
Appraisers and Assessors of Real Estate

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Significant Points

- Appraisers and assessors must meet licensing and/or certification requirements which vary by State, but generally include specific training requirements, a period of work as a trainee, and passing one or more examinations.
- More than 3 out of 10 were self-employed; salaried assessors worked primarily in local government, while salaried appraisers worked mainly for real estate firms.
- Employment is expected to grow faster than average.

Nature of the Work

Appraisers and assessors of real estate estimate the value of property for a variety of purposes, such as to assess property tax, to confirm adequate collateral for mortgages, to confirm or help set a good sales price, to settle an estate, or to aid in a divorce settlement. They often specialize in appraising or assessing a certain type of real estate such as residential buildings or commercial properties. However, they may be called on to estimate the value of any type of real estate, ranging from farmland to a major shopping center. Assessors estimate the value of all properties in a locality for property tax purposes whereas appraisers appraise properties one at a time.

Valuations of all types of real property are conducted using similar methods, regardless of the type of property or who employs the appraiser or assessor. Appraisers and assessors work in localities they are familiar with so they have knowledge of any environmental or other concerns that may affect the value of a property. They note any unique characteristics of the property and of the surrounding area, such as a specific architectural style of a building or a major highway located next to the parcel. They also take into account additional aspects of a property like the condition of the foundation and roof of a building or any renovations that may have been done. Additionally, they may take pictures to document a certain room or feature, in addition to taking pictures of the exterior of the building. After visiting the property, the appraiser or assessor will estimate the fair value of the property by taking into consideration such things as comparable home sales, lease records, location, view, previous appraisals, and income potential.

Appraisers and assessors write detailed reports on their research and observations, stating the value of the parcel as well as the precise reasoning and methodology of how they arrived at the estimate. Writing reports has become faster and easier through the use of laptop computers, allowing them to access data and write at least some of the report on-site. Another computer technology that has affected this occupation is the electronic map of a given jurisdiction and its respective property distribution. Appraisers and assessors use these maps to obtain an accurate perspective on the property and buildings surrounding a property. Digital photos also are commonly used to docu-

ment the physical appearance of a building or land at the time of appraisal.

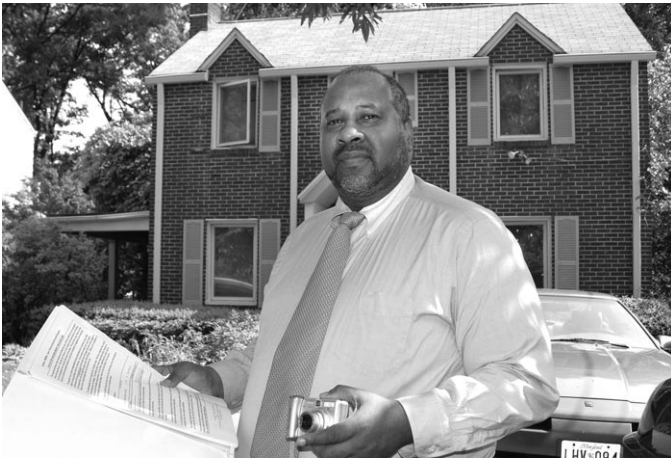
Appraisers have independent clients and focus solely on valuing one property at a time. They primarily work on a client-to-client basis, and make appraisals for a variety of reasons. Real property appraisers often specialize by the type of real estate they appraise, such as residential properties, golf courses, or strip malls. In general, commercial appraisers have the ability to appraise any real property but may specialize only in property used for commercial purposes, such as stores or hotels. Residential appraisers focus on appraising homes or other residences and only value those that house 1 to 4 families. Other appraisers have a general practice and value any type of real property.

Assessors predominately work for local governments and are responsible for valuing properties for property tax assessment purposes. Most senior assessors are appointed or elected to their position. Unlike appraisers, assessors often value entire neighborhoods using mass appraisal techniques to value all the homes in a local neighborhood at one time. Although they do not usually focus on a single property they may assess a single property if the property owner challenges the assessment. They may use a computer-programmed automated valuation model specifically developed for their assigned jurisdictions. In most jurisdictions the entire community must be revalued annually or every few years. Depending on the size of the jurisdiction and the number of staff in an assessor's office, an appraisal firm, often called a revaluation firm, may do much of the work of valuing the properties in the jurisdiction. These results are then officially certified by the assessor.

