

2023

# Appraisal Process Report

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
REALTORS®

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# Survey Objective

This survey aims to examine the impact of data collectors on the property appraisal process. In recent times, some appraisal management companies have introduced a novel approach by enabling non-appraisers, referred to as data collectors, to conduct in-person property reviews. These data collectors gather essential property information to be later shared with an appraiser for the appraisal process. The survey seeks members' perspectives on this evolving practice and its potential effects on appraisal accuracy, efficiency, and client satisfaction.

The data collected from this survey will be analyzed to understand trends, patterns, and correlations between different responses. The findings will offer insights into members' perceptions regarding the appraisal process with data collectors. This survey aims to provide a comprehensive assessment of the potential benefits and drawbacks associated with this emerging practice. By obtaining valuable feedback, the study may contribute to ongoing discussions about the effectiveness of separating property data collection from the traditional appraisal process and may guide further exploration and refinement of this evolving approach.



# Executive Summary

In May 2023, NAR surveyed its members pertaining to data collectors in the appraisal process. The findings are as follows:

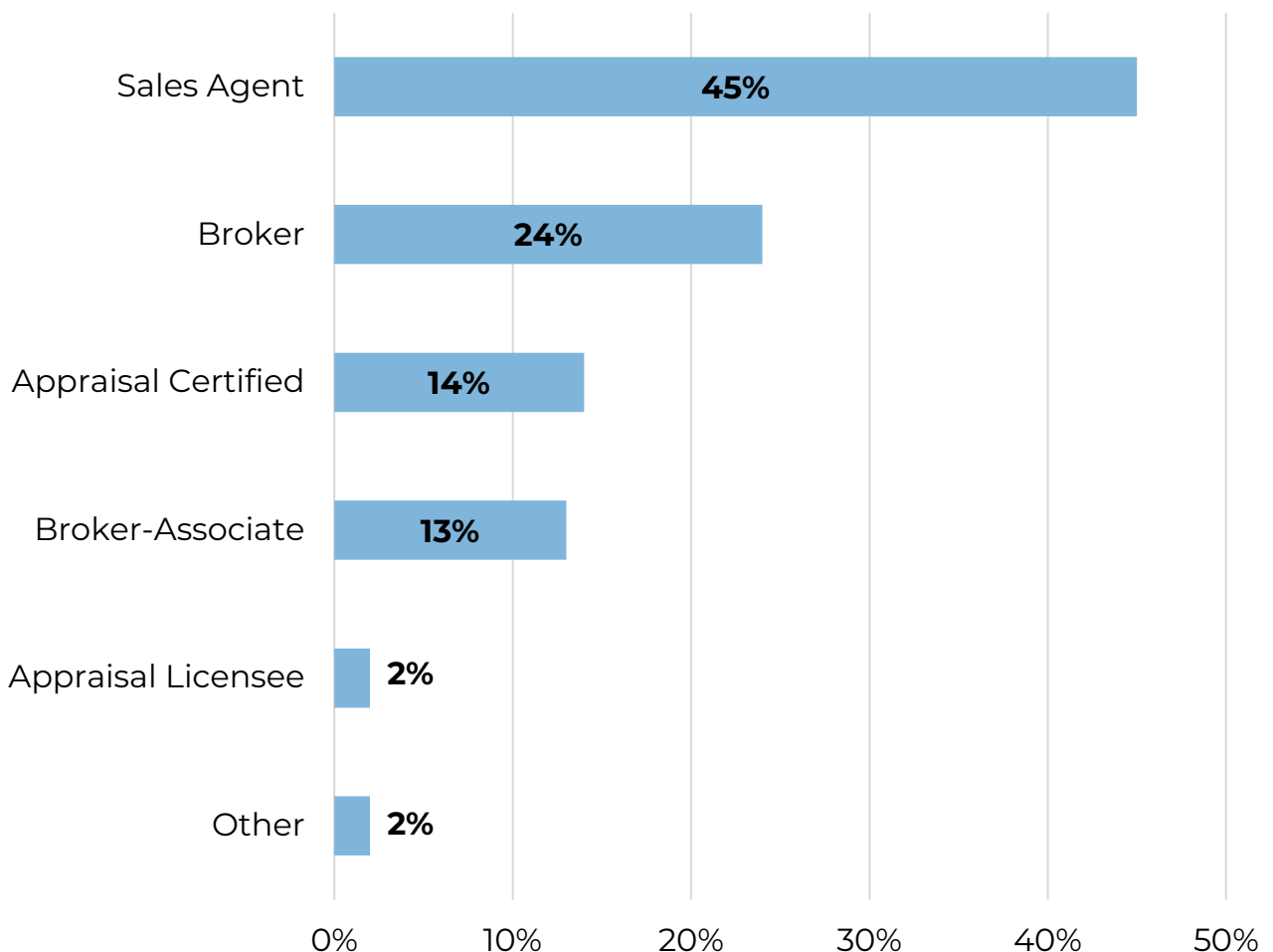
## **Appraisal Process Highlights:**

- Sales agents accounted for the largest proportion, with 45% of participants holding this license. Brokers followed with 24%, and appraisal-certified professionals comprised 14% of the respondents. Broker-Associates and Appraisal Licensees accounted for 13% and two percent, respectively, while the remaining two percent reported holding other types of real estate licenses.
- Seventeen percent of the respondents have worked with data collectors for the evaluation process within the past month.
