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Challenge of training & hiring real estate appraisers - Part 2

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Having said all that, I have found and continue to find, not just good, but great people. The people that are not a good fit for the job become apparent usually at the beginning of the training process. Because I have largely a veteran staff, they have become very instrumental in helping me to train new people. This is good for them because it allows the office as a whole to service the clients who provide all of our work and it also allows them to take a vacation or day off when they need to. The downside is that if it slows down there is panic about whether there will be enough work.

The volume of appraisals is not expected to slow down for the next 2 years since the feds have announced that they are committed to keeping the rates low. That was a green light for me as an employer to go hire and possibly train new appraisers. Lenders are not getting the service and turnaround that they need or want and the current supply of appraisers is inadequate. If too many trainees enter the market we will eventually be seeing many layoffs and business closings. This will happen if refinancing and equity lines slow down substantially. We are already seeing too many inexperienced appraisers working unsupervised before they are ready.

Since two years of supervised appraisal experience is required before an appraiser can get a full license, many think that if you have a license you are competent. The license is only a minimum requirement. It is something you get based on work you do when you are being supervised. The appraiser may not be competent for many assignments on their own. This is why licensing alone does not protect the consumer who is relying on the accuracy of the appraiser. Lenders need to look beyond licensing to the qualifications of the appraiser. We are performing many field reviews of appraisals done in 2004-2007. The biggest weakness we find is that adjustments were not being made that should have been made and the comparables were not verified with the brokers who sold them. The appraisals say that everything is similar about the properties and of course they are not. The subject and three comparable houses in New England rarely are all similar. There are usually differences in location, quality and condition. If these adjustments are not made to make the appraisal "look good" then the value is often way off. The irony is that the underwriters will often pressure the appraisers not to make too many adjustments or if they do they want extra comparables and addendums. Doing the correct job creates extra work for the appraiser to get the appraisal accepted. Unfortunately, often the appraisers take the easy way out in order to make more money.

At this point, there are openings for new appraisers entering the field but very few unless veteran appraisers will train and supervise. The best way to succeed in getting a trainee position besides calling every appraisal firm in the area to explore the possibilities, is to join a professional appraisal

organization such as the MBREA or the Appraisal Institute and attend membership meetings to meet and network with the appraisal owners. This would set them apart from the other applicants and broaden their knowledge extensively. Appraisal organizations also have excellent primary and continuing education for appraisers.

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