When properties are reassessed, assessors issue notices of assessments and taxes that each property owner must pay. Assessors must be current on tax assessment procedures and must be able to defend the accuracy of their property assessments, either to the owner directly or at a public hearing, since assessors also are responsible for dealing with tax payers who want to contest their assigned property taxes. Assessors also keep a database of every parcel in their jurisdiction labeling the property owner, issued tax assessment, and size of the property, as well as property maps of the jurisdiction that detail the property distribution of the jurisdiction.

Work environment. Appraisers and assessors spend much of their time researching and writing reports. However, with the advancement of computers and other technologies, such as wireless Internet, time spent in the office has decreased as research can now be done in less time or on-site or at home. Records that once required a visit to a courthouse or city hall often can be found online. This has especially affected self-employed appraisers, often called independent fee appraisers, who make their own office hours, allowing them to spend much more time on-site doing research and less time in their office. Time spent on-site versus in the office also depends on the specialty. For example, residential appraisers tend to spend less time on office work than commercial appraisers, who could spend up to several weeks at one site analyzing documents and writing reports. Appraisers who work for private institutions generally spend most of their time inside the office, making on-site visits when necessary. Appraisers and assessors usually conduct on-site appraisal work alone.

Independent fee appraisers tend to work more than a standard 40 hour work week, in addition to working evenings and week-



Appraisers and assessors of real estate may use photographs to help analyze a property.

ends writing reports. On-site visits usually occur during daylight hours, and according to the client's schedule. Assessors and privately employed appraisers, on the other hand, usually work a standard 40-hour work week. Occasionally they work an evening or Saturday, to speak with a concerned tax payer, for example. More than 10 percent of appraisers and assessors worked part time in 2006.

Most independent fee appraisers' offices are relatively small, consisting of either just themselves or a small staff. However, private institutions such as banks and mortgage broker offices may employ several appraisers in one office. The size of the office employing assessors depends on the size of the local government; in some States assessments are by counties whereas in other States assessments are made by municipalities or other local governments. Therefore a county assessor's office probably would employ more assessors than a small town, which may only employ a single assessor.

Training, Other Qualifications, and Advancement

The requirements to become a fully qualified appraiser or assessor are complex and vary by State and, sometimes, by the value or type of property. In general, both appraisers and assessors must be licensed or certified requirements. Prospective appraisers and assessors should check with their State to determine the specific requirements.

Education and training. Currently, no formal degree requirements exist to become an appraiser or assessor. However, starting in 2008 all appraisers and assessors who need a license will be required to have a bachelor's degree or the equivalent in credit hours. Most practicing appraisers and assessors have at least a bachelor's degree, sometimes in a related field such as economics, finance, or real estate. The specific training courses necessary, however, are not commonly available as part of most bachelor's programs and must be taken separately, usually at community colleges or through appraisal- or assessor-related organizations.

Obtaining on-the-job training is also an essential part of becoming a fully qualified assessor or appraiser and is required for obtaining a license or certification. In the past, many appraisers obtained experience working in financial institutions or real estate offices. However, the current trend is for candidates

to get their initial experience in the office of an independent fee appraiser.

Assessors tend to start out in an assessor's office that is willing to provide on-the-job training; smaller municipalities are often unable to provide this experience. An alternate source of experience for aspiring assessors is through a revaluation firm.

Licensure. Federal law requires that any appraiser involved in a Federally-related transaction with a loan amount of \$250,000 or more must have a State-issued license or certification. Licensing requirements vary by State, but they typically include specific training requirements, a period of work as a trainee, and passing one or more examinations.

All States also are required to conform, at a minimum, to the licensing and certification requirements established by the Appraisal Qualifications Board (AQB) of The Appraisal Foundation, a Congressionally-authorized organization dedicated to this purpose. The AQB requires that appraisers pass a Foundation-approved State examination as well as meet education and experience requirements. The education requirements include a course and examination on the Uniform Standards of Professional Appraisal Practice (USPAP) set forth by the Appraisal Standards Board (ASB) of The Appraisal Foundation.

Although Federal standards do not require an appraisal license for appraisers valuing real property with loan amounts of less than \$250,000, many States require any practicing appraiser to obtain a license or certification, regardless of transaction value. In addition, many States have different, more stringent requirements for licensure than those set forth by the AQB.