- Fourteen percent of the respondents expressed concerns regarding the new procedure involving data collectors. Among them, 14% were concerned that the separation of data collectors from the appraisal process might negatively impact the appraisal results. Additionally, 13% expressed worries about the quality of the data collected, and 10% had concerns about the legal liability of having a data collector in their client's homes.
- The survey findings indicate that 30% of respondents reported that a data collector had given them the impression that they were the appraiser or had a role other than merely collecting property data.
- Fifty-one percent of respondents expressed safety concerns with the data collection process.
- The survey showed varied perceptions regarding the effectiveness of the current appraisal process that involves data collectors gathering property data. Respondents had differing views, with some finding it very ineffective (40%), others neutral (36%), and some considering it somewhat ineffective (14%).
- Sixty-five percent of respondents expressed concerns regarding the data collected and data privacy.
- Sixty-three percent of the participants stated that they were not made aware of any third-party privacy policies or disclosures during their experience with data collection.
- According to the survey responses, the majority of participants (76%) perceive the quality of property data collected by data collectors to be lower than that collected by appraisers themselves. Conversely, 23% of respondents believe that the quality of data collected by data collectors is comparable to that of appraisers.

# Real Estate Licenses

- The survey revealed the distribution of real estate licenses held by respondents. Sales agents accounted for the largest proportion, with 45% of participants holding this license.
- Brokers followed with 24%, and appraisal-certified professionals comprised 14% of the respondents.
- Broker-Associates and Appraisal Licensees accounted for 13% and two percent, respectively, while the remaining two percent reported holding other types of real estate licenses.

