

# FAIR+EQUITABLE

MARCH 2025 | VOLUME 23 | NUMBER 2

## MONTANA'S AG TAX SLASHES BILLS FOR MILLION-DOLLAR HOUSES

Properties classified 'agricultural' get a tax break despite no bona fide operations. Can new proposals tighten qualifications? Page 6

### INSIDE

---

- IAAO accepting applications for affinity groups | **10**
- 2025 Annual Conference keynote speaker: NFL Pro Bowler Jon Dorenbos | **12**
- Spinning the real estate market cycle: The six phases | **24**



ASSESSORS' CENTER OF EXCELLENCE

**SAVE the DATES!**



## 2025 Live Online Courses & Workshops

**Experience our premier education and professional development community and take your career to the next level!**

**MARCH 3 - 6**    **COURSE 500** — Assessment of Personal Property

**MAY 14 - 15**    **WORKSHOP 151** — National USPAP

**MAY 19 - 22**    **WORKSHOP 311** — Real Property Modeling Concepts

**JULY 14 - 17**    **COURSE 501** — Personal Property Auditing: Basic to Advanced

**SEPTEMBER 8 - 11**    **COURSE 300** — Fundamentals of Mass Appraisal

**OCTOBER 8 - 9**    **WORKSHOP 151** — National USPAP

**OCTOBER 13 - 14**    **WORKSHOP 854** — CMS Case Problem Review Workshop

**OCTOBER 27 - 30**    **COURSE 112** — Income Approach to Valuation II

**NOVEMBER 3 - 5**    **WORKSHOP 851** — RES Case Study Review Workshop

**NOVEMBER 12 - 14**    **WORKSHOP 551** — Valuation of Machinery and Equipment

**NOVEMBER 17 - 19**    **WORKSHOP 852** — AAS Case Study Review Workshop

**DECEMBER 1 - 3**    **WORKSHOP 853** — PPS Case Study Review Workshop

**DECEMBER 8 - 10**    **WORKSHOP 850** — CAE Case Study Review Workshop

**REGISTRATION NOW OPEN**

**Get started today at [learn.iaao.org](https://learn.iaao.org)**

**+ CONTENTS**



**6 How Montana’s agricultural property tax code benefits luxury real estate**



**14**

**TAX CAPS: THE PROS AND THE CONS**

In recent years, property values have increased at rates not seen in modern times.



**24**

**SPINNING THE REAL ESTATE MARKET**

Cycles are pervasive in nature, and each phase of the cycle is like a cresting wave.



The statements made or opinions expressed by authors in *Fair+Equitable* do not necessarily represent a policy position of the International Association of Assessing Officers.

*Fair+Equitable* is published nine times a year by the International Association of Assessing Officers, 314 W. 10th St., Kansas City, Missouri, 64105-1616.

Subscription rate for members is included in annual dues. Send address changes to: Membership Dept., IAAO, 314 W. 10th St., Kansas City, Missouri, 64105-1616.

**IAAO.ORG**

**INSIDE**

**2 OVERVIEW**

IAAO President Donna VanderVries

**4 WHAT'S TRENDING IN THE IAAO LIBRARY**

IAAO Research Librarian Elizabeth Ferguson reports on February's most requested topics.

**20 IAAO ABSOLUTE**

Member news: job postings, new designees, etc.

**29 IAAO JOINS INDUSTRY GROUPS FOR GLOBAL PROPERTY CONGRESS**

The Congress in Sydney, Australia, will focus on "Navigating the Future: Innovation, Sustainability, and Resilience in the Global Property Profession."



*“Committees and task forces do important work, and we benefit from our members’ talents and experiences.”*

## DONNA VANDERVRIES, CAE, AAS, PPS

IAAO President

**F**ebruary was a busy month for IAAO with Leadership Days in Kansas City, Missouri, with more than 80 committee and task force members in attendance to work on projects for the association.

I made several trips to Washington, D.C., the first of which was with The Appraisal Foundation and was a partner’s meeting as well as a TAFAC meeting. We and other industry groups reviewed issues of importance for the appraisal/assessment industry.

The second trip included President-Elect William Healey, Vice President Terry Taylor, Executive Director Amy Rasmussen, and I to meet with various industry partners — TAF, NACo, ASA, AI, and RICS — to review ways we can collaborate.

Meeting in person provides an opportunity

to look at issues in depth.

To give members more information about what committee and task force are working on, and because those efforts may take place in the background, IAAO recorded videos at Leadership Days with the chairs of each group to explain projects and goals.

The videos will be used to inform membership about the work of the committees and task forces and the important roles volunteers play.

Each fall, IAAO recruits volunteers, and some members may wonder what the various groups are working on. We want to encourage members to think about volunteering. Committees and task forces do important work, and we benefit from our members’ talents and experiences.

One of the groups that met in Kansas City

MAGAZINE OF THE INTERNATIONAL  
ASSOCIATION OF ASSESSING OFFICERS

► **PRESIDENT**

**DONNA VANDERVRIES**, CAE, AAS, PPS, [president@iaao.org](mailto:president@iaao.org)

► **PRESIDENT-ELECT/TREASURER**

**WILLIAM HEALEY**, RES, [presidentelect@iaao.org](mailto:presidentelect@iaao.org)

► **VICE PRESIDENT**

**TERRY TAYLOR**, CAE, RES, AAS, FIAAO, [vicepresident@iaao.org](mailto:vicepresident@iaao.org)

► **IMMEDIATE PAST PRESIDENT**

**REBECCA MALMQUIST**, CAE, [pastpresident@iaao.org](mailto:pastpresident@iaao.org)

► **BOARD OF DIRECTORS**

**DWANE BRINSON**, CAE, RES, AAS, [dwane.brinson@iaao.org](mailto:dwane.brinson@iaao.org)

**BILLY BURLE**, [billy.burle@iaao.org](mailto:billy.burle@iaao.org)

**RODERICK CONLEY**, AAS, RES, [roderick.conley@iaao.org](mailto:roderick.conley@iaao.org)

**LLOYD FUNK**, CAE, [lloyd.funk@iaao.org](mailto:lloyd.funk@iaao.org)

**ALLEN JOLLEY**, [allen.jolley@iaao.org](mailto:allen.jolley@iaao.org)

**ALVIN LANKFORD**, CAE, AAS, [alvin.lankford@iaao.org](mailto:alvin.lankford@iaao.org)

**KEVIN PRINE**, CAE, RES, AAS, [kevin.prine@iaao.org](mailto:kevin.prine@iaao.org)

**SCOTT RUSSELL**, AAS, PPS, RES, [scott.russell@iaao.org](mailto:scott.russell@iaao.org)

**DOUGLAS WARR**, AAS, [doug.warr@iaao.org](mailto:doug.warr@iaao.org)

**GINNY WHIPPLE**, AAS, [ginny.whipple@iaao.org](mailto:ginny.whipple@iaao.org)

► **EXECUTIVE DIRECTOR**

**AMY RASMUSSEN**, RES, AAS, FIAAO, [rasmussen@iaao.org](mailto:rasmussen@iaao.org)

► **EDITORIAL REVIEW BOARD**

**SHANNON HISS**, RES, RMA; **LISA HOBART**, CAE, PPS, FIAAO;

**KERRY LEICHTMAN**; **JOSH MYERS**; **HEATHER POORE**, AAS,

RES; **JEFF SPELMAN**, CAE; **JOAN YOUNGMAN**, ESQ.

► **PUBLICATIONS MANAGER**

**KEITH ROBISON**, [robison@iaao.org](mailto:robison@iaao.org)

► **COPY EDITOR**

**PAULA SOUTHERLAND**, [southerland.paula@gmail.com](mailto:southerland.paula@gmail.com)

► **SENIOR DIRECTOR, COMMUNICATIONS & TECHNOLOGY**

**MIKE ARDIS**, APR, [ardis@iaao.org](mailto:ardis@iaao.org)

► **SUBSCRIPTIONS**

Subscriptions to Fair+Equitable are free for members of the International Association of Assessing Officers. For information on becoming a member, contact the membership director at 816-701-8100 or at [membership@iaao.org](mailto:membership@iaao.org).

► **ADVERTISING**

For display advertisements, download individual advertising contracts at [IAAO.org](http://IAAO.org) in the publications menu. Advertisements appearing in Fair+Equitable are paid and do not imply endorsement by IAAO of the products or services advertised.

► **EDITORIAL SUBMISSIONS**

Email Keith Robison, [robison@iaao.org](mailto:robison@iaao.org)

► **REPRINTS**

Written permission must be obtained for reproduction or use of contents.

