

APTC presents its 17th Annual Property Tax Seminar

THE ECONOMY NOBODY SAW COMING – Survival Strategies



16th Seminar - 2010 in Review

Perspectives & Strategies for Struggling Real Estate Markets

The sixteenth annual American Property Tax Counsel (APTC) Conference took place on October 8-9, 2010 at the Biltmore in Phoenix, Arizona. The conference provided an unmatched opportunity to connect with knowledge leaders and network with industry peers.

Over two October days, speakers, panelists and attendees from around the country reflected on prevailing economic issues affecting real estate values, discussed tax management strategies and deliberated on efficient solutions to property valuation, all within the context of a dynamically changing real estate environment.

Among the invited guests were property owners, property managers, property tax attorneys, valuation experts, and other real estate professionals. A number of attendees represented companies with national and international presence.

The event began the evening of October 7th with cocktails, conversation and dinner. APTC President, John Garippa, welcomed everyone to Phoenix and expressed his sincere appreciation for an exceptional turnout. The seminar began the following morning with John Garippa giving the opening remarks. The seminar was designed as a diversified presentation offering a broad perspective on the existing economic situation. The invited speakers were asked to analyze the extent of the recession and to evaluate the continuing erosion on real estate values across the country.

The first speaker was KC Conway. KC was formerly the CRE Subject Matter Expert for the Atlanta Federal Reserve Board and the CRE Risk Specialty Officer of the New York Federal Reserve Board. KC gave an astonishing speech "Perspectives on Commercial Real Estate: Data, Market Conditions and Values..."

He shared his insightful observations of various CRE markets and their perpetual correlation to Federal Reserve Bank decisions and policies. His speech, illustrated with first-hand, real-life paradigms was a truly remarkable learning experience leav-



ing attendees requesting a return appearance at the 17th APTC Seminar. KC has accepted the invitation and we are all looking forward to his thoughts on the state of the commercial real estate markets across the United States.

The subsequent session featured Peter Korpacz, President of Korpacz Realty Advisors, also the founder and original publisher of the quarterly Real Estate Investor Survey®. Mr. Korpacz, a frequent APTC speaker, delivered another outstanding presentation. The most data hungry listeners were pleased with the detail in

Two days, eight speakers, seven moderators and over 50 attendees, those are the numbers of 16th annual seminar.

his presentation.

He concluded his remarks with his predictions of when we would return to stabilized real estate fundamentals.

The closing session was designed as a methodical review of various types of market data necessary to challenge property tax assessments.

The speaker invited to cover this topic and conclude the Friday's program was Thomas Fink, Managing Partner of Trepp, LLC.

Mr. Fink's presentation: "State of the Commercial Real Estate Markets" was so well received by the attendees that they requested he also make a return appearance at the 17th Seminar. APTC is honored that he will make a return appearance at the 17th APTC Seminar. Mr. Fink demonstrated an ability to combine complex data with understandable discourse. Among covered topics were ... working lunch into the evening hours. The day concluded with a group dinner hosted at the historical gardens of the Biltmore Resort.

Saturday's educational goal was to use the theory acquired the previous day and put it into practice.

The opening session was arranged as a thorough review of appraisal principals. Honest re-examination of valuation techniques appeared timely in the light of unprecedented amounts of new facts and

figures presented on the first day.

Mr. David Lennhoff, President of PGH Consulting and a frequent guest speaker at APTC Conferences, masterfully took the new information and current data gleaned from the first day and instructed the attendees on how that information must be included and analyzed in appraisals utilized in property assessment appeals. His presentation: "What to look for in Reviewing Tax Assessment Appraisals," explained the fundamentals governing appraisal review. He discussed how the current economic issues impact often forgotten appraisal fundamentals such as "highest and best use," "jurisdictional exception," "scope of the work," etc. Mr. Lennhoff further concentrated on problems specific to different property types and separately reviewed each category highlight the typical conditions necessary for a proper appraisal. Mr. Lennhoff's exceptional presentation was immediately followed by APTC Members' panel discussion.

The presentation, organized by property type, was intended to deliver real-life tips and cutting-edge techniques to prepare for a successful tax appeal. All speakers used examples extracted from their day-to-day practice. Each panelist spoke about their past or ongoing cases, sharing specifics and particulars of each given situation. All speakers used examples extracted from their day-to-day practice, concentrating on current and cutting edge theories.