Type of License

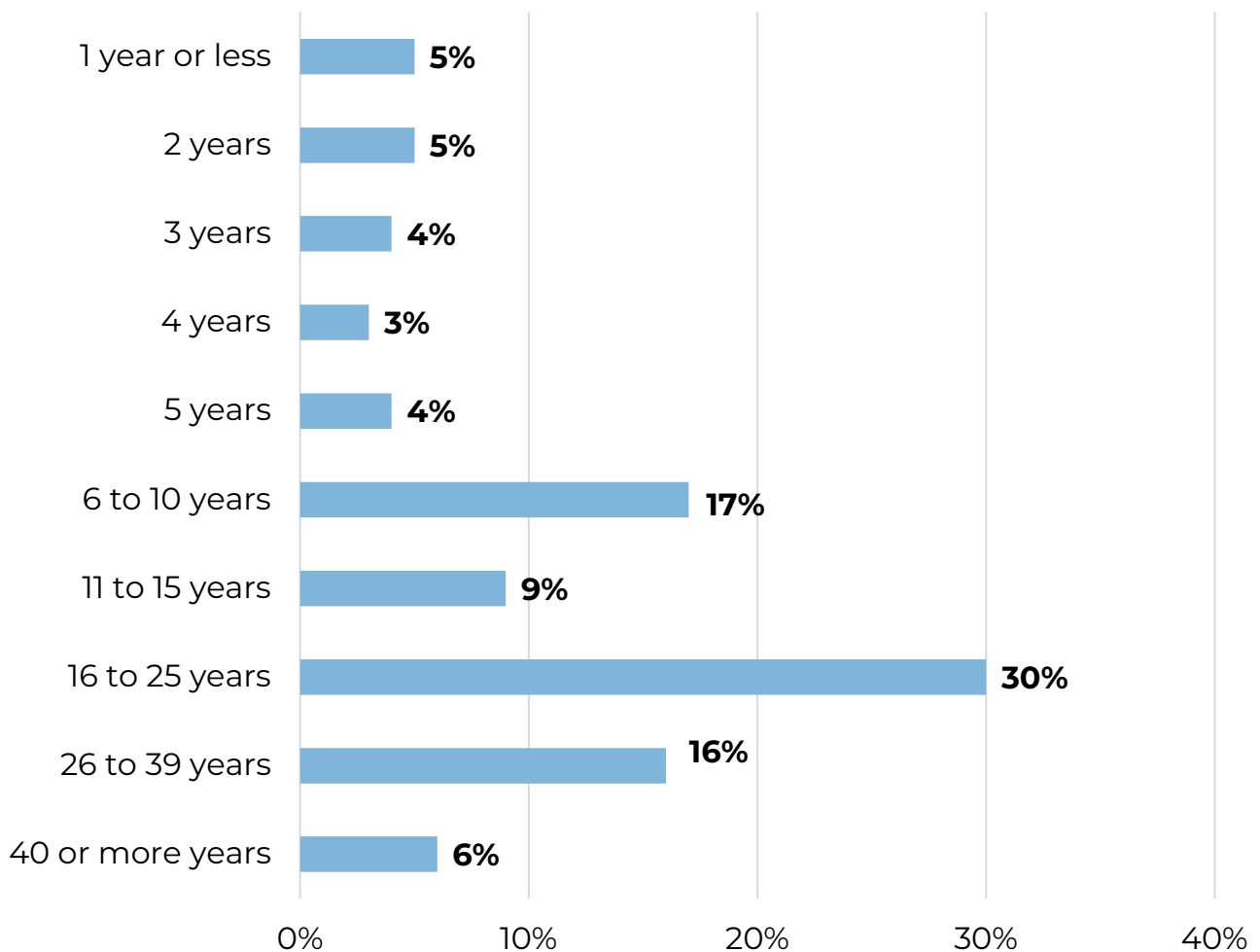


*Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.*

# Real Estate Experience

- The survey results indicate a diverse range of experience levels among real estate professionals. Approximately 17% had 6 to 10 years of experience, 9% had 11 to 15 years, and 30% had 16 to 25 years.
- Furthermore, 16% had 26 to 39 years of experience, and 6% had an impressive 40 or more years of experience as real estate professionals.