► **HEADQUARTERS**

International Association  
of Assessing Officers

314 W 10th St.  
Kansas City, Missouri  
64105-1616 USA

816-701-8100

800-616-4226

[IAAO.org](http://IAAO.org)



**IAAO**

was the Mass Appraisal Experience Task Force, which I noted in the February issue of “Fair+Equitable” magazine.

IAAO has been working to get the states to recognize mass appraisal work experience as qualifying experience, and we have been meeting with The Appraisal Foundation on ways to move this project forward.

Pete Fontana of The Appraisal Foundation and Jim Park, formerly of the Appraisal Subcommittee (ASC), were at the IAAO Leadership Day meetings to continue finalizing the experience evaluation template developed by the task force.

## International meetings

More than 60 years ago, IAAO changed its name from the National Association of Assessing Officers to the International Association of Assessing Officers.

Over the past 10 years, we have worked to engage and increase our overall international focus, whether by resuming the International Research Symposium, starting two new chapters in Europe, or working with other groups to host global meetings online or in other countries.

In late May, IAAO will partner with the Australian Property Institute, the World Association of Valuation Organizations, the Property Institute of New Zealand, and IVSC to deliver the 2025 Global Congress in Sydney.

IAAO partnered with the API in 2019 to co-host the International Research Symposium in Melbourne and the theme for this year’s Congress is “Navigating the Future: Innovation, Sustainability, and Resilience

in the Global Property Profession.”

Registration will start soon, and Executive Director Rasmussen and I will be representing IAAO at the meeting.

In December, IAAO and the International Property Tax Institute hosted the IRS in Amsterdam, and I was pleased to see more than 80 people attend the conference.

IAAO and IPTI are joining together again in June for the fourth year in a row to host the Mass Appraisal Valuation Symposium, an online two-day meeting focusing on “Future Opportunities for Mass Appraisal.”

Registration will open soon for this meeting.

## 2025 Annual Conference

Registration starts soon for the IAAO Annual Conference, set for Sept. 21-24 in Orlando, Florida.

Inside this issue is an article on the keynote speaker, Jon Dorenbos, who played 14 seasons in the NFL, making the Pro Bowl twice with the Philadelphia Eagles.

He competed in the TV show “America’s Got Talent,” showcasing his skills as a sleight-of-hand magician, making it to the finals.

Known for his sense of humor and positive outlook on life, he uses his skills as a magician and his incredible life story to inspire audiences around the world.

I am looking forward to his keynote address and hope you will join us in Orlando for the conference!

Mark your calendars for Orlando and I look forward to seeing everyone there!



## What's trending in the IAAO library

Throughout 2025, the Paul V. Corusy Memorial Library will highlight the resources that our members are using the most.

Last month, a few topics showed up again and again in catalog searches, article downloads, and reference questions:

- Artificial intelligence
- Obsolescence
- Golf courses

Artificial intelligence is a perennially popular subject in assessment, as well as in other fields.

One of our most recent e-books, **“Handbook of Artificial Intelligence at Work: Interconnections and Policy Implications,”** discusses how AI is changing everything from finance to agriculture. Government policy and procedures are also addressed.

The most downloaded resource from the IAAO Research Exchange last month was a presentation from

the 2024 International Research Symposium, **“Guidelines, Opportunities, and Challenges in AI Adoption in Assessment Office”** by Imran Razzaq of C3.ai.

The AI Task Force’s white paper, **“A Review of the Methods, Applications, and Challenges of Adopting Artificial Intelligence in the Property Assessment Office,”** continues to be requested by practitioners, policymakers, and academics worldwide.

Obsolescence is another subject that never wanes in popularity.

A recent series of articles in “Real Estate Taxation,” **“Economic Obsolescence Measurements in Property Tax Appeals”** by Robert Reilly, gives an overview of the topic and discusses legal strategies. Recent appeals reported in **“The Michigan Assessor”** address functional obsolescence.

The most unexpected subject recently gaining popularity is golf

courses.

The **Research Exchange’s articles on golf course valuation** date back to the 1990s, and our **subject guide** on the topic contains a range of articles, presentations, and books from our collection.

This month’s new resources include reports on investor, developer, and market data.

To access these materials and more, members can log in to the **IAAO website** and visit the Industry Data tab. Logging in to the website now automatically logs members in to the LibraryLink catalog.

For help with access, contact [library@iaao.org](mailto:library@iaao.org).



**ELIZABETH FERGUSON, Ph.D.,** is IAAO research librarian.



ASSESSORS' CENTER OF EXCELLENCE

# DESIGNATION DISCOURSE

## ZOOM CHATS



### ARE YOU INTERESTED IN EARNING AN IAAO DESIGNATION IN 2025?

Join Professional Development Committee members, select current designees, and program staff every other month for an informal chat as they answer questions and share experiences in earning a designation. *Prospective and current candidates are welcome!*

#### DESIGNATION DISCOURSE: Open Discussion

Thinking about earning an IAAO designation? Come ask your questions and learn from others.

- THURSDAY, JUNE 12, 11am Central
- THURSDAY, OCTOBER 23, 11am Central



#### DESIGNATION DISCOURSE: CAE & RES Designations

Join CAE and RES designees to ask your questions and discuss your challenges.

- THURSDAY, APRIL 10, 11am Central



#### DESIGNATION DISCOURSE: MAS & AAS Designations

Join MAS and AAS designees to ask your questions and discuss your challenges.

- THURSDAY, AUGUST 14, 11am Central



#### DESIGNATION DISCOURSE: CMS & PPS Designations

Join CMS and PPS designees to ask your questions and discuss your challenges.

- THURSDAY, DECEMBER 11, 11am Central

**Chats are free but registration is required.**  
**Learn more at [www.iaao.org/designationchats](http://www.iaao.org/designationchats)**



# How Montana's agricultural property tax code benefits luxury real estate

Key takeaways from an investigation showing how expensive properties use a system meant to help farmers and ranchers.

BY NICK BOWLIN AND ERIC DIETRICH  
HIGH COUNTRY NEWS

**M**ontana's property tax system is enormously complex, involving mind-boggling math and a bewildering array of rules.

The point of this maze is to fairly divide the bill for public services like schools and police departments among hundreds of thousands of properties.

It's a tricky task, of course, to agree on what exactly fair means when it comes to taxes — and a trickier one for lawmakers to write a tax code that implements a fair framework without loopholes.

High Country News and Montana Free Press in January published an investigation into a facet of the state's tax code that has been a concern in Montana political circles

► This story was originally published by [High Country News](#).

for decades: whether a property tax break intended for farms and ranches is being abused by people who own luxury homes on rural parcels.

The original story runs more than 3,400 words. There are a lot of complexities and nuance and infographics in [the full investigation](#), but here are some of the key takeaways:



Agricultural tax status offers farm and ranch properties a discount relative to residential properties by marking down the value of the underlying land.

If you own a Montana house in an urban or suburban neighborhood, it's almost certainly classified as a residential property.

In these cases, both the house structure and the lot beneath it are valued and taxed based on their market value — how much the Montana Department of Revenue thinks they would sell for.

Structures on agricultural properties are also valued and taxed based on their market value, but the underlying land is not.

Instead, agricultural land is valued for tax purposes based on its production value — how much

*MTFP and HCN estimate that residential properties smaller than 20 acres had their underlying land taxed at a median effective rate of \$1,609 per acre in 2023, while similar properties with a full agricultural designation paid just \$6.61.*

money the revenue department thinks its owner could make growing crops or grazing livestock.

That works out to be a big difference.

House lot prices vary from place to place across Montana, but the average residential property had a land value of about \$127,000 in 2023.

Production values for agricultural land are much, much lower. Some of the properties we looked at, for example, had grazing land valued at less than \$50 an acre.

The agricultural discount can translate into hundreds or thousands of dollars in annual tax savings.

One example we looked at was a property on the Flathead River near Kalispell, described in a Zillow listing as a “gorgeous Montana river estate” with a putting green and orchard.

Classified as agricultural land, the 10-acre property paid about \$7,000 in property taxes in 2023, all but \$20 of that total based on the value of the property's structures, according to our analysis.

A 10-acre residential property



IAAO PRESENTS  
**PREP & TRIAL**  
IAAO

**SAVE *the* DATE**

**JULY 10 - 11, 2025 • COLUMBUS, OH**

next door, including a slightly less valuable home, paid about \$9,100 in taxes in 2023, including about \$3,300 in land taxes.

That sort of disparity is typical.

For parcels smaller than 20 acres, we found that residential properties paid a median effective land tax of \$1,609 an acre in 2023, compared to only \$6.61 for agricultural parcels.

**Critics worry that it's too easy for high-end real estate to qualify for agricultural tax benefits.**

**Unlike in most Western states,** larger Montana properties automatically qualify for agricultural tax treatment without being required to document that the land is being used for agriculture.

