

The Tape Measure

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SCPAC: South Carolina Professional Appraisers Coalition
PO Box 5345 Columbia, South Carolina 29250
Email: info@scpac.net



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HELPFUL HINTS:

“An Attorney will ask questions to which they already know the answer. They are probing to see if you know it and how you will answer.”

The Subject

By Carlton Segars

Yes, it's back, The Tape Measure.

Here to inform, question and keep current issues in front of the Appraisers in South Carolina.

SCPAC Board Announcement:

SCPAC had a recent change in the Board of Directors. Due to unforeseen circumstances, President Carl Davenport has relinquished his role and now Vice President, Carlton Segars, has been motioned into the President role for the remainder of this election year.

As with others on the board there has also been motion to appoint the following persons for the remainder of this year:

- President - Carlton Segars
- Vice President - Malinda Griffin
- Treasurer - Barry Phillips
- Secretary - Dale Bailey

SCPAC will continue to promote the interests of the real estate appraisal profession in the legislative, regulatory and judicial branches of South Carolina government. Protect the public interest by educating appraisers, consumers and decision-makers about real estate appraisal issues. Provide a centralized resource for information of interest to professional real estate

appraisal issues. Provide a centralized resource for information of interest to professional real estate appraisers and those affiliated with the profession. Create opportunities for SCPAC members to share their leadership, insight and experience with all real estate appraisers and related organizations for the mutual benefit of the profession.

SCPAC would like to thank Carl Davenport for all his contributions through the years.

“Nothing could be further from the truth. This one section can be the death of you.”

Highest and Best Use

One of the most common items that comes up in every complaint is

the issue of Highest and Best Use. Yes, I know it’s just one of those pesky boxes in the “Form Report” otherwise known as the URAR or UAD that we must check but it’s also one of the most important parts of the report. We are all aware that Real Estate is appraised based on its Highest and Best Use. However, it is most likely one of the areas in every report that is the least thought of and most often neglected part of every report. We are all guilty of it. We all say, “It’s just a single family house” or “it’s not that important”. Nothing could be further from the truth. This one section can be the death of you.

Highest & Best Use as improved:	<input type="checkbox"/> Present use, or	<input type="checkbox"/> Other use (explain)
Actual Use as of Effective Date:		Use as appraised in this report:
Summary of Highest & Best Use:		

I realize that appraisers are under an extreme amount of pressure to get reports out as quickly as possible given the issues with AMC’s and turn-around times. However, you need to stop and ask yourself, is it worth a fine, a public reprimand and/or the need to take a class that I won’t get CE credit for in order to get this report out a few hours faster? You get to choose. Are you aware that by not working thru the Highest and Best Use analysis you are in violation of USPAP 1-1 (b) (c), 1-3 (a) (b), 1-4, 2-1 (b), 2-2 (a) (viii) (x), 2-3 (line 749 & 50) as well as other assorted parts of USPAP?

That’s a lot of sections you will have to defend against, not to mention the “false and misleading” part. In USPAP it states that, “an appraiser MUST develop an opinion of the highest and best use of the real estate”. It doesn’t give you a choice. This analysis must be in your work file and according to the above cut out from a form report you need to summarize what your research revealed. USPAP tells us that the appraiser, “must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraiser’s highest and best use conclusion(s),” Remember that a little time spent on the front end can save you a lot of future heartache.

SCPAC Upstate Fall Retreat

Upstate SCPAC is planning a one-day retreat in the Upstate Greenville area for October 14, 2019. The day will include opportunities for continuing education, legislative updates and a social. More details will be coming soon.

Please contact Wes Hasty at whasty@caarps.com with questions.

Legislative Issues

The State of South Carolina Legislature has a Bill (H 4532) currently going thru the legislative process to become law. This Bill deals with Sales Tax. They are proposing that Service Industry businesses such as Appraisers, Accountants etc. will have to collect Sales Tax on fees we charge. Currently there is no “sister” bill going through the Senate. Every Appraiser needs to contact their respective Representative and Senator regarding this. This would put an excessive burden on us. We would need to spend a lot of additional time related to bookkeeping and record keeping, not to mention the need to either collect more for our fees or pick up the additional cost out of our already inadequate fees.

As this issue progresses, SCPAC will keep you updated.

Calling New Members!!

The SCPAC Board recently approved a measure to discount dues for the following:

- ✓ Appraisers moving to SC from another state.
Dues will be discounted 50% for the first year.
- ✓ Licensed Apprentice Appraisers.
Dues will be discounted 50%.
- ✓ New Members.
New membership fee will be \$100, but will include October 1, 2019-December 31, 2020.

This is the first time that dues have been reduced for Appraisers from other states or for Apprentice Appraisers. Take advantage of this opportunity!

Visit <http://scpac.net/registration.php> to join today!

SC REAL ESTATE APPRAISERS BOARD			
NUMBER OF CREDENTIALS AS OF			August 12, 2019
	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>TOTAL</u>
APPRENTICE	240	0	240
LICENSED	129	20	149
CERTIFIED RESIDENTIAL	990	45	1035
CERTIFIED GENERAL	1008	22	1030
LICENSED MASS	46	0	46
CERTIFIED RESIDENTIAL MASS	64	2	66
CERTIFIED GENERAL MASS	<u>26</u>	<u>2</u>	<u>28</u>
TOTAL	2503	91	2594
AMC Active	132	1	Lapsed - 17
TEMPORARY PERMITS	ISSUED IN 2018	253	ISSUED IN 2019 143



Most appraisers are self-employed individuals working in solitary or with only two or three other colleagues in a small office setting. Often times, questions arise like: is this the proper procedure; am I violating USPAP; is this the correct way to calculate this; etc.? When this happens, the vast majority of us don't have another appraiser to contact to act as a consultant. If or when this happens you can always contact SCPAC at info@scpac.net for questions or guidance on how to move forward with your concern(s) and still be in line with our national and state guidelines.