## Tenure in Industry

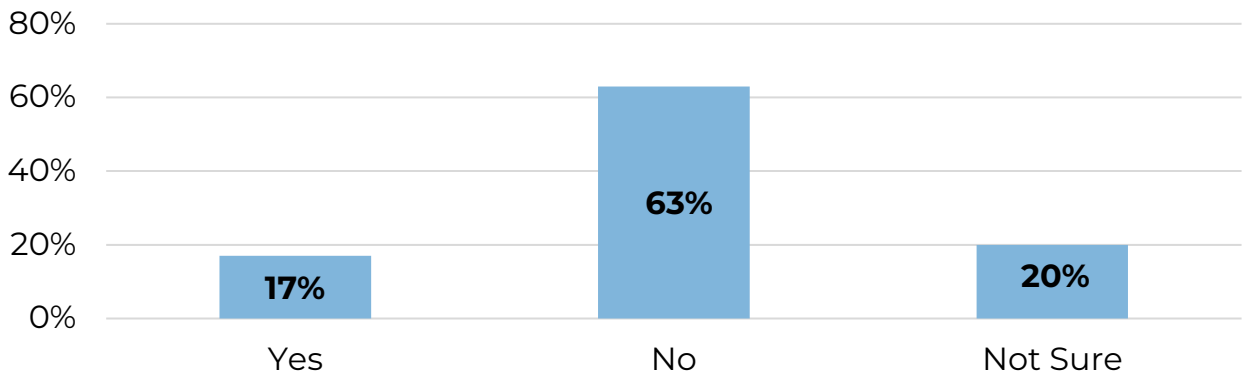


Median: 17 years

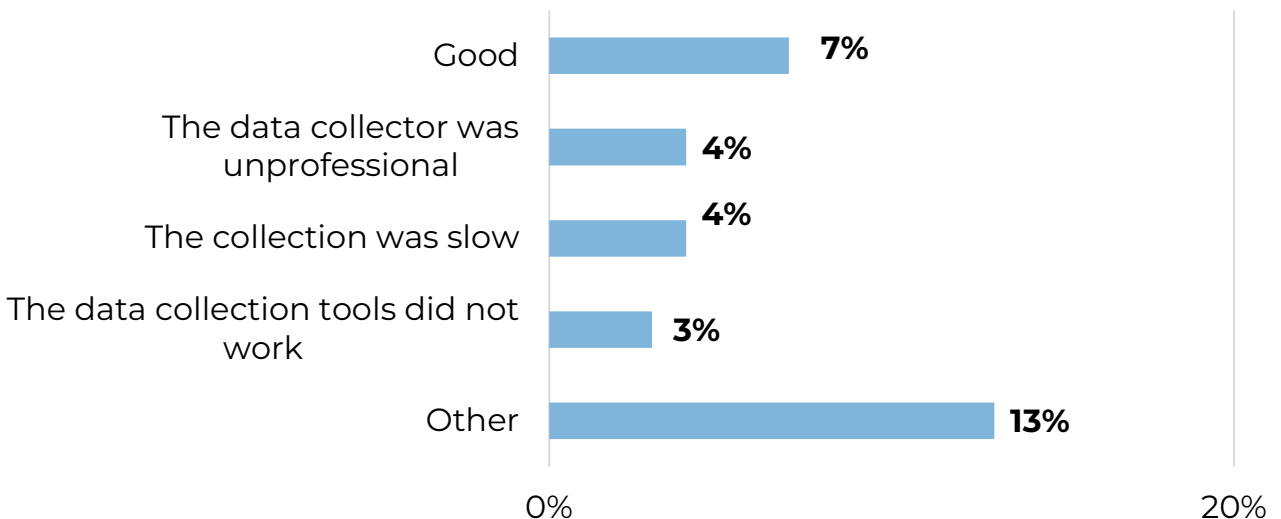
# Experience with Data Collectors

- Seventeen percent of the respondents have worked with data collectors for the evaluation process within the past month.
- Among those who had experience with a data collector, 7% reported having a positive experience, finding it good. On the other hand, 4% expressed dissatisfaction, stating that the data collector was unprofessional. Another 4% reported that the data collection process was slow.

