



CELEBRATING
55 YEARS

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Appraisal misconceptions - by Bill Pastuszek

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My very unscientific research shows some myth busting is needed. Here are some myths, misses and misconceptions.

1. The Appraisal Profession is Endangered. Not really. Despite rumors and some efforts to make it so, it's a pretty good profession to be in. Barriers to entry are high but there is a payoff for those willing to put the time and get the experience and training that will allow for an interesting and profitable career.
2. The Appraisal Profession Consists Mostly of Old Guys. Not a myth. Still not a myth. Indeed, there is a generational turn over in progress as this Baby Boomer group ages out and makes way for a new one with more diverse skills and backgrounds. There is great opportunity to enter this profession.
3. It's too Hard to get an Appraisal License. Still true, particularly on the residential side where trainees find it hard to break in due to supervisor requirements and restrictions on being able to sign reports. While this situation is somewhat easier than it was five years ago, there is still a strong perception on the part of supervisors that working with a trainee is not profitable. (See #2)
4. There is a Shortage of Appraisers. No shortage necessarily in the east but there is a shortage of appraisers with diverse skills. In some circles, there are those that constantly complain about "mortgage work" but keep on doing it and keep on complaining about it. (I don't) There is a crying shortage of appraisers on the commercial side, needing a different, but achievable, skill set.
5. Technology can Be A Substitute for Judgment, Due Diligence and Common Sense. No. For many, the Age of Manageable Data is here and those who use technology wisely, appropriately, and logically will reap the benefits.
6. Bifurcated Residential Appraisals Will Ruin Appraisal. Recent changes seem to threaten the

sanctity of the appraisal process. Interestingly, user groups have backed away slightly from implementation. There are some serious issues that have to be worked out before these hybrid assignments become viable and the results credible.

7. The Appraisal Process is Outmoded. It may be the opposite. Nothing wrong with the process. A lot of practitioners have an outmode view of the process.

8. Current Residential Appraisal Reporting Needs Overhauling. Probably. Current residential report forms surely could benefit from a technology influx. To write a residential form report requires a stupendously confusing multiplicity of addenda, supplemental comments, comments on addenda and decoding sheets such that the reports are rendered essentially unreadable and have no logical flow. The GSEs are working on it; let see how it works out.

9. Current Commercial Appraisal Reporting Needs Overhauling. Not entirely untrue. So many reports are so filled with internet generated fluff and secondary sourced studies and surveys allowing appraisers to get away with relatively little original content and woefully inadequate conclusions and analyses. Appraisers need to get better at analyzing data not just collecting and distributing it.

10. USPAP is Boring, not Useful, and Changes too much. There is faction that says it's too long; actually, it got shorter, sort of. The document has been dramatically reorganized over less than a decade. Boring; not really. The recent versions of Standards Boards have done a great job in making the document, and, in particular, the other communications – Advisory Opinions and FAQs – far more useful to the working appraiser. The core concepts and structures really haven't changed. Remember that the appraisal world is undergoing constant change, as is the rest of the world that is not appraisal centric. USPAP changes in order to respond to the chaotic universe it lives in and provides clarity.

11. Are Appraisers Really Expected to be Impartial, Independent and Objective? Yes. Deep down, clients really do expect that appraisers do that USPAP stuff. It's not optional. It's the right choice

12. Appraising is too Hard. If it wasn't hard, it wouldn't be fun. What, not having fun? Appraising is an adventure, a pretty good way to have a rewarding career and good time at work. Not just a job!

And, to be sure, real estate appraisal will continue to undergo cycles of positive and transformative change. That has happened in the past, is happening now, and will happen in the future. Live with it, embrace the change. Appraisal is not a bad place to be in the 3rd decade of the millennium.

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