, 2014

"By now the housing market was supposed to be booming. Combine a growing population, low mortgage rates, years of pent-up demand, fewer foreclosures, lower unemployment plus a generally-better economy, and the stage should be set for a very nice real estate lift-off."

- » First, we're not as cuddly as we used to be. Household formations are down.
- » Second, fewer of us are entering the real estate marketplace.
- » Third, the impact of the foreclosure meltdown is not over.
- » Fourth, lower mortgage rates have not helped sales.
- » Fifth, new home builders have missed the mark.

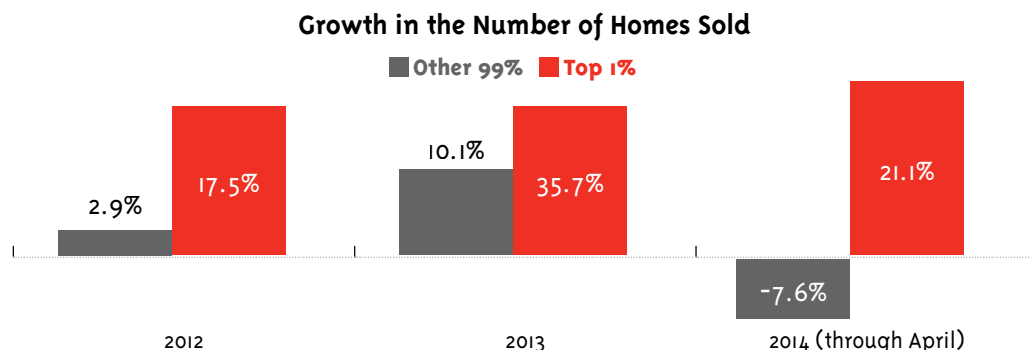
<http://bit.ly/1nuRAPD>

Troy Martin, www.redfin.com, May 27, 2014 >>

"Home sales so far this year are lower than they were in 2013, but there's one sliver of the housing market that's going strong: the very top of it.

Sales of the priciest one percent of homes are up 21.1 percent so far this year, following a gain of 35.7 percent in 2013. Meanwhile, in the other 99 percent of the market, home sales have fallen 7.6 percent in 2014."

<http://bit.ly/1mupe31>



Continued on following page

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Real Estate Notes continued

www.myappraisal institute.org, May 28, 2014

"Fixed mortgage rates fell for the fourth consecutive week, hitting new lows for the year, Freddie Mac reported May 22 in its weekly Primary Mortgage Market Survey. The 30-year fixed-rate dropped 0.06 percent to 4.14 percent (up from 3.59 percent a year ago). The 15-year fixed-rate fell 0.04 percent to 3.25 percent (up from 2.77 percent a year ago). The one-year adjustable-rate remained unchanged at 2.43 percent (down from 2.55 percent a year ago). The five-year Treasury-indexed fell 0.05 percent to 3.96 percent (up from 2.63 percent a year ago)."

www.myappraisal institute.org, May 28, 2014

"The number of available office properties nationwide at the end of the first quarter fell 10 basis points to 16.8 percent, suggesting that the market sector is tightening, according to analysis from commercial real estate research firm Reis, MBA NewsLink reported May 22. "While this seems like a miniscule movement, other indicators suggest a market that's beginning to tighten, with improvement in fundamentals beginning to accelerate," Victor Calanog, chief economist with Reis, told MBA NewsLink. Reis expects vacancies to continue to fall at a moderate pace, but the firm sees signs that market participants may look to the office sector to catch the recovery wave before pricing and fundamentals really reflect renewed strength."

www.thewallstreetjournal.com, May 30, 2014

Home equity lines of credit (Helocs) are back. "A rebound in house prices and near record low interest rates is prompting homeowners to borrow against their properties, marking the return of a practice that was all the rage before the financial crisis."

www.time.com, June 17, 2014

"Roughly one percent of the homes insurance agent Matthew Ramirez insured in October 2011 had earthquake insurance. Today, he says, more than 40 percent of the homes he insures are covered for earthquake damage. Statewide, according to the Insurance Information Institute, the number of homes with earthquake policies has more than doubled between 2009 and 2013, to 12,407." The suspected cause of the earthquakes: fracking. <http://ti.me/ikNvDnw>

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Real Estate Notes *continued*

www.calculatedriskblog.com, June 18, 2014

"On the heels of consecutive months of decreasing demand for design services, the Architecture Billings Index (ABI) has returned to positive territory. As a leading economic indicator of construction activity, the ABI reflects the approximate nine to twelve month lead time between architecture billings and construction spending. The American Institute of Architects (AIA) reported the May ABI score was 52.6, up sharply from a mark of 49.6 in April. This score reflects an increase in design activity (any score above 50 indicates an increase in billings). The new projects inquiry index was 63.2, up from the reading of 59.1 the previous month." <http://bit.ly/ijEnn9F>

Doug Carroll, USA Today, June 24, 2014

"Existing home sales rose for the second-straight month in May with the median home price up 5.1 percent from a year ago, and the existing home sales were up 4.9 percent."