Properties of 160 acres or more are automatically granted a full agricultural designation, while properties bigger than 20 acres automatically qualify for a partial agricultural designation that offers slightly reduced tax benefits regardless of whether the owners can demonstrate any farm or ranch activity.

Smaller properties can qualify for the full designation by reporting at least \$1,500 a year in agricultural income.

Critics say that threshold, which **hasn't been updated since 1986**, is low enough that savvy property owners can reach it with relatively little effort.

**Thousands of million-dollar Montana homes are benefiting from the ag tax treatment. Gov. Greg Gianforte's Bozeman house is one of them.**

Looking at state property data for 2023, HCN and MTFP found more than 3,000 properties with million-

dollar structure values that qualify for the full or partial agricultural tax benefit.

In some cases, like the Flathead River example, those properties are adjacent to otherwise comparable residential properties, resulting in stark tax disparities.

Another example is Gianforte's longtime home on an 11.4-acre parcel with an agricultural designation on the outskirts of Bozeman.

According to our calculations, the governor and his wife, Susan, paid about \$5.75 an acre in land taxes on it in 2023, while a neighbor with a residential parcel across the street paid \$826 per acre.

Montana's public records office denied an open records request for the application materials used to justify the Gianforte property's agricultural status last year, saying they contained income information that the revenue department was required to keep confidential.

A spokesperson for the governor's office said Gianforte's land rotates between irrigated barley and alfalfa production and is also used to board horses and mules.

The spokesperson did not answer questions regarding the amount of agricultural income generated by those activities or whether the governor supports changes to the state's agricultural tax structure.

The governor's \$66 land tax bill for the 11-acre parcel is substantially less than what the vast majority of urban homeowners in Montana pay each year for the lots beneath their homes.



Montana Gov.  
Greg Gianforte

**Thanks to his agricultural designation, Gianforte's total land tax in 2023 was about \$66 for his 11-acre property. The state's tax rolls included about 176,000 residential properties with homes on town or city lots that year, most less than a quarter acre; HCN and MTFP estimate that 97% of their owners paid more land taxes than the governor.**

**Lawmakers could change the tax code as the Montana Legislature meets this year.**

There are two bills under consideration that would tighten qualification standards for the agricultural designations and increase taxes on homesite portions of high-value ag properties.

Similar measures have floundered in the past, in part because of opposition from people who would face higher tax bills.

The sponsors of both measures told HCN and MTFP that they are working on revisions to their proposals in an effort to make the bills politically viable.

**NICK BOWLIN** is a contributing editor for "High Country News."

**ERIC DIETRICH** is an editor and reporter at Montana Free Press based in Helena, Montana.

**► Read the full investigation: Montana's agricultural tax rules slash bills for thousands of million-dollar homes.**

Have you ever wondered where the articles for **FAIR+EQUITABLE** come from?

**YOU!**

**IAAO members contribute over 50% of cover stories for F+E.**

Would you be interested in writing a cover or interior article for *F+E*? We have openings for two articles on assessment or management topics in each issue. Please submit your article ideas to Keith Robison at [robison@iaao.org](mailto:robison@iaao.org).

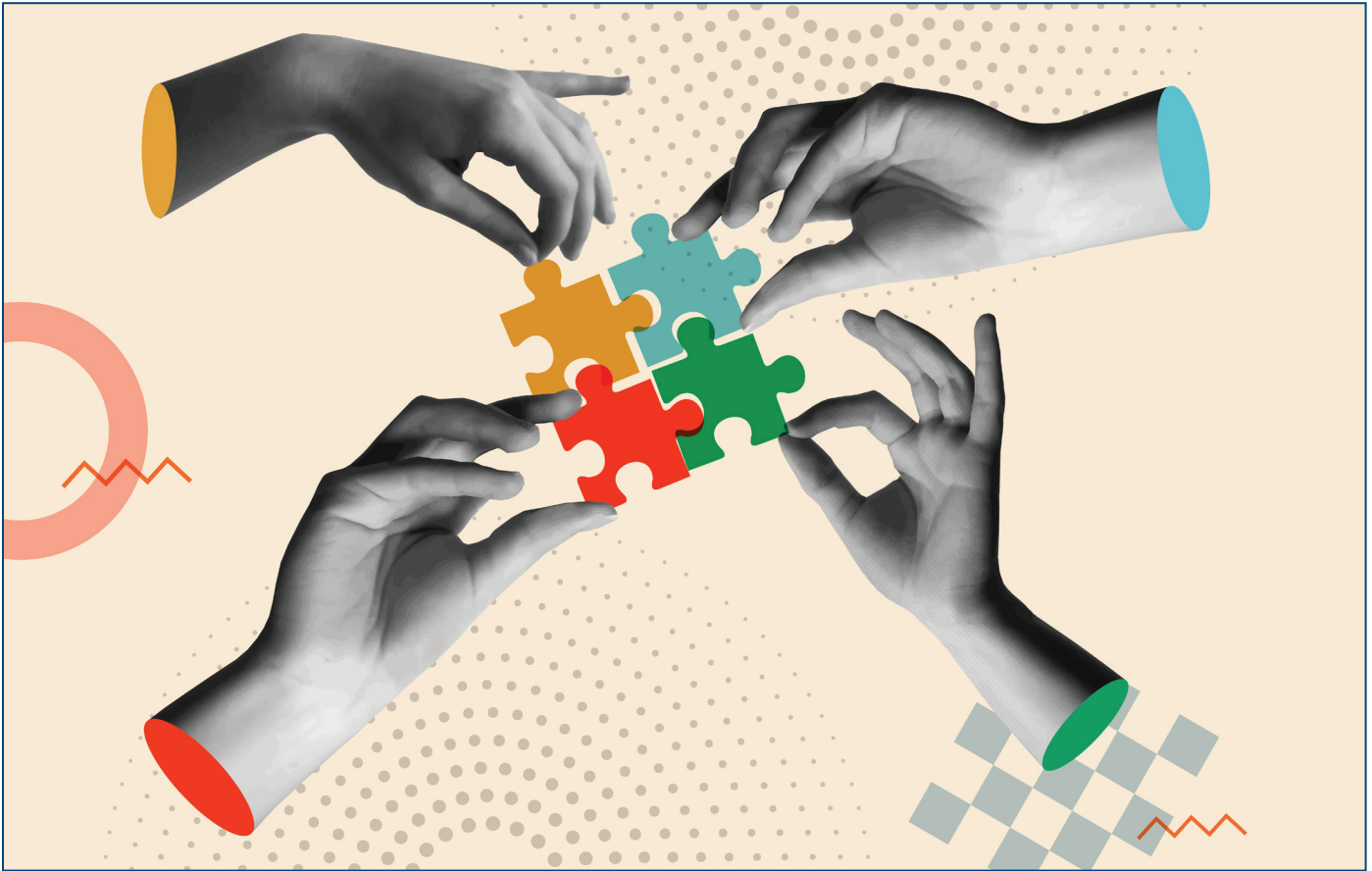


**IAAO**

INTERNATIONAL ASSOCIATION  
of ASSESSING OFFICERS

Valuing the World





## IAAO accepting applications for affinity groups

**I**AAO is accepting applications to establish affinity groups to become part of the IAAO community.

Examples of affinity groups include identity-based groups (such as the Women’s Initiative Network), technical interest groups (small or large jurisdiction employees), personal and continuous professional development groups (leadership development), and community engagement groups (veterans).

Groups of individuals with shared experiences, interests, or goals can apply to form an affinity group.

In 2024, IAAO members approved the formation of affinity groups during special elections, approving the formation of Councils and Affinity Groups.

Since then, two existing groups have submitted applications: WIN’s

application was approved and Launch Pad’s application will be reviewed by the Board in April.

“Affinity groups should empower their members and create connections,” IAAO President Donna VanderVries said.

“These connections will aid in promoting and ensuring an environment where all are valued, included, and empowered to succeed.”

### Application process

To apply, complete the **online form**. The application will be reviewed by IAAO staff and the Board of Directors.

Once formed, affinity groups will have the opportunity to request funds for projects.

Affinity groups allow mem-

bers to connect on a more formal and meaningful level beyond the traditional and/or organizational structure.

Additionally, IAAO leadership hopes that creating these spaces will help in the recruitment, development, and retention of IAAO members and the employees in our jurisdictions.

Affinity groups will also provide opportunities to report issues/successes as well as inform and advise the Board on a variety of policy decisions through various levels of leadership, which promotes a legitimate climate of inclusion, diversity, and equity.

