

Bringing Best Practices to China

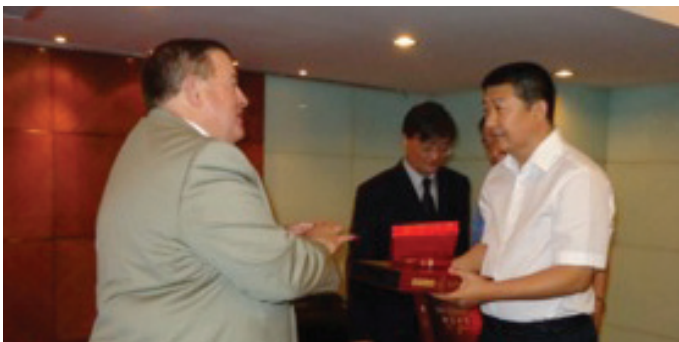
Sharing the best of what we do in right of way

BY DONNIE SHERWOOD, SR/WA, MAI, FRICS

This past spring, I was contacted by past International President Randy Williams, SR/WA, to see if I would journey to China to teach two IRWA courses – Course 103, Ethics and the Right of Way Professional and Course 421, Appraisal of Partial Acquisitions. Since Randy had already taught classes in China on three separate occasions, he felt the participants would benefit from a new voice. So this past July, my wife and I flew to China for a cultural adventure.

We were met at the airport by our host, Mr. Shu Wu, President of Beijing Orient U.S.-China Consulting Inc., a graduate of the University of Denver and a leading real estate practitioner. He and his associates would serve as our guides and interpreters during our stay. As a first-time visitor to China, I arrived with some pre-conceived ideas and impressions. I was well aware of China's rapidly growing power in the world economy and was prepared for a big language barrier. What I found actually surprised me and opened my eyes to the globalization taking place in our world, and how it connects to IRWA.

China has a huge population of over 1.3 billion, something that was immediately obvious as we arrived in the city. Our classes were held in Guangzhou, the third largest city in China, which is situated on the Pearl River about 90 miles from Hong Kong. The 42 students were all Chinese appraisers and all were eager to learn. The classes started with lots of questions.



Donnie (left) receives token of appreciation from Mr. Cunzhi Hu, Minister of Land Resources for China.



In the ethics class, the students wanted to know such things as, “How much do you pay to get an assignment?” and “What percentage of the value is your fee?” This allowed me to go immediately into some ethical questions. During the class, the students also wanted to know about my religious beliefs and if all right of way professionals shared the same beliefs. According to our guide, most Chinese don't follow any religion and don't dwell on the eternal. Needless to say, the discussions in the ethics class were interesting.

Course 421 also produced some thought-provoking dialogue. It became quite obvious that their laws and the concept of eminent domain were different from ours in the United States. Chinese leaders are very concerned about public sentiment and the disharmony created by infrastructure projects. They wanted to know how we evaluate the risk of public outcry prior to commencing a public project. The Chinese actually use a special methodology to evaluate such risks. Another question involved whether it was better to appraise a property based on its current use or its highest and best use. Apparently, it is not unusual for the acquiring party to pay compensation based on current use (purchasing more than needed), before changing the zoning and using the profits from the surplus land sold at a higher price to pay for the project.

The warmth and hospitality shown to us by the people we encountered was great. While there is still a lot of government control, many businesses have become privatized. American retail stores seem to be thriving, and residential construction was everywhere. During my stay, I was invited to join in celebrating the 20th Anniversary of the China Real Estate Valuers Association (CREVA) and give a presentation to a group of about 300 appraisers. CREVA, the only organization in China that focuses on land valuation and acquisition in the country, has about 50,000 members, many of whom would benefit from an association with IRWA.

Since my return, I have been advised that roughly 40 of the students have signed up to become IRWA members. It is evident that the Chinese want to learn and use the best of what we do in right of way. 🌍