## Worked With A Data Collector



## Experience Working With Data Collectors

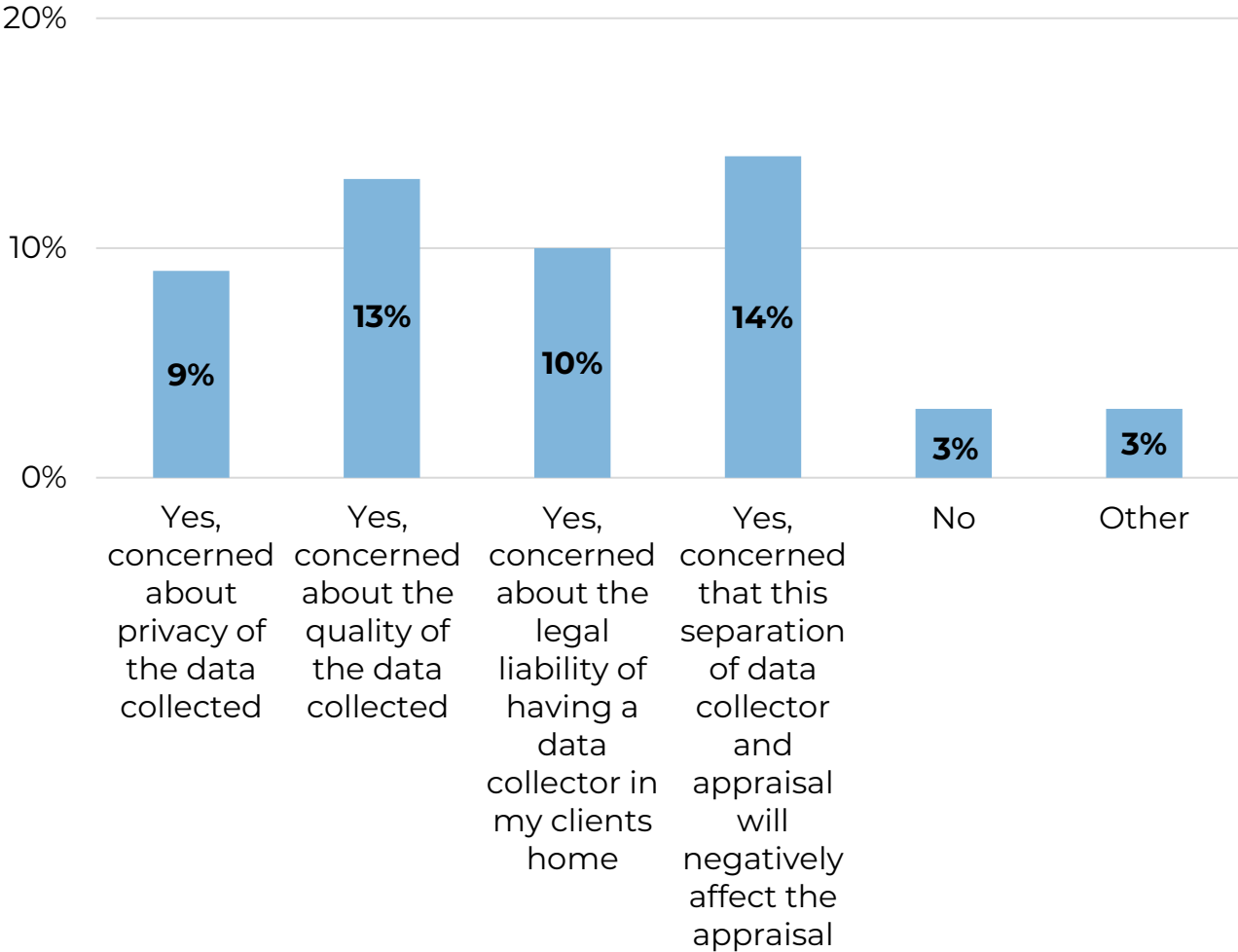




# Concerns Regarding New Procedure

- Fourteen percent of the respondents expressed concerns regarding the new procedure involving data collectors. Among them, 14% were concerned that the separation of data collectors from the appraisal process might negatively impact the appraisal results.
- Additionally, 13% expressed worries about the quality of the data collected, and 10% had concerns about the legal liability of having a data collector in their client’s homes.