One State-issued appraiser license is the State Certified General Real Property Appraiser license, which allows an appraiser to value any type of real property regardless of value. Another State-issued license is the State Certified Residential Real Property Appraiser license, which allows an appraiser to value any residential unit of 1 to 4 families regardless of value, and any other type of property with a value of up to \$250,000. An additional license, which is recommended or used by many States, is the State Licensed Residential Appraiser license, which permits its holder to appraise commercial property up to \$250,000 and 1 to 4 family residential units worth up to \$1 million.

Starting in 2008, several new educational requirements enacted by the AQB for State Licensure will take effect. For the State Licensed Residential Appraiser license, which is available or required in a majority of States, the candidate must obtain 150 qualifying education hours, 15 of which must be on the National USPAP Course, and at least 2,000 hours of on-the-job training. For the State Certified Residential Appraiser and the State Certified General Appraiser licenses, the required education hours are much more rigorous, at 200 hours and 300 hours, respectively. In addition, all candidates must pass an examination. Also starting in 2008, individuals wishing to become State certified appraisers will need to either possess a college degree or complete a specified number of hours in certain college-level courses. Requirements vary by State so candidates should contact their appropriate State agency to see what specific criteria are mandated.

In many States, those working on their appraiser requirements for licensure are classified as a "trainee." Some of these States have their own training programs while others use the AQB's

recommended program. The program varies by State but usually requires at least 75 hours of specified appraisal education, 15 of which must be on the National USPAP Course, before applying for a trainee position. The number of additional courses a trainee must take depends on the State requirements for the license they wish to obtain.

The qualifications necessary to become an assessor also vary by State, but often are similar to the requirements for becoming an appraiser. In most States, the State assessor board sets education and experience requirements that must be met to obtain a certificate to practice as an assessor. A few States have no State-wide requirements; rather, standards are set by each locality.

States mandating assessor certification have requirements similar to those for appraisers. Some States also have more than one level of certification. All candidates must attend State-approved schools and facilities and take basic appraisal courses. Although appraisers value one property at a time while an assessor typically values many, the methods and techniques used are the same. As a result, the main courses assessors take are the same as those for appraisers. In addition, there usually is a set number of on-the-job hours that must be completed and all assessor candidates in these States must pass an examination. In some States, assessors must abide by the USPAP standards and are strongly encouraged to follow these standards in most other States. For those States not requiring certificates, the hiring assessor's office usually will require the candidate to take basic appraisal courses, complete on-the-job training, and accrue a sufficient number of work hours to meet the requirements for appraisal licenses or certificates. Many assessors also possess a State appraisal license.

For both appraisers and assessors, continuing education is necessary to maintain a license or certification. The minimum continuing education requirement for appraisers, as set by the AQB, is 14 hours per year. Appraisers must also complete a 7 hour National USPAP Update Course every 2 years. Some States have further requirements. Continuing education can be obtained in any State-approved school or facility, as well as recognized seminars and conferences held by associations or related organizations. Assessors also must fulfill a continuing education requirement in most States, but the amount varies by State.

Other qualifications. Appraisers and assessors must possess good analytical skills, mathematical skills, and the ability to pay attention to detail. They also must work well with people and alone. Since they will work with the public, politeness is a must, along with the ability to listen and thoroughly answer any questions about their work.

Certification and advancement. Many appraisers and assessors choose to become a designated member of a regional or nationally recognized appraiser or assessor association. Des-

ignations are particularly useful in States or types of practices where a license is not mandatory or a certificate has not been established. Designations are another way for appraisers or assessors to establish themselves in the profession, and are recognizable credentials to show employers and potential clients a higher level of education and experience. Obtaining a designation usually requires 5 to 10 years of training and experience, often more than the minimum licensing requirements of the AQB. Many appraisers and assessors start with getting their license or certificate and work their way up to a designation. Many appraisal associations have a membership category specifically for trainees, who then can receive full membership after licensure. Since States differ greatly on the requirements to become an assessor, licensure is not necessarily required for membership or designations; however, the imposed designation qualifications tend to be very stringent.

Advancement within the occupation comes with experience. The higher the level of appraiser licensure, for example, the higher the fees an independent fee appraiser may charge. Staying in one particular region or focusing on one type of appraising specialty also will help to establish one's business, reputation, and expertise. Assessors often have a career progression within their office, starting as a trainee and eventually ending up appointed or elected as a senior appraiser or supervisor.

Employment

In 2006, appraisers and assessors of real estate held about 101,000 jobs. Most appraisers and assessors work full-time. More than 3 out of 10 were self-employed; virtually all were appraisers. Employment was concentrated in areas with high levels of real estate activity, such as major metropolitan areas. Assessors are more uniformly spread throughout the country than appraisers because every locality has at least one assessor.