Joseph De Avila, Mike Vilensky and Russell Gold, The Wall Street Journal, July 1, 2014

"New York state's highest court struck a blow Monday for home rule and against fracking, deciding that municipalities can use zoning laws to ban the natural-gas extraction method that has fueled a U.S. energy boom."

www.builderonline.com, June 30, 2014

Editor's Note: For most of you and particularly those in the metro areas, this is probably not new but is very interesting.

"Metrostudy's IQ14 survey of the Texas Housing market shows even as housing continues to boom, new and lower income buyers are getting priced out of the market. Texas right now is home to the strongest housing markets in the entire country. Texas has been on a different cycle long before the boom and the bust came along. Driven by past swings in oil prices, the state was already on a rapid-growth trajectory before the rest of the country went on its early-2000s building binge. Said colloquially, when Phoenix and Las Vegas caught pneumonia, Houston sneezed and kept on going, right to the top of the national market list." <http://bit.ly/1mjYN3O>

Kris Hudson, The Wall Street Journal, July 3, 2014

"Shopping center owners continued to increase rents in the second quarter as a host of retailers in expansion mode jockeyed for dwindling available space in exiting high-quality centers. Vacancy rates at U.S. malls and strip centers remained minimal in the second quarter."

Jan Hromadko and Harriet Torry, The Wall Street Journal, July 5, 2014

"Germany plans to halt shale-gas drilling for the next seven years over concerns that exploration techniques could pollute groundwater."

Charlotte O'Malley, www.asla.org, February 25, 2014

"Outdoor living spaces for entertaining and relaxing will be in high demand during 2014, according to the Residential Landscape Architecture Trends Survey conducted by the American Society of Landscape Architects in January-February 2014. The survey gathered responses from 179 landscape architecture professionals across the country who specialize in residential design, and asked them to rate the expected popularity of outdoor design elements as well as popular features for each. Check out the breakdown at <http://bit.ly/1kOVwHo>.

Phoebe Chongchua, www.realtytimes.com, July 17, 2014

"Just like it does for people, the age of a home tends to creep up on homeowners and before they know it their new home is now middle-aged. If you've been neglecting your exercise and nutrition routines, your body and health will reflect it, so too for your home. If you've skipped doing routine repairs and let necessary maintenance projects pile up, then your home will be aging faster than it should. Real estate experts say a home that looks older than its years can cause sellers to lose 10 percent of its appraised value; on the average home that translates to a \$15,000 to \$20,000 adjustment." <http://bit.ly/1tWx1yA>

www.hotelnewsnow.com, July 21, 2014

"The U.S. hotel industry reported positive results in the three key performance metrics during June 2014, according to data from STR. Overall, the U.S. hotel industry's occupancy was up 2.9 percent to 71.7 percent; its average daily rate rose 4.3 percent to US\$116.20; and its revenue per available room increased 7.2 percent to US\$83.27." <http://bit.ly/Untiqu>

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Real Estate Notes *continued*

Shawn Turner, www.hotelnewsnow.com, July 21, 2014

"A little more than midway through 2014, the strength of the United States hotel transactions scene is on par with how deal experts expected it would be when the year began. Through the first six months of the year, JLL has tracked \$12.5 billion in hotel deals, and the market is on track to hit JLL's forecast of \$25 billion for the full year, said Arthur Adler, managing director and CEO-Americas. At this point last year, deal volume was at \$10.9 billion." <http://bit.ly/1kTdB4i>

www.realtor.org, July 22, 2014

"Existing-home sales increased in June and reached an annual pace of five million sales for the first time since October 2013, while rising inventory continues to push overall supply towards a more balanced market, according to the National Association of Realtors®. The median existing-home price for all housing types in June was \$223,300, which is 4.3 percent above June 2013. This marks the 28th consecutive month of year-over-year price gains." <http://bit.ly/Um5V3M>

www.ecobuildingpulse.com, July 24, 2014

Top 10 States for New Home Sales in 2014:

1	2	3	4	5	6	7	8	9	10
Texas	Florida	California	North Carolina	Georgia	Colorado	Washington	Arizona	Virginia	South Carolina
33,177 closings	19,416 closings	14,280 closings	10,249 closings	7,280 closings	5,602 closings	5,337 closings	5,309 closings	4,836 closings	4,345 closings

<http://bit.ly/1mJLDrp>

Joe Light and Dana Cimelluca, *The Wall Street Journal*, July 27, 2014

"Zillow Inc. is in advanced talks to buy rival online real-estate information service Trulia Inc., according to people familiar with the matter, in a deal that could give their fast-growing websites even more power in the home-sale market. Trulia's stock-market value was nearly \$2 billion as of this writing."