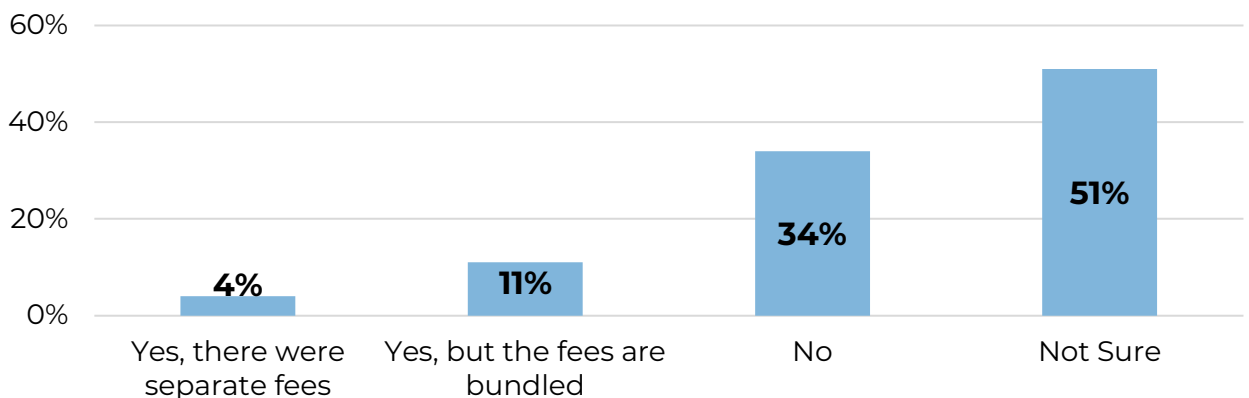
## Procedural Concerns



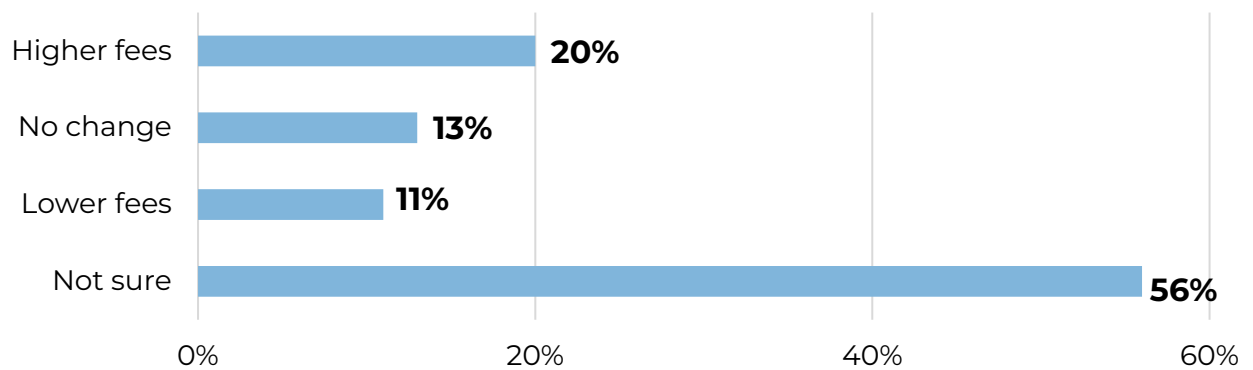
# Appraisal Cost and Fees

- The survey data indicates that 34% of respondents' clients were not made aware of separate fees for the appraisal and appraisal management company. On the other hand, 11% mentioned that their clients were informed about the fees, but they were bundled together into a single charge.
- Twenty percent of respondents reported observing higher fees for appraisals since the involvement of data collectors. Conversely, 11% mentioned that they have observed lower fees for appraisals with the inclusion of data collectors.

## Client Awareness Of Fees



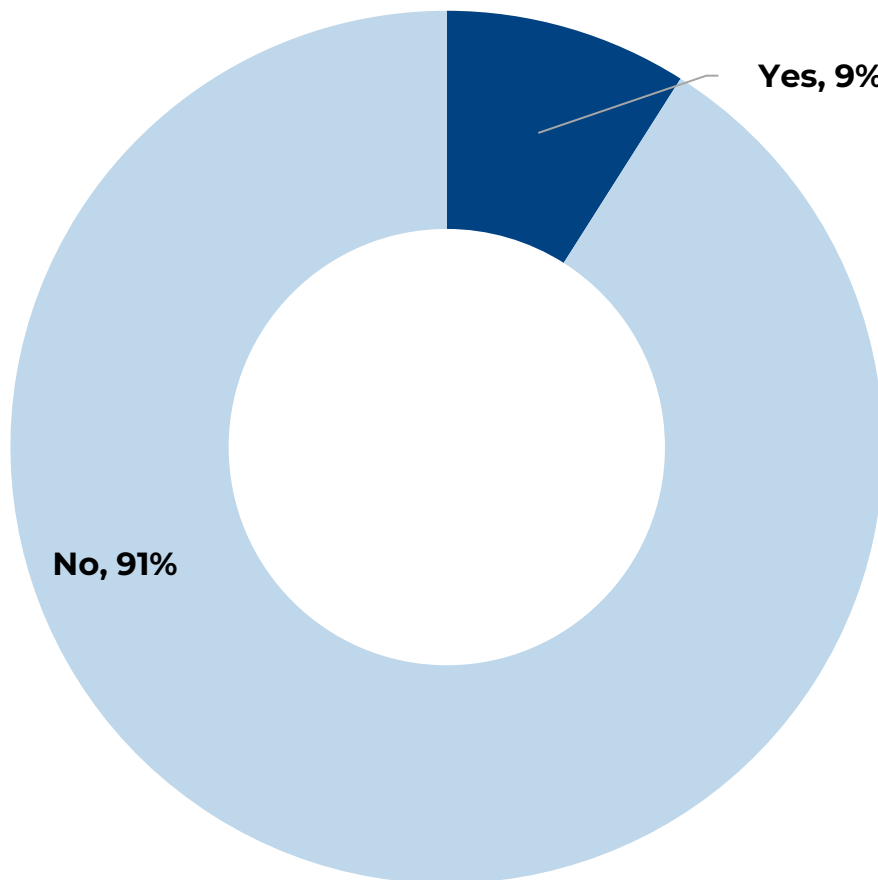
## Changes In Fees



# Appraisal Cost and Waiver

- Sixty-eight percent of the clients' appraisal cost were higher than the national average
- Nine percent of respondents' clients received an appraisal waiver based on the data collected.
- Fifty-three percent of clients were charged significantly less than the national average for their appraisal waiver