The Q&A discussion concluded the second day of the seminar. John Garippa officially closed the conference with a few remarks, he also invited all attendees to join APTC at the 16th annual conference, planned for October 2011 in California.

Quotes from our Speakers

"Leasing markets approach stability, but won't turn the corner until, there is a significant job growth" **KC Conway**

"Stripping out these loans shows both a jump in the average loss severity and a more consistent monthly observation." **T. Fink**

"Appraiser must be aware of, understand, and correctly employ recognized methods and techniques to produce credible appraisal." **D. Lennhoff**

Key issues for 2011 Seminar:

Day One **Market Analysis**

This day will be dedicated to market analysis—necessary to truly understand today's unprecedented market conditions. The seminar will open with a sector by sector insight and analysis of today's market, presented by Assistant Vice President and Economist at the Federal Reserve Bank of St. Louis Dr. William R. Emmons. The next session will be delivered by the be the morning keynote speaker, Executive Managing Director, Real Estate Analytics at Colliers International, Kiernan Conway. He will be looking at how real estate experts measure and manage risk in today's volatile market, how to look at the values and read them correctly. Day One will close with a hard hitting analysis of the impending impact of deteriorating debt coverage ratios on an already struggling commercial real estate market, by Thomas Fink, Vice President of Trepp LLC, the leading provider of CMBS and commercial mortgage information and analytics to the global securities and investment management industries, will follow.

Day Two **Practical Solutions**

Day two opens with powerful, no-nonsense solutions offered by real experts—the best in their field. Renowned appraiser David Lennhoff leads off day two, using "day one" analysis to develop real world talking points. Mr. Lennhoff will take us thru the steps necessary for developing an accurate real property market value in a struggling market. Our seminar will conclude with a panel of APTC member attorneys combining the market analysis and appraisal theory into a cogent roadmap for effective property tax appeals. As always, this session will include a lively question and answer session—real world answers to the issues facing property owners and tax professionals.



Highlights

Attendees' Information

Each year APTC invites Industry Leaders to collaborate on developing new approaches to controlling property taxes. At a time when real estate values are at historical lows, and with tremendous pressure on local governments facing budget deficits, the 2011 APTC Seminar promises to provide each attendee with the real world data and tools necessary for successful appeals.

Five More Reasons to Attend:

1. Collaborate with the top property tax attorneys in North America
2. Brainstorm solutions with your peers
3. Schedule one-on-one time with leading CRE experts and appraisers
4. Complimentary seminar attendance for invited guests
5. Earn CPE credit

Meet our Speakers



KC Conway

KC Conway joined Colliers at the end of 2010 following 5 years of service at the Federal Reserve, and 20 years in private industry as an appraiser, underwriter, lender and credit officer. In this new role, he leads the real estate analytics capabilities advising institutional, bank and regulatory clients, as well as supporting Valuation and Advisory services.

Between 2005 and 2010, KC worked in the Federal Reserve System in multiple capacities ranging from the Commercial Real Estate “Subject Matter Expert” for the Atlanta District Bank, to the “Commercial Real Estate Risk Specialty Officer” designee to the New York District Bank. In these roles, KC briefed Chairman Bernanke, the Board of Governors, Federal Reserve District Bank Presidents and real estate industry groups on market conditions and burgeoning issues during the 2008-2009 Financial Crisis. As the Federal Reserve’s only MAI, KC was also engaged in regulatory appraisal matters.

Originally from a developer family in Colorado, KC is a graduate of Emory University’s School of Business. He commenced his real estate career as an appraiser. After earning his MAI designation in 1989 as an appraiser for Cushman & Wakefield and the former Equitable Real Estate, he pursued loan workout, portfolio management and asset advisory experience with such companies as Deloitte & Touche, Wells Fargo and Prudential. In 1997, KC joined SouthTrust Bank as their Director of Underwriting to start a conduit. In 1999, SouthTrust promoted KC to Sr. VP and National Director of Real Estate Market Analysis, in which he developed a proprietary system to risk rate and manage their real estate portfolio across 28 states in the Southeast & Southwest US.



William R. Emmons

William R. Emmons is an Assistant Vice President and Economist at the Federal Reserve Bank of St. Louis. He conducts policy analysis and speaks frequently on topics including the economy, housing and mortgage markets, banking, financial markets, and financial regulation.

