



200 W. Madison
Suite 1500
Chicago, IL 60606

T 312-335-4100
F 312-335-4400
www.appraisalinstitute.org

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Chairman Jay Leftwich, Jr.
Chair, House General Laws Committee
House Room 3
Richmond, VA 23219

RE: Support for HB 1418 – Real Estate Appraisal Board; appraisal experience

Chairman Leftwich and Members of the House General Laws Committee:

The Appraisal Institute (AI) appreciates the opportunity to offer the following written comments in support of HB 1418, “Real Estate Appraisal Board; appraisal experience”. This bill would require the Virginia Real Estate Appraiser Board (VREAB) to accept successful completion of approved Practical Applications of Real Estate Appraisal (PAREA) programs to satisfy the experience requirements to become licensed or certified as a real estate appraiser. To date, thirty-six other states have approved acceptance of PAREA.

PAREA is a technology-based alternative to the traditional “in-person” supervisor/trainee (apprentice) method of obtaining practical experience to become a licensed or certified real estate appraiser. PAREA provides another pathway for aspiring appraisers to fulfill their experience requirements. It is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of computer-based learning and virtual reality technologies. PAREA programs will be available in Virginia starting later this year.

The current “in-person” supervisor/trainee model of gaining appraisal experience is the highest barrier to entry into the appraisal profession. For a variety of reasons, aspiring appraisers have an extremely difficult time finding someone willing to supervise them for up to 12 months (for the residential licenses). Partially due to the supervisor/trainee requirement, the number of appraisers has declined significantly since the peak in 2008. Research has also shown that aspiring appraisers of color have a disproportionately more difficult time finding supervisors than do their colleagues. The inability of people of color to find supervisors has contributed to the profession being 98% white. Acceptance of successful completion of approved PAREA programs by the VREAB will help to grow and diversify the appraisal profession.

The Appraisal Institute respectfully recommends the General Laws Committee to favorably report HB 1418 to the full House. Thank you for your consideration.

Regards,

Scott W. DiBiasio
Manager, State & Industry Affairs
(202) 298-5593
sdibiasio@appraisalinstitute.org