Association of Appraiser Regulatory Officials

2018 Spring Conference
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Seattle Washington
Looking to the Future of Appraiser Experience... Is It Already Here?

Practical Applications of Real Estate Appraisal Experience Model
Practical Application of Real Estate Appraisal

Why is the development of the PAREA Experience Model so important to South Dakota?
South Dakota Population Facts

- Population: 865,454
- Total Square Miles: 77,184
- Certified and Licensed Appraisers: 353
- 1 Appraiser for every 218 Square Miles
Reciprocal vs. South Dakota Appraisers

- 190 Resident Certified/Licensed Appraisers
- 163 Non-Resident Certified/Licensed Appraisers
South Dakota County Appraiser Population

- 66 Counties in South Dakota
- 31 Counties Have a Resident Appraiser
- 35 Counties That Do Not Have any Resident Appraisers
Eligible vs. Endorsed Supervisors

- 50 Total Endorsed Supervisors
- 91 Total Eligible but Not Endorsed
Supervisory Appraisers in South Dakota
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➢ Why Was a Survey Utilized?

➢ Who Participated in the Survey?

➢ Are the Results Credible?
Question 1.

Is it your opinion that gaining experience using the current supervisor/trainee model is a barrier to achieving an appraiser credential?
Question 1.

- Yes, finding a supervisor, in my opinion, is the hardest part of becoming an appraiser. It is very difficult in my area for a trainee to find someone willing to train them.

- No, current supervisor/trainee model is not a barrier.
Question 2:

In your jurisdiction, do you have a sufficient number of certified appraisers willing to be supervisory appraisers?
Question 2.

- No, even though there are 237 certified appraisers who have qualified to mentor trainee appraisers, many are refusing to take on trainees who are recently licensed.

- Yes, I believe there are a number of folks willing to train new appraisers.
Question 3:

As an alternative to the current supervisor/trainee model for appraiser experience, would you support the concept of an AQB-approved PAREA course or series of courses for gaining necessary USPAP-compliant experience for the licensed and certified appraiser credential?
Question 3.

- Yes, experience through education can be a valuable alternative, and the AQB can help standardize requirements.

- No, there is nothing like learning hands on and having the experience of an experienced appraiser to show you the ropes.
Question 4a:
If you answered 'Yes' to question 3:

Would you prefer that the PAREA course(s) be developed by the AQB as an off-the-shelf framework that any education provider could use/customize for their local market area or jurisdiction, similar to the way in which USPAP is delivered now?
No to Question 3.

- Yes: 64%
- No: 18%
- Neutral: 18%
Question 4.a.

- Yes, there are many good providers across the nation, regional and local, that have the expertise to provide quality education. These providers are the best option of delivery of the PAREA courses.

- No, online education is very bad. The students don’t learn much. If this was done in a classroom, I could support this but not online.
Question 4b:
If you answered 'Yes' to question 3:

Or, do you feel that the PAREA course(s) should be offered only by a single provider in the country that is chosen by the AQB?
No to Question 3.

- Yes: 9%
- No: 68%
- 23%
Question 4.b.

- No, the AQB should set standards and let the market develop and deliver the final compliant product.

- Yes, but it raises the issue of being able to make it available for all states.
Question 5:
If you answered ‘Yes’ to question 3:

In theory, how would you compare PAREA experience gained in a structured environment using AQB-specific course content guidelines requiring USPAP compliance under the direct supervision and training of a qualified instructor TO experience gained via the current supervisor/trainee model?
44% Similar
18% Superior
18% Inferior
20% Answered "No" to Three
Question 5.

➢ Similar: Experience under a strong supervisor is ideal. Unfortunately, that opportunity is unavailable to most. PAREA has the potential of providing an experience equal to that of a strong supervisor and far exceeding that of a weak supervisor.

➢ Superior: I feel the PAREA course experience has the potential to be superior to the current model provided that the courses are controlled, monitored and evaluated on a regular basis. The key is a consistent message that has current, up to date information.

➢ Inferior: There is no better experience than working from the ground.
Question 6:
If you answered ‘Yes’ to question 3:

What percentage of an applicant’s experience would you support being granted through USPAP-compliant PAREA course(s) developed in accordance with AQB requirements?
Question 7.

With the advancements in virtual reality in many education venues, do you believe it is possible to develop appraisal-specific *virtual inspections* of subject properties that could be used as a training tool incorporated into the PAREA sequence?
Question 7.

- Yes, virtual inspections have the potential to allow the trainee to gain experience in a far more efficient manner.

- No, there is nothing like a live supervisor doing an inspection with a trainee – just take a look at the complaints if you ever get to see those – most start because of a bad inspection that led to a ‘bad’ appraisal.
The majority of the jurisdictions affirm:

➢ The current model for gaining experience is a barrier and there is not an adequate number of certified appraisers willing to supervise,
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Conclusion

- There is support for development of an AQB-approved PAREA course or courses for gaining experience to be made available to providers across the nation,

- PAREA’s experience is similar to experience gained under the current experience model, and
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Conclusion

➢ The majority felt that 50% of the required experience should be allowed using the PAREA model including virtual reality inspections. However, 75%, 100% and 25% also received support.
Thank You!