Dr. Emmons has been with the St. Louis Fed since 1995. He also serves as an Adjunct Professor of Finance in the John M. Olin Business School at Washington University in St. Louis. Prior to joining the St. Louis Fed and Washington University, he was on the faculty of the Amos Tuck School of Business at Dartmouth College, in Hanover, New Hampshire.

Dr. Emmons received a PhD degree in Finance from the J.L. Kellogg School of Management at Northwestern University. He received bachelor’s and master’s degrees from the University of Illinois at Urbana-Champaign.

Dr. Emmons and his wife, Vera, have three children—Sonia, Thea, and Nathan

Meet our Speakers



Thomas A. Fink

Thomas A. Fink joined Trepp in August 1997. He brings over thirty years experience with a wide range of financial engineering and modeling assignments, including transactions in mortgage-backed and asset-backed securities. He is currently responsible for developing business opportunities for Trepp, with a particular focus on the oversight of significant accounts. Mr. Fink has a record of achievement in the financial analysis of fixed income securities. He has directed analytical and support teams at several securities firms, including writing some of the earliest routines for automating the analysis of multi-family housing revenue bonds in the tax-exempt market and directing the creation of proprietary fixed income analytical tools at Bear Stearns. As an advisor, Mr. Fink directed the first securitization of economic development loans financed through HUD's Community Development Block Grant Program.


Immediately prior to joining Trepp, Mr. Fink served as the Chief Financial Officer of the North American Development Bank, a bi-national institution owned by the governments of the United States of America and the United Mexican States. Mr. Fink has served on the faculty of New York University, has participated in various committees of the Commercial Mortgage Securities Association, has regularly written a quarterly market report for the CMSA publication, CMBS World, and has made televised guest appearances on CNBC.



David Lennhoff

David C. Lennhoff is president of PGH Consulting, LLC, which is officed in Rockville, Maryland. His practice centers on litigation valuation and expert testimony relating to appraisal methodology, USPAP and allocating assets of a going concern. He teaches internationally for the Appraisal Institute (Mexico, Korea, China, and most recently, Japan) and served as 2004 Editor in Chief of the Appraisal Journal, to which he has contributed approximately 20 articles. David has authored several courses for the Institute and served as a technical consultant and section reviewer for the textbook, The Appraisal of Real Estate and a reviewer for Appraising Industrial Properties and Hotels and Motels—Valuations and Market Studies. He is editor for two Appraisal Institute books, A Business Enterprise Value Anthology and Capitalization Theory and Techniques Study Guide.

David is a member of the Real Estate Counseling Group of America (Recga), an elite national group of real estate analysts and academicians founded by the late William N. Kinard, Ph.D. He served with the 101st Airborne Division as an Infantry Platoon Leader in Vietnam and lives in Darnestown, Maryland with his wife Sandy.



During APTC's past events the following subjects were discussed:

Perspectives and Strategies for Struggling Real Estate Markets; A Roadmap to Challenging Inflated Assessments; Developing Strategies to Confront Assessors in a Declining Real Estate Market; The Effects of Money Supply on Valuation of Real Estate; Highest and Best Use; An Answer to Assessors' Runaway Sales Prices, and more...

IN SEARCH OF ANSWERS?

HOW TO READ THE DATA?

WHICH DIRECTION ARE WE HEADED?

GAIN INDUSTRY INSIGHT & GET CPE CREDIT

About APTC

Locally Based. The nuances of each state's property taxation system places extraordinary value on sophisticated local representation. Knowledge and understanding of both substantive issues and procedural aspects of tax appeals in each jurisdiction often mean the difference between significant tax reduction and no relief.

National Scope. American Property Tax Counsel is the leading solution for institutional, corporate and other real estate owners seeking to maximize the benefits of a focused and concerted property tax management program. Owners with geographically diverse portfolios can rely upon American Property Tax Counsel members to provide a consistent, high level of professional representation as well as a long history of successfully dealing with local assessing officials and review boards.



AMERICAN PROPERTY TAX COUNSEL

77 W. WASHINGTON STREET | SUITE 900 | CHICAGO | IL 60602

877-TAX-APTC | WWW.APTCNET.COM

LINKEDIN.COM/COMPANIES/AMERICAN-PROPERTY-TAX-COUNSEL

bulletin@aptnet.com