



Case Summary: 2023-20

Sanction Consent Agreement Implementation Date: January 2, 2024

General Summary:

File Opened: July 8, 2019

The Member holds a CRA designation with the AIC and a designation from another valuation organization. The Member completed two reports that were outside of the scope of a CRA designation and did not have to reports co-signed by an AACI-designated Member.

Report 1

- An appraisal report on an agricultural property with a rural residence;
- The highest and best use of the subject was inappropriately classified as a rural residence; the various approaches to value, highest and best use analysis and final estimate of value all incorporated the fundamental agricultural component of the subject property;
- The report was not co-signed by an AACI Member of the AIC;
- The report is subject to CUSPAP 2014.

Report 2

- An appraisal report on an agricultural property with a single-family dwelling;
- The highest and best use of the subject was inappropriately classified as a home yard site; the various approaches to value, highest and best use analysis and final estimate of value all incorporated the fundamental agricultural component of the subject property;
- The report was not co-signed by an AACI Member of the AIC
- The report is subject to CUSPAP 2016

The Member completed appraisals on properties with significant agricultural land components which is beyond the scope of the CRA designation. The reports were not co-signed by an AACI designated Member of the AIC.

Report Details:

Property Type: agricultural

Purpose: to estimate market value
Use: division of matrimonial assets
Certification: signed by: CRA designated Member

Complainant Allegations:

The CRA designated Member completed appraisal reports outside of the scope of the CRA designation and the reports were not co-signed by an AACI designated Member.

Issues Arising from the Complaint Review:

None

Sanction Consent Agreement Terms

Agreed Breaches of CUSPAP 2014 and CUSPAP 2016:

CUSPAP 2014 (Report 1):

Ethics Standard Rule 4.2.6: It is unethical for a Member to claim qualifications, including Continuing Professional Development credits, improperly.

Ethics Standard Comment 5.5 Qualifications

5.5.5: CRA Members must use that designation in connection with the appraisal, review or consulting on individual undeveloped residential dwelling sites and of dwellings containing not more than four (4) self-contained family housing units. For clarity, CRA Members must include their designation wherever signatures appear in any appraisal, consulting or review report and related correspondence.

5.5.6: Where a CRA Member signs a report beyond the scope set out in 5.5.5, it must be co-signed by an AACI Member of the AIC. In determining the scope of practice for a CRA Member in undertaking an assignment, the test lies in the highest and best use - actual or assumed - of the property being appraised.

CUSPAP 2016 (Report 2):

Ethics Standard Rule 4.3.6: It is unethical for a Member to claim qualifications and Continuing Professional Development credits, improperly.

Ethics Standard Comment 5.5 Qualifications

5.5.3: CRA Members must use that designation in connection with the appraisal, review or consulting on individual undeveloped residential dwelling sites and of dwellings containing not more than four (4) self-contained family housing units. For clarity, CRA Members must include their designation wherever their name appears in any appraisal, consulting or review report and related correspondence.

5.5.4: Where a CRA Member signs a report beyond the scope set out in 5.5.3, it must be co-signed by an AACI Member of the AIC. The highest and best use - actual or assumed - of the property that is the subject of the assignment will determine whether an assignment falls within the scope of practice for a CRA Member.

Agreed Discipline:

1. **Section 5.35.1:** Reprimand: entered into the Institute's National Professional Practice Record for a period of five (5) years.
2. **Section 5.35.2:** Education: CPD 105: Highest and Best Use Analysis to be completed successfully at the Member's expense and must include the successful completion of the final exam not later than 6 months after the date of implementation of the Sanction Consent Agreement.

Costs (Section 5.38):

No costs were sought.