For more information on affinity groups, email the IAAO membership department at [membership@iaao.org](mailto:membership@iaao.org) or call 816-701-8100.

# Nominate a Fellows candidate

The Fellows Council of IAAO is asking for your help.

We need you to nominate individuals who have distinguished themselves by and making significant commitments and contributions to our organization.

The council is looking for candidates with at least 10 years of IAAO membership and at least 15 years of experience in the assessment profession.

The purpose of the IAAO Fellows title, established by the Board of Directors in 2018, the purpose of the IAAO Fellows title is to recognize members who have dedicated their careers to the improvement of our profession and have made exceptional contributions to IAAO and the assessment industry through teaching, authorship, mentorship, and leadership.

## Criteria

Examples of exceptional contributions to the profession include:

- Assisting in the advancement of educational programs and processes



- Authoring articles for IAAO or other industry periodicals, white papers, pamphlets, magazines, books, etc.
- Serving as mentors in the industry
- Serving in leadership positions
- Promoting the IAAO vision and mission
- Conducting relevant research in the assessment field.

Please submit your nominee using the IAAO Fellows Nomination Form on the [IAAO website](#) by May 1.

Your nomination will be available

only to members of the Fellows Council and the professional staff of IAAO.

Once you have made a nomination, the nominee will be asked to submit more information for the council to consider.

The Fellows Council is not obligated to bestow a Fellow or certain number of Fellows in any given year. The decision of the Fellows Council is final and cannot be appealed.

Successful nominees will receive the honor of Fellowship at the Annual Conference in Orlando, Florida.

Special thanks to the  
**IAAO STRATEGIC  
BUSINESS PARTNERS**



For questions or information regarding the program, please contact Leann Ritter at [ritter@iaao.org](mailto:ritter@iaao.org)

2025 ANNUAL CONFERENCE KEYNOTE SPEAKER

# Meet NFL Pro Bowler Jon Dorenbos



*“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.” — Martin Luther King Jr.*

BY JON DORENBOS

**M**y parents were married for 20 years. My mother volunteered at my elementary school as a reading teacher, and my father was a software engineer and the president of our Little League.

We were the “Brady Bunch family.” And all that changed on Aug. 2, 1992.

My parents got into an argument in the garage, and it got out of control, and my father took the life of my mother.

He was charged and, due to a plea

of temporary insanity, convicted of second-degree murder, and sentenced to 13 years. I guess you can say that’s when my life began.

I was 12 years old when that happened. At 13 I moved in with a foster family while my aunt went through an intense legal battle to gain custody of my sister and I.

My brother was in college at the University of Washington, and everything that I had known in life was upside down. The state of Washington made it mandatory that I see a therapist twice a week, and at first I was hesitant and rejected the idea. Then, over time I realized that my therapist, John Walters, wasn’t someone telling me what to do or what to think, but rather someone to help guide me to my own soul, my own heart, and my own mind.

I had a huge head start in life. I knew what not to do, and at 14 years old I knew exactly what I wanted to do. I

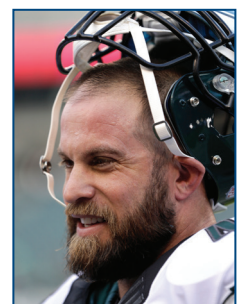
was going to be a professional ball player and professional magician. The only thing that could stop me was myself, so, I wasn’t going to allow that to happen.

After not receiving a college football scholarship, I took the situation into my own hands.

I felt I was good enough, but apparently the “system” thought otherwise. So I took the film of two teammates and combined it as one and sent it to colleges, taking credit as if it were me.

One of them was a 6-foot-6 long snapper who had a scholarship to Cal Berkeley. I was 5-foot-11 and not a snapper.

But sure enough, I got a call from





**In everything he does, Jon Dorenbos is the ultimate pro, someone you want on your side when the going gets tough. In (his book) “Life is Magic,” Jon shows what I witnessed from him in an NFL locker room, year after year: That, more than anything else, character is what matters, in football and in life.**

**— ANDY REID, former Philadelphia Eagles head coach, current Kansas City Chiefs head coach**

University of Texas-El Paso, and they offered me a full ride to be their long snapper.

I quickly figured out how to snap and snapped in every game during my stay at UTEP.

Following my senior season at UTEP and the 2003 NFL draft, I signed with the Buffalo Bills as an undrafted free agent, and on Sept. 7, 2003, I played in my first NFL game against the New England Patriots.

I was released by Buffalo at the end of training camp before the 2005 season. Then with nine games left in the 2005 season, I was signed by Tennes-

see Titans head coach Jeff Fisher, and then released after the season.

I wasn't invited to any training camps going into the 2006 season, but sure enough, the Titans brought me back. I re-signed with them on Friday, Oct. 13, played against the Redskins on the 15th, and was fired the next week.

On Nov. 29, 2006, coach Andy Reid and the Philadelphia Eagles offered me a job, and the rest is history.

After the murder of my mother, my father going to prison, living with a foster family, being adopted by my aunt, finagling a college scholarship,

making it as an undrafted free agent in the NFL (not to mention playing with a double hernia), being fired by multiple teams multiple times, and undergoing a few surgeries, I've learned there is nothing in life that can hold you back.

Let us be thankful, let us appreciate the differences in others, and let us forgive those who are narrow-minded and ignorant, for one day they'll come around.

Life will kick you when you're down, life will strike at the most unexpected time, but may we always get back up, dust ourselves off, and do it all over again ...

## Jon Dorenbos: Athlete, magician, author

**J**on Dorenbos played 14 seasons in the NFL, notably making the Pro Bowl twice as a member of the Philadelphia Eagles, as well as being the Ed Block Courage Award recipient and the Eagles' Walter Payton Man of the Year.

He also holds the record for the most consecutive games played in Philadelphia Eagles franchise history.

Dorenbos competed on Season 11 of “America's Got Talent” where he showcased his skills as a sleight-of-hand magician, making it to the finals and placing third overall amongst over 100,000 competitors.

He then put his talent on display as a guest on “The Ellen

DeGeneres Show,” who quickly became one of his biggest fans and advocates.

Jon appeared on her show more than any other guest in the show's history.

He also has been featured on HBO's “Real Sports” more than any other guest in the history of that show as well.

He retired from the NFL after he was diagnosed with a life-threatening heart condition requiring 15 hours of emergency open-heart surgery.

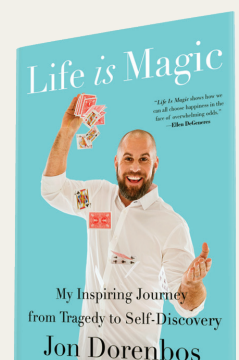
Known for his great sense of humor and positive outlook on life, Dorenbos uses his skills as a magician and his incredible life story to inspire audiences around

the world.

His book, “Life Is Magic,” draws a roadmap for how to shut that self-doubting voice up by choosing to find happiness in every situation.

Producer Mike Tollin has optioned the book and is making it into a feature film.

The screenplay is being written by Academy Award nominee John Gatins.



# The pros, cons, misnomers, and possible alternatives to assessment valuation caps

BY JUSTIN EIMERS

In recent years, property values have increased at rates not seen in modern times.

Much of this increase has been fueled by inflation, but regardless of the cause, some think that valuation caps are the answer to rising property values.

## Pros of valuation caps

- 1) Valuation caps increase property tax bill stability on an individual basis for existing property owners.
- 2) In rate-driven systems and in budget-driven systems where property tax caps don't exist, valuation caps can reduce local government budgets because of a reduced assessed valuation base and potential requirements or pressure on local officials to keep or reduce mill levies, tax rates, or budgets, and this can be a pro if the goal is to constrain property taxes.

## Cons of valuation caps

- 1) Valuation caps remove the equity component of the property tax system by allowing otherwise equal properties to be assessed at different values, causing unequal tax rates.

- 2) Valuation caps are regressive in nature, meaning that high-value properties typically receive a higher benefit from caps than lower value properties in the form of tax reductions. Properties in high-demand areas typically increase in value at a higher rate than properties in low-demand areas. Properties in high-demand areas also typically have higher values than properties in low-demand areas. So these high-demand properties in high-value areas will receive a larger benefit from a cap in valuations since low-demand properties by their nature are more likely to have market appreciation below a valuation cap. For this reason, valuation caps typically contribute to regressivity over time, creating equity issues by driving a larger wedge between the haves and the have-nots.

- 3) The examples at the bottom of the page and at the top of the next page look at the effects of a 5% cap over a 10-year period on a set of hypothetical properties in the same taxing jurisdiction with a budget of \$10,000 that will be covered fully by the property taxes of the four properties below. Let's say these properties are in different neighborhoods and are different styles and as such appreciate at different rates.