Michael J. De La Merced, www.dealbook.nytimes.com, July 28, 2014

"Zillow agreed on Monday to buy Trulia for about \$3.5 billion in stock, creating a giant online repository of real estate listings and home values. Together, the two will dominate the traffic for online home listings. Last month, Zillow reported 83 million users, while Trulia reported 54 million — a combined 61 percent of total Internet users for the category, according to the research firm comScore." <http://nyti.ms/1xqm4BT>

Kenneth R. Harney, www.latimes.com, July 27, 2014

"If I were to pay money to your lender to lower your mortgage rate — permanently — would you make me a better offer on my house? Realty agents and lenders in some areas believe the answer is yes. Agents have begun touting "seller-assisted below-market-rate financing" on the signs they post outside their listed homes. The idea is straightforward. To make their houses more attractive to buyers as a financial proposition, sellers can offer to lower



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Real Estate Notes *continued*

buyers' long-term monthly mortgage expenses. The sellers achieve this by paying money up front to the buyers' lender to reduce the interest rate. The lower rate continues for the life of the loan." <http://lat.ms/1oAFGTc>

Cushman & Wakefield, www.myappraisal institute.org, July 30, 2014

"The nation's economy has started to generate more jobs in 2014," Maria Sicola, head of research for the Americas at Cushman & Wakefield, said in the report, MBA NewsLink reported. That has resulted in greater demand for office space in the national marketplace. The biggest news is the overall national vacancy rate fell to its lowest level in five years. The report noted that vacancies in central business districts nationwide fell to 12.7 percent, a decline of 70 basis points year-over-year, while the suburban vacancy rate fell 60 basis points to 16.8 percent." <http://bit.ly/1rQUSxZ>

Merrill Matthews, *The Wall Street Journal*, August 1, 2014

Editor's Note: There may be a very large fight coming, and it will be interesting. As of this date more than 170 New York towns alone have stopped fracking by use of zoning laws. Denton, Texas (north of Dallas) recently had a city council meeting with over 500 people attending. The council decided to place the decision to stop fracking by zoning to the voters. The landowners and drillers have threatened to sue, and there is some argument that other Supreme Court cases may allow them to win. When government action reduces a property's value, it constitutes a taking, such as in road right-of-ways and thus a financial loss that must be paid to the owner.

Dan Frosch, *The Wall Street Journal*, August 2, 2014

Editor's Note: Another fracking issue to watch, "Coloradans are poised to vote on multiple ballot measures related to fracking and other forms of energy development this fall, setting up a bitter and expensive election fight."

Second-Quarter Texas Foreclosure, Housing Affordability Data Released

COLLEGE STATION (Real Estate Center) – Two second-quarter reports key to assessing a housing market's health were released yesterday. The Mortgage Bankers Association (MBA) report provided foreclosure and mortgage delinquency rates, while RealtyTrac provided housing affordability data.

According to the MBA report, the percentage of Texas home loans in the foreclosure process at the end of the second quarter was 1.01 percent, compared with 2.49 percent for the United States. Texas also fell below the United States in the percentage of loans on which foreclosure actions were started during the quarter (.3 percent compared with .4 percent) and the percentage of loans that were "seriously delinquent" (3.1 percent compared with 4.8 percent).

However, the total percentage of loans with installments past due was higher for Texas than for the nation as a whole – 6.61 percent compared with 5.96 percent.

MBA reported that nearly three million loans are serviced in Texas. The national total is almost 41.2 million.

Meanwhile, RealtyTrac released its second quarter 2014 housing affordability report. (<http://www.realtytrac.com/content/foreclosure-market-report/realtytrac-q2-2014-affordability-analysis-8122>) The report showed that housing markets in six Texas counties were less affordable than their long-term averages. Those were Travis, Bexar, Harris, Dallas, Collin and Tarrant counties.

The report, which analyzed affordability for buying a residential property in more than 1,000 counties nationwide, noted that a third of the counties analyzed are less affordable now than they have been on average over the last 14 years.

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