



nerej

My 10+ year journey to the prestigious MAI Designation

October 02, 2014 - Spotlights

The Appraisal Institute's MAI Designation (MAI) is held by appraisers who are experienced in the valuation and evaluation commercial, industrial, residential, and other types of properties. The designation is recognized as a mark of excellence by financial institutions, government agencies, investors and courts of law. There are currently over 7,500 MAI's in the U.S. The path for obtaining a MAI is varied as the people who comprise the Appraisal Institute's membership.

My own journey began immediately after completing the core classes required for obtaining state licensing (certified general appraiser). I supplemented my initial education by enrolling in advanced education classes (Advanced Income Capitalization, Advanced Sales Comparison and Cost Approaches, Report Writing, Advanced Applications, and Advanced Highest and Best Use). With most advanced education classes being offered in larger metropolitan areas (New York, Charlotte, Chicago), this journey occurred over a several year period with interaction from various real estate professionals, academics and appraisers from throughout the U.S. All classes occurred over 5 to 6 day period with 4 hour exams at the completion of classroom work.

Upon completion of all advanced education classes, the next step was completing the comprehensive exam requirement. This exam is scheduled over 2 days with four - four hour exams. It covers a variety of real estate concepts, including discounted cash flow, highest and best use analysis, financial statement presentation, and statistics. Most candidates (including myself) attend a preparatory class (mine was located in New Jersey). The class greatly improves a candidate's success in passing the exams. Fewer than 30% of the candidates pass all of the four exams in their first attempt.

The next requirement consisted of completing a demonstration report which evidences of candidate's ability to master critical concepts in written report. With the recent offering of the Capstone Class at the Appraisal Institute, I was able to complete this requirement on a standardized appraisal report (actual property in another market), rather than a traditional approach which is performed on an actual property in the candidate's local market. This saved an enormous amount of research time and expense and allowed for a shared learning experience with 50+ other appraisers from all over the U.S. The course took roughly six weeks of report analysis and writing and a week of on-site work in Chicago.

The final step was the completion 4,500 hours of specialized work experience. This requires submittal of an experience log based upon actual appraisal reports completed. An experienced MAI was assigned to randomly review three appraisal reports for compliance with USPAP, Federal Guidelines and AI standards. Feedback included a critique of report formatting techniques, logic/support for sale adjustments, and updating reserve replacement methodology. Overall, it was a wonderful way to conclude this 10+ year journey towards a MAI designation.

While obtaining a MAI designation may seem unattainable when beginning out as an apprentice

appraiser, many candidates recognize that they want to pursue it after several years within the profession. This was certainly true for me. Once my interest in learning was started, I think that it only made sense to follow this path for broadening my knowledge of real estate and for professional development. I would urge anyone to follow the same path if they are seeking to work as an appraiser, real estate valuation person or a professional in the real estate industry.

If you are interested, you should contact your local AI chapter which can be found by visiting the AI website www.appraisalinstitute.org.

Robert Concannon, MAI is a director for the Appraisal Institute-New Hampshire chapter, Hollis, N.H.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540