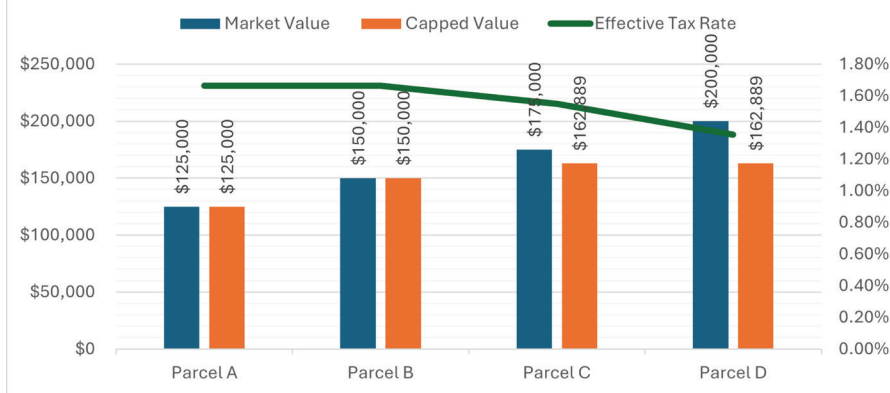
You can see in the example below that under a 5% cap the \$125,000 property would pay an effective tax rate of 1.6648% while the \$200,000 property would pay an effective tax rate of 1.3555%. A cap in this example creates a highly regressive tax system.

- 4) Valuation caps will be difficult to walk away from once valuation inequity becomes deep-seated.
- 5) In most valuation cap schemes, valuations reset when a property sells. Valuation caps create a lock-in effect that can limit individual mobility, which discourages individual and overall economic growth. Just as higher interest rates have discouraged property owners from selling their current house with a low interest rate and moving to a different house with a higher interest rate, the impacts of higher property tax rates will discourage property owners from selling their homes and moving to a different areas. Many people move to seek better economic opportunities, and the greater economy can benefit from their greater productivity, but if moving means a higher property tax bill, the financial incentive of moving to improve their economic situation can be eliminated.
- 6) Valuation caps hamper new

Parcel	2023 Value Base Year	2023 Value (Without a Cap)	2023 Value (5% Increase Cap)	2023 Tax (Without Cap)	2023 Tax (With 5% cap)	Difference in Taxes	Effective Tax Rate (2023 Cap Tax/2023 UnCap Value)
A	\$100,000	\$125,000	\$125,000	\$1,923	\$2,081	+\$158	1.6648%
B	\$100,000	\$150,000	\$150,000	\$2,308	\$2,497	+\$189	1.6647%
C	\$100,000	\$175,000	\$162,889	\$2,692	\$2,711	+\$19	1.5491%
D	\$100,000	\$200,000	\$162,889	\$3,077	\$2,711	-\$366	1.3555%
<b>Total</b>	<b>\$400,000</b>	<b>\$650,000</b>	<b>\$600,778</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>	



## Hypothetical Regressivity of Value Caps Over Ten Years



home construction and new home ownership by shifting property taxes from established homeowners to new homeowners. Transferable caps further impact new homeowners for the same reason. These policies have the effect of kicking the can down the road, forcing new buyers and younger generations to pick up the slack.

7) Values can continue to increase even in a down market in a capped system. A situation where values increase in a down market can be difficult for property owners to understand because it defies the actual market.

### Misnomers of property valuation caps

1) Some believe that a valuation cap equals a tax cap. This is true only in a rate-driven tax system. Many jurisdictions are in a budget-driven system, so valuation caps don't necessarily cap property taxes. Local taxing entities in a budget-driven system can still increase budgets by increasing the mill-levy or tax rate and the taxes paid depend-

ing on local laws.

2) In many instances, the assessor is blamed for tax increases, when in fact property taxes are a result of the budgets passed by elected officials. If budgets were \$0, property taxes would be \$0. The assessor's job is to develop property values reflective of market value as a way to fairly and equally distribute the property tax load across the taxing entity according to the law. In some instances, the taxing entities choose not to reduce their mill-levies or tax rates, absorbing the increase in property values in the form of an increased budget at the same tax rate. The issue is not the values, but the increased budgets of the taxing entity. In other words, if the budgets stayed the same, the property taxes would stay the same on average. The issue of increasing property taxes is not a result of overall value increases but could reflect increased budgets.

3) Some believe that valuation caps will have little impact on valuation equity. While valuation caps could have a small impact

on valuation equity in the short run, valuation cap equity issues are more obvious as time passes and the gap between true market value and the capped value increases.

4) Some believe valuation caps will simply remove the tax on the value above the cap. While this could be true in a rate-driven system, in a budget-driven system, property taxes are simply shifted to another group of taxpayers in the form of a higher tax rate. Valuation caps can shift the tax burden to lower valued properties or properties with lower appreciation rates.

5) Valuation caps create a system where property is more often valued below market, giving the false perception that individuals are paying less than their fair share when in fact they could be paying more than their fair share because the majority of properties could be valued under market value as well. Ascertaining what is fair is much more difficult and is hidden under the veil of a false capped market value. Valuation caps create a property tax system that deceives taxpayers into thinking they are paying less than their fair share when in fact there is a chance they are paying more than their fair share.

### Alternatives to property valuation caps

1) **Homestead exemptions** typically exempt a fixed amount of value from each residential property. Homestead exemptions are progressive and help those least able to pay their property taxes. In some cases, states have these laws on the books, but it is possible that exemption amounts or income limits have not been kept up-to-date, making the exemp-

tion less effective than originally intended.

- 2) **Circuit breakers** are exemptions that are generally directed to low-income and elderly taxpayers. The main purpose of these programs is to help those residents who are least able to pay.
- 3) **Income tax credits** targeted at low-income property owners or renters help alleviate the challenges low-income residents face and are progressive.
- 4) **Tax deferrals** allow property tax payments to be made at a later date or when the property is sold. The property taxes are added to the property as a lien. When the property is sold, the taxes are settled out of the proceeds of the sale.
- 5) **Truth in taxation** policies that

notify the property owner of the tax implication of value changes can make it clear to property owners that a value increase doesn't necessarily equal a tax increase, especially in budget-driven systems when budgets remain unchanged.

- 6) **Property tax caps** or budget increase limits that don't limit the property value but limit overall tax increases can help alleviate much of the public's angst regarding property value increases.

## Conclusion

Assessments receive much of the blame for property tax increases, but it's increased budgets that are typically the cause.

Valuation caps can sound good on the surface, but they create unequal

treatment of property owners that typically favors high-income earners at the expense of low-income property owners and create a false sense of equity.

If I have missed a pro, a con, a misnomer, or an alternative, please reach out to me at [eimers@iaao.org](mailto:eimers@iaao.org).

► The opinions stated in this article do not necessarily represent the opinions of IAAO or its members.



**JUSTIN EIMERS, AAS,**  
is an assessment advisor  
at IAAO.



ASSESSORS' CENTER OF EXCELLENCE

## 2025 Instructor Evaluation Workshop

### The 2025 IAAO in-person IEW will take place September 18-20, in Orlando, Florida

The three-day event will be offered in Orlando, Florida preceding the IAAO Annual Conference and is open to qualifying IAAO members. Those who pass the IEW will be considered a junior IAAO instructor and will be able to teach in the live classroom. Anyone who speaks a second language fluently or with a high degree of proficiency, is encouraged to apply.

All participants are encouraged to enroll as soon as possible to allow the maximum time to prepare. Deadline for enrollment is Friday, April 18.

*Registration now open!*



Learn more about the IEW and apply at [www.iaao.org/iew](http://www.iaao.org/iew)

# Prep and Trial Seminar set for July

**R**egistration is open for the 2025 IAAO Preparation and **Trial of the Property Tax Appeal Seminar**, July 10–11 in Columbus, Ohio.

The two-day training is designed for lawyers, assessors, and appraisal personnel who want to be better prepared for appeals.

The topics will include trial ethics, depositions, preparing assessment cases, reviewing appraisers and rebuttal witnesses, and trial mechanics.

The seminar will feature a mock trial on an assessment appeal of a hotel property valuation and attendees will hear experts speak, and hear panel discussions from various viewpoints regarding the appeal.

## Registration

Attendees can [register online](#),

and fees are \$590 for IAAO members and \$790 for nonmembers until May 23.

After that, the fees increase to \$665 for members and \$945 for nonmembers.

## Hotel

The host hotel for the seminar is the Blackwell Inn, at the heart of The Ohio State University campus.

To make a reservation, please visit the [registration page](#).

## Recertification credit and CLE hours

IAAO can apply for CLE accreditation for attendees seeking CLE credits.

