



CELEBRATING
55 YEARS

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Your next appraiser may have a familiar name - Brian White

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Many articles have been written on the aging of the real estate appraisers and the potential lack of residential and commercial appraisers in the near future. Within the past 18 months, both the Appraisal Institute (AI) and the National Association of Realtors (NAR) prepared research papers that surveyed their real estate appraiser membership. The AI reported in their U.S. Valuation Profession Fact Sheet - December of 2017 that 62% of their membership is 51 years of age or older. The NAR reported in their Appraiser Trends Study that the average age of the respondent appraisers was 54.5 years old. These studies indicate what we all know is true; the real estate appraiser population is old and the majority of them will soon be retiring. Some of the reduction in the number of appraisers due to retirement is likely already happening.

Based on statistics provided by the New Hampshire Office of Professional Licensure and Certification, the number of certified or licensed real estate appraisers has declined approximately 11% over the 5-year period from 2013 to 2018. Utilizing the AI statistics, if every real estate appraiser was to completely retire at age 65, then approximately one half of the currently working appraisal population would be lost due to retirement in roughly 10 years. However, most appraisers can't completely retire for financial reasons.

One example of the never retire appraiser mentality can be demonstrated by the life and death of Betty Ballard, who was a highly regarded respected MAI appraiser from Portsmouth, New Hampshire. As I remember her son telling me more than a couple of decades ago, Betty, who was well past the average retirement age, kept working until the end. She reportedly inspected a property in the morning then took a nap and passed away. Betty Ballard was not unlike many of the "retired" real estate appraisers that are out there today. While there will be some real estate appraisers that will in fact call it quits in their mid-60s, there will likely be many more that will, for one reason or another, work part-time in their retirement years. This fact will likely lessen a dramatic drop in the appraiser population in the upcoming years.

The other way to keep the appraisal population from dropping off the cliff is to replace the old guard with new appraisers. Each state currently has a process in place for an Appraisal Trainee to become either a Licensed or Certified real estate appraiser. According to the NAR survey, approximately one-half of the appraisers out there have trained appraisers in the past. Unfortunately, there are many reasons why appraisers don't take on new appraisal trainees. NAR cites the three main reasons as being: the lack of financial compensation; lender restrictions; and liability. However, given these stumbling blocks, many appraisers still do take on a trainee.

Over the years, many appraisers have trained a new appraiser with the net result being that they have just trained their competition. One way around this is to train a family member who will not be future competition but rather they will likely run the appraisal company down the road. Several appraisal companies have become family businesses over the years. In Northern New England, there are several cases where this is or recently has happened: John Shuka, MAI, SRA, AI-GRS, of Shuka Associates in Beverly, Massachusetts works with his son, Christopher, a Certified General Appraiser; Mark Plourde, MAI, of Maine Valuation works with two sons (Mark and Bryan) who are also Certified General Appraisers; and I am currently training my oldest son, Zach, who is in his

second year as an Apprentice Appraiser.

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