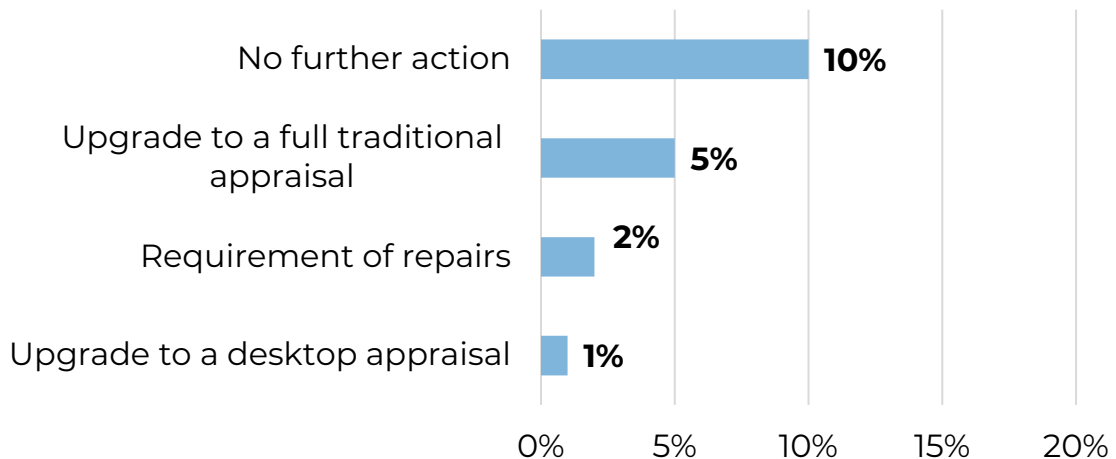
## Received Appraisal Waiver



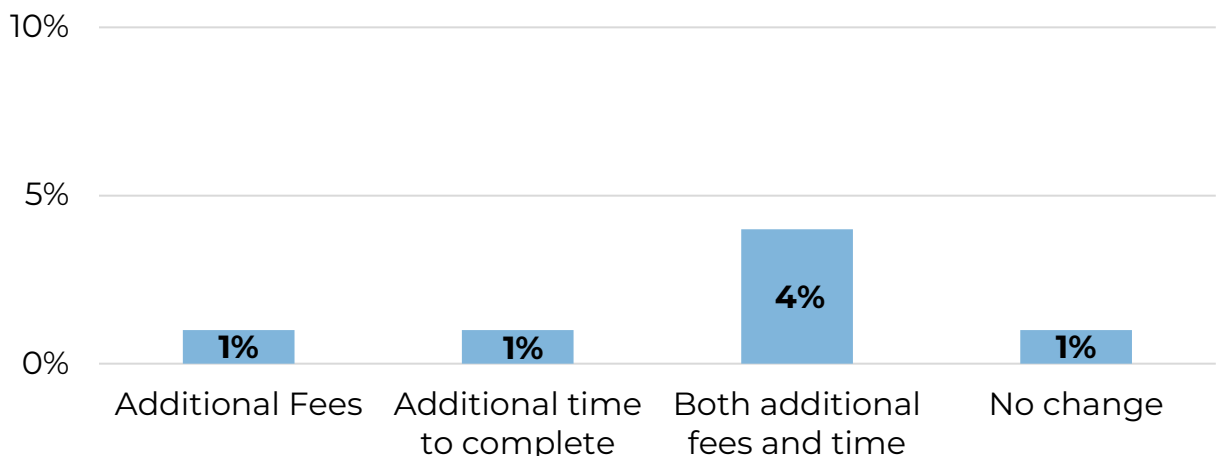
# Result of Data Collection

- Of the respondents who worked with data collectors, 10% of respondents stated that the data collection resulted in no further action beyond the initial process. Additionally, 5% reported that the data collection led to an upgrade to a full traditional appraisal.
- Among respondents who experienced another action, such as a desktop or traditional appraisal, as a result of the property data collection, 4% reported facing additional fees and increased processing time.

