

Setting fees for an otherwise market based system will result in serious damage to the industry on many levels

I was an assistant appraiser and started in congregate care for two years. I appraised right of way/condemnation properties for two years ,and then another two years of general commercial. In 1997, I started to appraise residential properties. The fees in the 1990s adjusted for inflation would result in fees of probably \$1100 today. Appraisers have not seen an increase in pay commensurate with the amount of work we do and risk that we take in twenty years.

The shortage of appraisers is a result of the abuse of appraisers during the downturn in the market. As Oregon appraisers, we were offered \$125-\$175 to do an appraisal in the downturn which is ludicrous. As a result half of the appraisers quit. Now that the market is back, people wonder why we have a shortage of appraisers.

Although I have a four-year bachelors degree from Willamette University, I think the four year degree is a good thing. But what I see is people want to pay appraisers a slightly higher rate than minimum-wage for a highly specialized profession that requires a college degree that may cost somebody \$120,000 \$160,000. If you want to professional industry in Oregon, the appraisers should be paid as professionals. Why would I spend that much on an education and not be able to pay my loan?

An annual income should equate the cost of the 4-year degree. I don't think very many appraisers make \$120,000 to \$160,000 a year.

I say if you want to make a minimum fee for appraisals it should be like \$1500. Appraisers get out of bed; they are at risk of being fined, sued, and thrown in jail. And people want to pay them like \$350 for an appraisal that's going to take them 8 to 12 hours for administration, research, inspection, writing/reporting.

If you think you have a shortage of appraisers now, just go ahead and set an appraisal fee at the low-end of the range. Another half of them will quit; no one will get into the industry. Eventually, no homeowners will be getting purchases or refinances for federally regulated transactions because there won't be anyone left to do the work.

Many say because of technology our assignments are faster and easier to do which justifies lower fees. I disagree. We have to sort through more information and make more sense of what that information is. In addition, lenders and regulations have required more and more details in reports. I probably spend 2 to 3 times as much time on appraisals as I did 20 years ago.

One of the biggest complaints I here from the AMCs is that we have appraisers from other states coming to Oregon. These appraisers are not geographically educated, don't understand the market, and generally produce poor appraisals. I think some states require you to start at the bottom when you come to their state. If we did that, we would have appraisers that could be trained in the market.

Nonsensical point:

I will note that becoming an certified appraiser when you live in Oregon, it requires a four year degree to be certified general or certified residential. If you come from another state via reciprocity, that requirement is waived. That is a disgrace; it doesn't help our professionalism.

Another point of interest:

If you want to fix something, you should work on the appraiser assistant program. It takes hours and hours day after day to properly educate and train an appraiser assistant. There is no monetary benefit whatsoever.

If anything appraisers should be commensurately compensated for training someone to bringing them into the system properly.

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