Because of variations in each state's CLE rules and regulations, IAAO cannot guarantee that states will approve the seminar for CLE



accreditation.

The deadline to register for CLE credit is May 5.

For more information on CLE hours, contact Elizabeth Ferguson at [ferguson@iaao.org](mailto:ferguson@iaao.org).

# IAAO AWARDS PROGRAM

**NOMINATIONS AND SUBMISSIONS ARE OPEN SOON**

[iaao.org/awards](http://iaao.org/awards)

The IAAO Awards Program celebrates achievements by individuals and organizations in the valuation profession.

**WHO** ▶ All IAAO members and affiliated organizations are eligible to submit nominations.

**WHEN** ▶ Winners will be announced at the Awards Lunch during the IAAO Annual Conference in Orlando, Florida.

**IAAO**  
INTERNATIONAL ASSOCIATION  
of ASSESSING OFFICERS

# There's an IAAO scholarship for that ...

**I**t takes money to attend out-of-state classes and conferences and to pay for IAAO annual membership, or to pay the fees associated with pursuing IAAO's designations.

It can add up, and no one is getting rich working for local government.

Below is an overview of IAAO's scholarship programs and some other ways you can find help to reach your career goals.

## IAAO Scholarship

This scholarship is awarded for the purpose of promoting ad valorem appraisal professionalism by providing financial assistance for:

- Attending IAAO educational activities. The maximum award amounts are: for one- to three-day in-person courses, \$1,000; for five-day in-person courses, \$1,250; for all virtual courses, the cost of registration.
- Attending IAAO Instructor Evaluation Workshops (IEW). The in-person maximum award is \$1,500; the maximum for the virtual IEW is \$500. To apply for an IEW scholarship, send requests to [education@iaao.org](mailto:education@iaao.org).
- Attending the IAAO Annual Conference. The maximum award amounts for IAAO Annual Conference or seminar are \$1,250 and for Non-North American IAAO member \$2,500. This scholarship can also be used to help cover the cost of attaining an IAAO professional designation. Also, requests can be made for funds to perform research.



► Click [here](#) for more information and to apply for an IAAO scholarship.

## Friends of the Paul V. Corusy Library Trust

- Provides funds to do research in the field of mass appraisal, tax assessment, and tax policy throughout the world.

## Jeff Hunt, CAE, Memorial Candidates Assistance Trust

- Grants are awarded to IAAO professional designation candidates who demonstrate financial need and intend to use the funds to complete the requirements of an IAAO professional designation.

## IAAO Diversity & Inclusion Conference Scholarship Application

- Provides financial assistance to those underrepresented in the association to attend the IAAO

Annual Conference on Assessment Administration. The scholarship award is \$1,500 and is designed to pay conference registration, hotel, and transportation fees.

## IAAO Membership Renewal Assistance Grant

- Provides financial assistance to IAAO members to renew their annual membership dues.

## Richard Almy Research Grant Program

- Provides financial support for IAAO members, students, and faculty to complete research in areas related to property appraisal, assessment administration, and property tax policy. All IAAO members, graduate/postgraduate students, and faculty at accredited colleges/universities are eligible to apply. Funding for each approved project will be between \$2,500 and \$5,000. Grants are awarded for one year.

## Timothy N. Hagemann Memorial Membership Trust

- Funding is awarded to help assessing officers from smaller rural jurisdictions become members of IAAO or maintain membership in IAAO. Priority is given to assessors who work full time in jurisdictions with fewer than 7,500 parcels of real estate and consideration is given to the jurisdiction's budgetary constraints.



Now accepting 2025 applications for the  
IAAO Mentorship Program

# VALUE **IN** EXCHANGE

**MENTORSHIP PROGRAMS HAVE THE POWER TO ACCELERATE SELF-DEVELOPMENT, CAREER PROGRESSION, AND OVERALL CONFIDENCE FOR EACH PARTICIPANT.**

## **BENEFITS OF MENTORING:**

- Becoming a good listener
- Learning the art of delivering feedback
- Paying it forward

## **BENEFITS FOR MENTEES:**

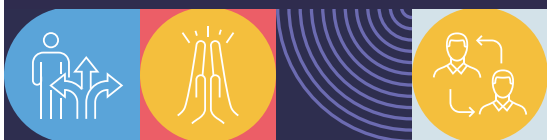
- Learning to self-reflect
- Learning from other's experiences
- Having an advocate

## **ADDITIONAL BENEFITS FOR PARTICIPANTS:**

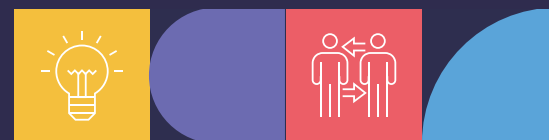
- Increasing self-confidence
- Increasing self-awareness
- Developing leadership skills

**IAAO IS NOW ACCEPTING APPLICATIONS FOR VALUE IN EXCHANGE.**

IAAO members interested in participating as mentors and/or mentees are encouraged to apply at [www.iaao.org/mentorship](http://www.iaao.org/mentorship)



ASSESSORS' CENTER OF EXCELLENCE



## BUSINESS DEVELOPMENT EXECUTIVE

**FARRAGUT SYSTEMS**  
DURHAM, NORTH CAROLINA

### JOB DESCRIPTION

#### POSITION OVERVIEW

Are you ready to make a name for yourself in the property assessment industry? Farragut seeks a highly motivated and dynamic individual with Tax Assessment experience to drive growth and create opportunities in the rapidly evolving property assessment market. If you have worked in this industry or currently work in Tax Assessment, we would like to discuss how your background could align with our needs.

As a Business Development Executive, you will introduce innovative products that will change the way property is assessed. You will have the opportunity to showcase your skills, creativity, and intelligence while fostering strong relationships and driving strategic initiatives to achieve ambitious goals.

If you are resourceful, relentless, empathetic, and ready to take on a challenge, this is the perfect opportunity for you. Seize this opportunity to elevate your career and make your mark on the national stage!

Full Potential Ahead!

### JOB REQUIREMENTS

#### RESPONSIBILITIES

The Business Development Executive will be responsible for developing and executing business strategies, identifying potential clients, and building long-term partnerships that align with our company vision. Your exceptional problem-solving skills, adaptability, and ability to connect with diverse stakeholders will be critical to your success.



The Business Development Executive will also be responsible for the following duties and responsibilities also include:

- Proactively identify, pursue, and secure new business opportunities through market research, networking, and strategic outreach
- Develop and maintain strong trust-based relationships with clients, partners, and internal stakeholders by understanding their needs and delivering tailored solutions
- Thinking creatively to develop innovative strategies that differentiate our offerings in a competitive market
- Collaborate cross-functionally with support, sales, marketing, and product development teams to align business development efforts with overall company objectives
- Analyze market trends and competitor activity to identify areas for growth and innovation
- Relentlessly pursue revenue targets and business goals with a results-driven mindset while maintaining a consultative and empathetic approach
- Prepare and deliver compelling presentations, proposals, and negotiations to secure high-value deals
- Maintain a strong pipeline of opportunities and provide accurate forecasts and progress reports to leadership

### REQUIREMENTS

- Proven track record in business development, sales, ideally within Property Assessment, with a focus on achieving and exceeding targets
- Exceptional communication and interpersonal skills with a deep sense of empathy and client understanding
- Strong strategic thinking and problem-solving abilities to navigate complex business challenges
- Creativity and innovation in developing new approaches to drive business growth
- Self-motivated, adaptable, and persistent in pursuing opportunities and overcoming obstacles
- Excellent organization and time-management skills to handle multiple projects simultaneously
- Deep knowledge of the local government industry and propensity for technology
- Proficiency in CRM software, data analysis, and business intelligence tools is a plus

The Ideal Candidate will have all/some of the following characteristics:

- A bachelor's degree in business, Public Administration, or a related field, or 5-10 years of progressively responsible business and economic development program experience
- Strong working knowledge of local



ASSESSORS' CENTER OF EXCELLENCE

*Courses, workshops,  
webinars, conference  
sessions, and more*



**Experience our premier education and  
professional development community and  
take your career to the next level!**

***Learn more at [learn.iaao.org](http://learn.iaao.org)***

government and regional collaborative efforts

- Managerial experience leading a results-orientated team in a growing market is a plus

This position requires approximately one week of travel per month; a valid Driver's License is required at the time of application

\*\*Please apply here or go to [hr4@farragut.com](mailto:hr4@farragut.com).

