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Will there be enough appraisers to fill the need in 10 years?

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Those of us who have been in the real estate appraising profession for more than a decade will never forget how busy we became. A lot of people got into the profession as demand for appraisers grew with the work load. Unfortunately, many of the newly-minted trainees got on the bus too late and were unable to gain the experience to upgrade their licenses.

The Bureau of Labor Statistics' Occupational Outlook Handbook, 2010-2011 edition, forecasts the need for appraisers, "to grow more slowly than the average over the 2008-18 decade, increasing by 5%." This job outlook notes that appraisal services are tied closely to the real estate market. It also references, "the increased use of computers and other technologies, which will allow appraisers to deal with more properties." Also mentioned is the use of automatic valuation models. AVMs are likely to take some work away from appraisers.

The Mass. Board of Real Estate Appraisers recently conducted a survey of appraisers. Part of the survey centered on licensed appraisers moving up to become Certified Residential Appraisers. One of the questions was, "How long have you been appraising?" Over 75% said at least 10 years and only 4% said, less than 1 year. Another question asked, "What age bracket are you in?" 61% said over 50 years. No one said less than 25 years.

As of February 2010, there were 2,871 appraisers in Mass. The breakdown is 470 trainees, 516 licensed, 1,230 certified residential and 655 general certified.

Three years previously there were 4,048 appraisers in Mass. The breakdown was 1,648 trainees, 650 licensed, 1,101 certified residential and 659 general certified. This data shows that there are now 1,178 fewer Trainees and 1,177 fewer total appraisers. Where have all the Trainees gone and will they ever return? For many it is the economics of the profession that drove them away. For others, they ran out of time on their Trainee license while trying to secure experience hours.

The MBREA filed House Bill 277. It is in the House Ways and Means Committee. This bill would remove the current restriction on how many times a trainee may renew a license. This will give trainees more time to get the necessary hours to become licensed or certified. The real challenge will be providing trainees with the ability to earn a reasonable paycheck in a profession where there is constant pressure to lower fees and splitting them becomes more unreasonable.

The MBREA website has a section titled, "How to become an appraiser," with information about how to obtain a trainee license. Seventy-five hours of education are required. This includes 3 classes. They are Basic Appraisal Principles (30 hours), Basic Appraisal Procedures (30 hours) and the National Uniform Standard of Profession Appraisal Practice (15 hours). Once you pass these courses, the next step is to apply to the State Board of Registration of Real Estate Appraisers for a Trainee License.

Will there be enough appraisers in 10 years? The answer is yes. The need for them will develop as the current appraisers retire. The MBREA has begun to look into this situation and will be developing

a plan to promote the need for appraisers in the future. In time, it will become more attractive for those interested in appraising to become trainees. The supply will meet the demand.

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