About 25 percent worked in local government; almost all were assessors. Another 30 percent, mainly appraisers, worked for real estate firms, while a relatively small number worked for financial institutions, such as banks and credit unions.

Job Outlook

Employment of appraisers and assessors of real estate is expected to grow faster than average for all occupations. Job opportunities should be favorable for those who meet licensing qualifications and have several years of experience.

Employment change. Employment of appraisers and assessors of real estate is expected to grow by 17 percent, which is faster than the average for all occupations, over the 2006-16 decade. Employment of appraisers will grow with increases in the level of real estate activity. Additionally, more appraisers will be hired to help with litigation claims, probate cases, foreclosures, business valuations, and divorce settlements. Employment of assessors will grow with the increase in the amount

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016		Change, 2006-16	
			Number	Percent	Number	Percent
Appraisers and assessors of real estate	13-2021	101,000	118,000	17,000	17	

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

of real property to be assessed. However, employment will be held down to a certain extent by productivity increases brought about by the increased use of computers and other technologies, which make for faster valuations and allow appraisers to take on more customers and each assessor to assess more properties.

Independent fee appraisers will see the strongest growth because banks and other financial institutions increasingly are contracting work out to them to make loan appraisals on a case-by-case basis. The increased use of automated valuation models to conduct appraisals for loan and mortgage purposes also will shift work out of the financial sector. Additionally, more work is being done in service sectors of the economy, such as in the legal and accounting sectors.

Job prospects. Employment opportunities should be best in areas with active real estate markets, such as the East and West coasts and major cities and suburbs. Although opportunities for established appraisers and assessors are expected to be good in these areas, those wishing to enter the occupation may have difficulty locating a trainee position because traditional sources of training positions increasingly are prefer not to take on new trainees.

The cyclical nature of the real estate market also will have a direct effect on the job prospects of appraisers, especially those who appraise residential properties. In times of recession, fewer people buy or sell real estate, causing a decrease in the demand for appraisers. As a result, opportunities will be best for appraisers who are able to switch specialties and appraise different types of properties.

Because assessors are needed in every local or State jurisdiction to make assessments for property tax purposes regardless of the state of the local economy, assessors are less affected by economic and real estate market fluctuations than are appraisers. In addition to growth openings, there should be numerous openings because of the need to replace the many appraisers and assessors who are expected to retire or decrease their working hours over the projection period.

Earnings

Median annual earnings of wage and salary appraisers and assessors of real estate were \$44,460 in May 2006. The middle

50 percent earned between \$32,080 and \$64,460. The lowest 10 percent earned less than \$24,000 and the highest 10 percent earned more than \$86,140. Median annual earnings of those working for local governments were \$40,650. Median annual earnings of those working for real estate firms were \$44,120. Generally, those working in urban and coastal regions earned more than those working in rural locations.

Related Occupations

Other occupations that involve the inspection of real estate include construction and building inspectors, real estate brokers and sales agents, and urban and regional planners. Appraisers and assessors must also place a monetary value on properties. Occupations also involved in valuing items include claims adjusters, appraisers, examiners and investigators, as well as cost estimators.

Sources of Additional Information

For more information on licensure requirements, contact:

➤ The Appraisal Foundation, 1155 15th Street NW., Suite 1111, Washington, DC 20005.

Internet: <http://www.appraisalfoundation.org>

For more information on individual State licensure requirements, contact:

➤ Appraisal Subcommittee (ASC), 2000 K Street, NW., Suite 310; Washington, D.C. 20006. Internet: <http://www.asc.gov>

For more information on appraisers of real estate, contact:

➤ American Society of Appraisers, 555 Herndon Pkwy., Suite 125, Herndon, VA 20170. Internet: <http://www.appraisers.org>

➤ Appraisal Institute, 550 W. Van Buren St., Suite 1000, Chicago, IL 60607. Internet: <http://www.appraisalinstitute.org>

➤ National Association of Independent Fee Appraisers, 401 N. Michigan Ave. Suite 2200, Chicago, IL 60611.

➤ National Association of Real Estate Appraisers, 1224 North Nokomis NE., Alexandria, MN 56308.

For more information on assessors of real estate, contact:

➤ International Association of Assessing Officers, 314 W 10th St., Kansas City, MO 64105. Internet: <http://www.iaao.org>