Minimum education: High school diploma/equivalent

Minimum experience: Five to seven years

Required travel: 10-25%

### APPLY FOR THIS JOB

Contact: Yvette Flounoy

Email: [yvette@farragut.com](mailto:yvette@farragut.com)

Phone: 919-595-1846

Apply URL: <https://farragut.com/>

## COMMERCIAL PROPERTY ANALYST

**VOLUSIA COUNTY PROPERTY APPRAISER**  
DELAND, FLORIDA

### JOB FUNCTION

Real Estate, Commercial, Property, Residential Appraiser

Workplace: Onsite

Job Type: Full-time

Minimum education: BA/BS/Undergraduate

Minimum experience: two-three years

Required travel: 0-10%

Salary: \$68,646

Salary - high: \$72,078

### JOB DESCRIPTION

This position is responsible for technical work in the collection and analysis of economic, legal, physical and sociological data in order to estimate

just value in accordance with statutory provisions. It requires the ability to demonstrate moderate to advanced proficiency and competence in valuing commercial real estate, including the sales comparison and income capitalization approaches. See our website for a full description of the position.

### JOB REQUIREMENTS

Minimum requirements include a Bachelor's degree and two years of advanced, specialized property assessment experience in a Property Appraiser's office. The preferred candidate will be a state-certified general appraiser. Please apply on our website at Volusia County Property Appraiser Careers.

### APPLY FOR THIS JOB

Contact: Twila Harrison

Email: [tharrison@volusia.org](mailto:tharrison@volusia.org)

Phone: 386-822-5724 Ext. 12048

Apply URL: <https://www.government-jobs.com/careers/volusiapa>

# IAAO CAREER CENTER

△ × Connecting TALENT with OPPORTUNITIES ✨

**We are  
HIRING!**

**EMPLOYERS**

30-day job  
postings start  
as low as \$209

Plus options to  
connect to other  
job boards

VACANT

**I need  
A JOB!**

**JOB SEEKERS**

Search hundreds  
of postings  
for FREE

Plus access to  
openings posted  
all over the web

**The IAAO CAREER CENTER is the only center of its kind  
dedicated to mass appraisal job opportunities.**

[www.iaao.org/careers](http://www.iaao.org/careers)



## COMMERCIAL APPEALS APPRAISER

**METRO GOVT OF NASHVILLE AND DAVIDSON COUNTY**  
NASHVILLE, TENNESSEE

### JOB DESCRIPTION

This position is responsible for handling commercial appeals at all administrative levels (County and State Board of Equalization). This position is also responsible for verifying market sales, assisting in the creation of both income and cost models for commercial and industrial properties, during reappraisal, and performing administrative paperwork related to the appeal process. Other responsibilities include reviewing submitted appraisal reports, researching, authoring and testifying as an expert witness on behalf of the Assessor's office and attending settlement conferences and performing other duties.

### JOB REQUIREMENTS

Certified General Appraiser and/or Member of Appraisal Institute (MAI), or at least two years of experience in commercial appraisal, and or appeals in an assessor's office; experience in professional appraisal techniques and procedures and in writing appraisal reports.

### PREFERRED EXPERIENCE, KNOWLEDGE, SKILLS AND ABILITIES:

- Experience listing and measuring real property improvements.
- Experience using computer software and hardware to collect and analyze real property data.
- Experience performing mass appraisal and/or single property appraisals.
- Knowledge of principles, practices, and methods of appraising real property.
- Knowledge of the IAAO Standard on Mass Appraisal of Real Property.
- Knowledge of USPAP.

### DESIRED COMPETENCIES

Good communication, analytical, verbal, and written skills.

- Bilingual
- Ability to proficiently learn new processes and procedures including the use of software programs.
- Ability to work cordially and effectively with constituents.
- Ability to establish and maintain enjoyable and professional working relationships.

Minimum education: BA/BS/undergraduate

Min Experience: Two to three years

Required Travel: 0-10%

Salary: \$100,000

### APPLY FOR THIS JOB

Contact: Cristi Scott

Email: [cristi.scott@nashville.gov](mailto:cristi.scott@nashville.gov)

Phone: 615-880-3650

Apply URL: <https://www.padctn.org/>



ASSESSORS' CENTER OF EXCELLENCE

## 2025 WEBINARS

### REGISTRATION FEE:

**\$55 for IAAO members**

**\$99 for nonmembers.**

ALL PAID COURSES ARE  
ELIGIBLE FOR 1.5 HOUR CE.

**Register today  
at [learn.iaao.org](http://learn.iaao.org)**

## Exploring the Intersection of GIS and AI for Assessors

**April 23, 2025 • Noon-1:30 p.m. CDT**

This webinar will serve as an introduction to AI and related concepts and explore how it is being applied in GIS. Then, we will take a closer look at examples specific to tasks performed in the Assessor's office.

### PRESENTED BY:

Lauren Voelker, Senior Solution Engineer

Linda Foster, Director, Land Records/  
Cadastre Solutions

# Spinning the real estate market cycle

BY RONNIE LEE PHILLIPS

**C**ycles are pervasive in nature, just as the sun sets and the moon rises.

This cyclical pattern may also be seen throughout the history of classic boom and bust phases of the real estate market cycle.

Each phase of the cycle is like a cresting wave. Momentum builds with all the kinetic energy locked up in that singular wave, until it furiously crashes onto the shoreline.

This wave-like pattern repeats with observable regularity, until the entire cycle has run its course.

## Six phases of the real estate market cycle

Let's explore the six distinct phases that make up the real estate market cycle. Almost as predictably as the rise and fall of the ocean's tides, one of the following six phases will dominate the market outlook at any given moment in time.

### Recessionary Phase

Contrary to mass media perception, the Recessionary Phase — what the general public considers to be the end of a cycle — is actually its beginning.

Recession implies retreat or withdrawal.

This negative phase of the cycle is demarcated by an immediate shrinking of effective demand for real estate assets, falling economic production, tightening of investment expenditures, and reduced GDP.

The economy teeters on the



precipice before the cycle free falls into an ominous bust.

### Bust Phase

The Bust Phase calls for a major slowdown in the pace of financial activities and a pessimistic macroeconomic forecast for the near future.

This negative phase of the cycle encompasses stilted economic growth, heightened unemployment, and waning household income levels.

The convergence of these economic uncertainties leads to surging property liquidations. At this point, property values have now dropped from being extremely overvalued during the boom to ag-

gressive undervaluation in the Bust Phase.

Signifying that, the diffusion point has finally arrived. A diffusion point indicates that a bottoming out of the market has occurred, and the cycle is starting its slow climb upward into a fledgling recovery.

### Recovery Phase

The last gasp of the bust leads directly into the earliest inklings of the Recovery Phase.

Recovery signals renewal in economic productivity and a return to "normal."

A key feature that starts recovery on a solid foundation is the substantial reduction in excess hous-

ing foreclosures.

This positive phase of the cycle saw household incomes rising out of the depths of the Great Recession. The longest recovery in modern times took 13 years for the glut of foreclosures to be absorbed back into the open market.

The Recovery Phase cannot start on a sure footing until this process has taken place.

Historically, it is the resilient housing industry with new construction and home resales that pulls the American economy out of recession and into recovery, then finally the long-awaited expansion.

## Expansionary Phase

The burgeoning Expansion Phase rapidly kicks off what are known as the multiplier and accelerator effects, which leads to an increase in the overall money supply and drives the macro-economy to near-full employment.

This positive phase of the cycle means massive real estate sales volume and skyrocketing real estate values.

That is, until asking prices demanded for parcels of real property rise beyond intrinsic valuation as derived by direct income capitalization methods.

As value and price uncouple, it thrusts the expansion into top gear, shifting the cycle to its ultimate apex, a euphoric full-blown boom.

## Boom Phase

During a much-publicized Boom Phase, real estate speculation is rampant, but the fundamental difference between a highly beneficial expansion and an unsustainable boom is that the asking prices to purchase properties are unrealistically out of proportion with fair market values and well beyond their replacement cost.

A boom is defined by a period of stimulating economic ebullience

resulting in higher GDP and a lower unemployment rate.

This combination creates inflationary pressures from ballooning asset values and brisk unabated real estate price escalation.

This negative phase of the cycle continues until a saturation point is inevitably reached.

The saturation point is the cycle's peak where its sudden arrival triggers a screeching halt to the overheated real estate market, sending property values plummeting.

Regrettably, a vast number of U.S. households learned the hard way in the aftermath of 2008 that the Boom Phase is the end of the party, and certainly not the beginning.

## Contractionary Phase

At the last stage of the cycle, retrenchment is the first order of the day, swiftly swinging the tip-top of a boom into a staunch Contractionary Phase.

Unavoidably, the contraction forces a severe break from the previous upward motion of the cycle, ushering in sharply decreasing real estate asset values, mounting default notices, and foreclosure sales on the court house steps.

