



Dear Appraisal Institute Professional –

As the Appraisal Institute continues to monitor guidance from the Centers for Disease Control and Prevention and the World Health Organization, AI is taking seriously the health, safety and well-being of its professionals, customers and staff during the coronavirus pandemic.

In this fluid environment, the Appraisal Institute encourages its professionals to remain aware of developments and resources offered by health professionals and public health organizations and to respond accordingly.

You may have questions about the Appraisal Institute and its operations. Rest assured the Appraisal Institute is seeking to ensure the organization can continue to operate efficiently while prioritizing the welfare of its employees. A number of procedures – business, technical, financial and otherwise – are being put into place to ensure the continued effective operations of the Appraisal Institute so AI can best serve its professionals and customers.

Additionally, the Appraisal Institute has instituted an eight-week travel ban (i.e., through May 11, as currently recommended by the CDC) for all non-essential travel by national volunteers and national staff ... meaning any travel not necessary to ensure the continued existence of the Appraisal Institute. No national events (such as the Annual Conference) have been affected yet, but committee meetings in March or April may be postponed or may take place virtually. (Check with your region or chapter for updates on their events.)

More information about how the coronavirus pandemic, the declared national state of emergency and its effect on AI professionals will be shared on the Appraisal Institute website, via email and in AI's news publications.

In addition to your role as an Appraisal Institute professional, you are a leading expert in real estate valuation and analysis. Accordingly, you will be asked to analyze real estate market reactions in the midst and wake of the coronavirus pandemic.

In preparation for the challenging assignments the lay ahead, I encourage you to consult this guidance cultivated by AI Professional Practice staff:

- Appraisers should take care not to put themselves in harm's way while completing their assignments. Appraisers are advised to consult with their medical practitioners if they have concerns about exposure to the virus, and they should decline assignments if they feel their own health would be put at risk. Here is the Centers for Disease Control and Prevention's current [risk assessment](#).
- An important part of any appraisal assignment is analysis of market conditions. The coronavirus threat may be impacting market conditions. However, in most markets it is not yet clear to what

extent, if any, market conditions are affected. Related, complicating factors include fluctuations in the stock market and changes in mortgage interest rates.

- Market analysis includes observing market reactions. This analysis becomes more complicated when market participants themselves are facing uncertainty.
- Appraisal reports should include a discussion of market conditions, and so mention the Coronavirus outbreak and its possible impact. However, it is not appropriate to include a disclaimer or extraordinary assumption that suggests the appraiser is not taking responsibility for analysis of market conditions.
- The Appraisal Institute has published [Guide Note 10, Appraising in the Aftermath of a Disaster](#), and [Guide Note 12, Analyzing Market Trends](#). These two Guide Notes, which can be found on the Appraisal Institute's web site, provide helpful guiding principles.

The Appraisal Institute has a wealth of resources available to AI professionals, including the [Y.T. and Louise Lum Library](#), which is a door into the body of knowledge of real estate appraisal.

Our leadership remains in close contact with government agencies and major users of appraisal services to understand potential policy changes that might affect real estate finance, development and appraisal. We expect risk mitigation and valuation questions in the financial sector to be immense, balanced by calls for regulatory relief and liquidity assistance. Your expertise is needed now more than ever.

The Appraisal Institute will share more information about the pandemic's effect on AI, its professionals and the valuation profession as it becomes available. In the meantime, please feel free to visit the [Centers for Disease Control and Prevention website](#) or the [World Health Organization website](#).

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Sherman', with a stylized flourish at the end.

Jefferson L. Sherman, MAI, AI-GRS  
2020 President