This phase of the cycle is typically a short transitory segment between the absolute Boom and Bust Phases of the cycle.

A contraction is defined as a stringent reduction in business investment and planned development projects.

At the outset, capital sources move to extract liquidity from the marketplace in search of financial safe harbors.

As a result, no new capital inflows are added to the market. So, without support for effective demand, a dismal self-fulfilling prophecy unfolds.

All core real estate asset values continue to decline in a tandem

manner.

Drained mortgage lenders are extremely reluctant to refinance high loan-to-value originations. This fearful combination causes overleveraged speculators, lacking the financial capacity to hold on through a long downturn.

To be stuck with the bitter choice of selling properties at substantial losses or face the threat of foreclosure.

This negative phase of the cycle creates untenable economic positions, ensuring the Contraction slides further into a steep Recessionary Phase, thus the whole cycle starts to spin all over again.

## Conclusion

Although this projected real estate cycle spans for an extensive 18-year period (2008–2026), each of the six distinct phases makes it clear that real estate assets are overvalued or undervalued for only relatively short periods of time, typically a seven- or eight-year period, before returning to long-run equilibrium pricing, reflecting a balance of supply and demand.

However, when supply and demand become out of sync, a definitive shift in the cycle looms on the horizon. Each upcoming phase of the cycle always appears just like *dejà vu*.

Yet again drastic movements recur and reveal the cyclical nature of national real estate markets, and for that matter capitalism, ever since our country's colonial beginnings.



RONNIE LEE PHILLIPS is a land economist and principal advisor for his firm RealStar Realty Advisors.

## + MEMBER NEWS

### New Designees

## AAS

ASSESSMENT ADMINISTRATION SPECIALIST

**JOSH SILJANDER**, AAS, earned the Assessment Administration Specialist designation. He is an appraisal analyst with the Tennessee Comptroller of the Treasury. He's been in the profession for 10 years and holds a Bachelor of Science from Murray State University in Murray, Kentucky.



**TREVOR TREVINO**, RES, AAS, earned the Assessment Administration Specialist designation. He is an appraiser with Jefferson Central Appraisal District in Texas. He's been in the profession for six years

and holds a Bachelor of Business Administration in Finance from Lamar University in Beaumont, Texas.

## PPS

PERSONAL PROPERTY SPECIALIST



**CRYSTAL HAMMOND**, AAS, PPS, earned the Personal Property Specialist designation. She is Auditor Appraiser I with the King County (Washington) Department of Assessments. She's been in the profession for 20 years.

## RES

RESIDENTIAL EVALUATION SPECIALIST



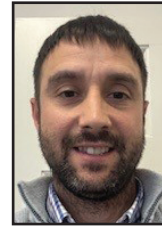
**QUINN AESCHLIMAN**, RES, earned the Residential Evaluation Specialist designation. He is Appraiser IV with city of Chesapeake, Virginia. He's been in the profession for 14 years and holds a master's in

organizational leadership from Regent University in Virginia Beach.



**RANJISHA K. BHAT**, RES, earned the Residential Evaluation Specialist designation. She is Valuation Analyst III with Harris Central Appraisal District in Houston. She's been in the profession for nine years

and holds a Masters in English language and literature from Indira Gandhi National Open University in New Delhi, India.



**JUSTIN KUZMICH**, AAS, RES, earned the Residential Evaluation Specialist designation. He is real estate director with city of Salem, Virginia. He's been in the profession for 21 years and holds a bachelor's

in management with a minor in real estate from Virginia Tech in Blacksburg.



**ELIZABETH LOPEZ**, RES, earned the Residential Evaluation Specialist designation. She is Real Estate Appraiser IV with the city of Norfolk (Virginia) Assessors Office. She's been in the profession for 13 years

and holds a Bachelor of Science from University of the East in the Philippines.



Specifically developed for mass appraisal  
Engineered for precision and accuracy  
Available for most CAMA software  
Assistance for CAMA software vendors  
License fees that fit budget constraints

[jwayne.moore@gmail.com](mailto:jwayne.moore@gmail.com) | [mooreprecisioncost.com](http://mooreprecisioncost.com) | (937) 408-7342

# IAAO joins industry groups for global property conference in Australia

**I**AAO is joining three other industry organizations to offer the **Global Property Congress** May 26-29 in Sydney, Australia.

Registration for the event is now open at [globalpropertycongress.com/registration](https://globalpropertycongress.com/registration).

The conference will be an event for property professionals from around the globe. Join IAAO, the Australian Property Institute, the World Association of Valuation Organizations (WAVO), the International Valuation Standards Council (IVSC), and the Property Institute New Zealand (PINZ) at the Hilton Sydney May 26-29 for three days of meaningful discussions, innovation, and collaboration.

The congress will focus on the theme "Navigating the Future: Innovation, Sustainability, and Resilience in the Global Property Profession."



This timely and crucial theme will guide our discussions as we explore how the property sector can adapt and thrive in the face of new challenges.

Throughout the congress, attendees will engage in thought-provoking discussions, share ideas, and explore strategies that not only address current challenges but also anticipate the demands of tomorrow's property landscape.

Potential topics include mass valuation; climate change and the impact on valuation; valuation, a brave new world; commercial property decarbonization; strengthening professional capacity; and advancing global competence.

IAAO partnered with the API in 2019 to co-host the International Research Symposium in Melbourne.



ASSESSORS' CENTER OF EXCELLENCE

## MAINTAIN YOUR PROFESSIONAL DESIGNATION

**DID YOU KNOW TWO DIFFERENT NATIONAL USPAP UPDATES ARE REQUIRED TO RECERTIFY?\***

**Content changes every two years so if it's been that long since you took the course, plan now to take it in 2025.**

### 2025 WORKSHOP DATES

March 26  
June 17  
September 16  
December 15

IAAO Workshop 191 is a National 7-hour USPAP Update offered for continuing education for licensure and certification by The Appraisal Foundation.

*\* Except CMS; or equivalent in Canada*

**REGISTRATION OPENS SOON AT [learn.iaao.org](https://learn.iaao.org)**

Learn more at [www.iaao.org/designations/designee-faq](https://www.iaao.org/designations/designee-faq)



ASSESSORS' CENTER OF EXCELLENCE

# 2025 WEBINARS

## DON'T MISS IAAO-U'S 2025 WEBINARS SERIES!

### **Lessons from Maui, Hawaii: Aerial Imagery in Disaster Assessment and Recovery**

Presented by: Marcy Martin, AAS;  
Ruth Zipfel; and Mike Borrelli  
March 19, 2025 • Noon - 1:30 pm CT

### **Little County, Big Dreams Through Technology**

Presented by: Jonathan Beck,  
AAS and Nathan Ray  
July 16, 2025 • Noon - 1:30 pm CT

### **Short Term Rentals and the Commercialization of Residential Real Estate**

Presented by: Melissa Baer, CAE  
and Edie McCarthy, FIAAO  
May 21, 2025 • Noon - 1:30 pm CT

### **Conference Know Before You Go (FREE)**

August 20, 2025 • Noon - 1:30 pm CT  
(Does not qualify for CE credits)

### **Accountability and Productivity: Empowering Production and Project-Based Teams**

Presented by: Nathan Langdon and Phillip Leveille  
June 18, 2025 • Noon - 1:30 pm CT

### **Becoming a Better Mentor**

Presented by: Shila Kiander  
and Anthony Meyaard  
October 15, 2025 • Noon - 1:30 pm CT

**REGISTRATION FEE:**  
**\$55 for IAAO members / \$99 for nonmembers.**

Unless noted, all paid courses are eligible for 1.5 HOURS CE.

**Get started today at [learn.iaao.org](https://learn.iaao.org)**

Your office may only need  
**ONE THING**  
to bridge the gap between  
**WHERE YOU ARE**  
and **WHERE YOU**  
**WANT TO BE.**

**PCS CAN**  
**HELP YOU**  
**FIND IT.**



## IAAO PROFESSIONAL CONSULTING SERVICES (PCS)

can help you and your jurisdiction establish performance benchmarks through an all-new gap analysis service. With this gap analysis, you will know exactly where you stand and where to focus your time, energy, and resources to advance your jurisdiction to the next level of expertise.

### IAAO PCS PROVIDES ASSISTANCE IN THESE AREAS:



**LAWS &  
REGULATIONS**



**ADMINISTRATION**



**VALUATION &  
VALUATION  
DEFENSE**



**PUBLIC  
RELATIONS**



**PROFESSIONAL  
CONSULTING SERVICES  
OF IAAO, LLC**

*A wholly owned subsidiary of IAAO*

**LEARN MORE** ▶ [iaao.org/pcs](http://iaao.org/pcs)