## Data Collection Result



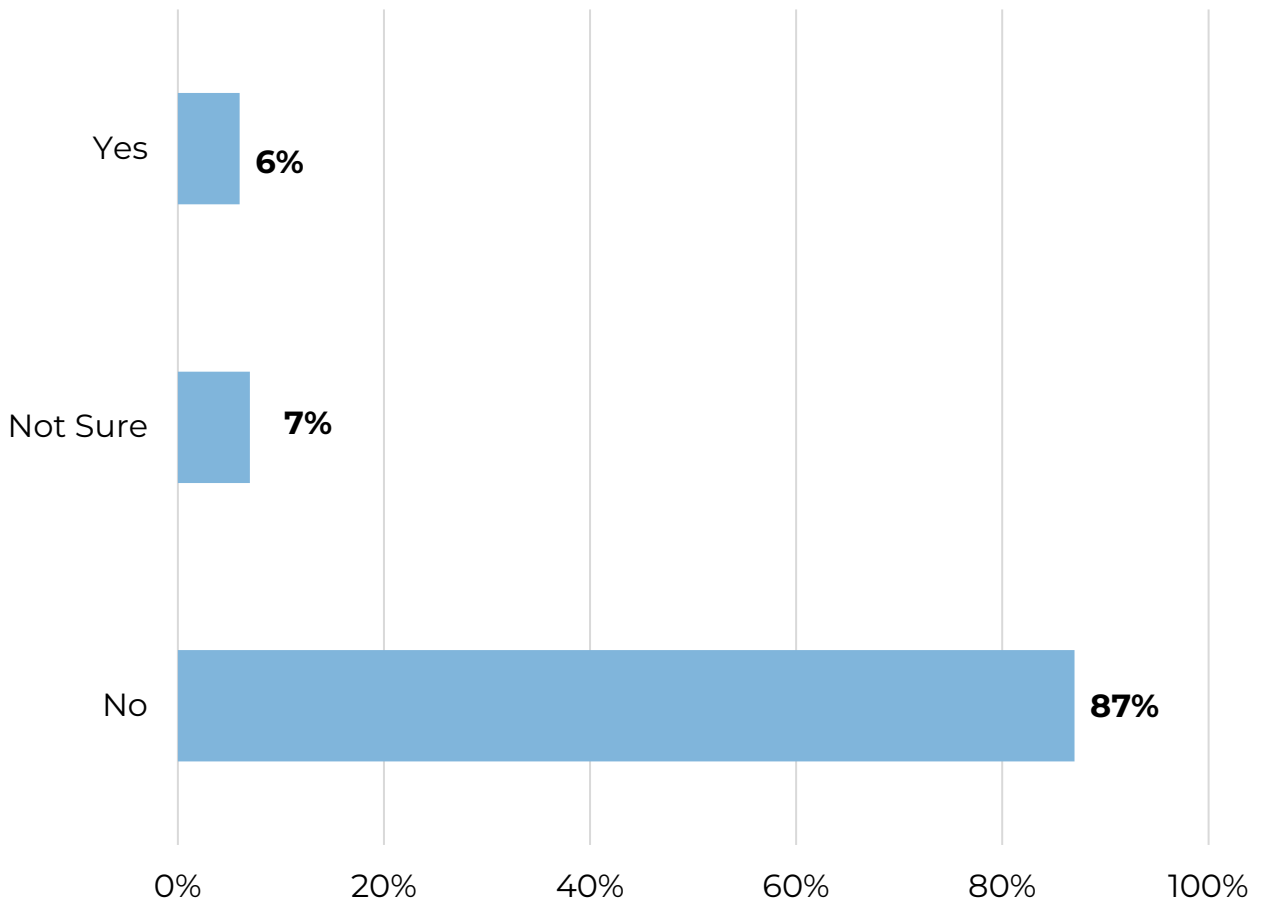
## Result of Desktop or Traditional Appraisal



# Experience As A Data Collector

- The survey revealed that 6% of the respondents have worked as data collectors for the evaluation process within the past month.
- Additionally, 7% expressed uncertainty, stating they were "Not Sure" if they had worked as data collectors during the specified period.

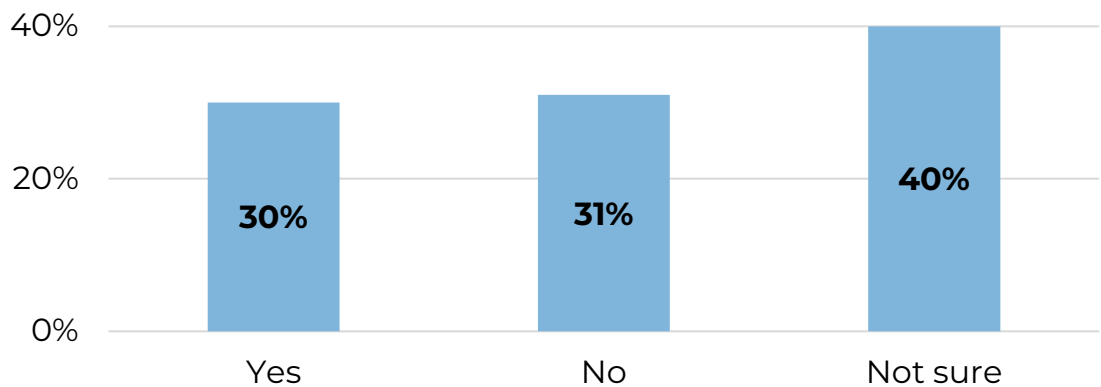
## Worked As a Data Collector



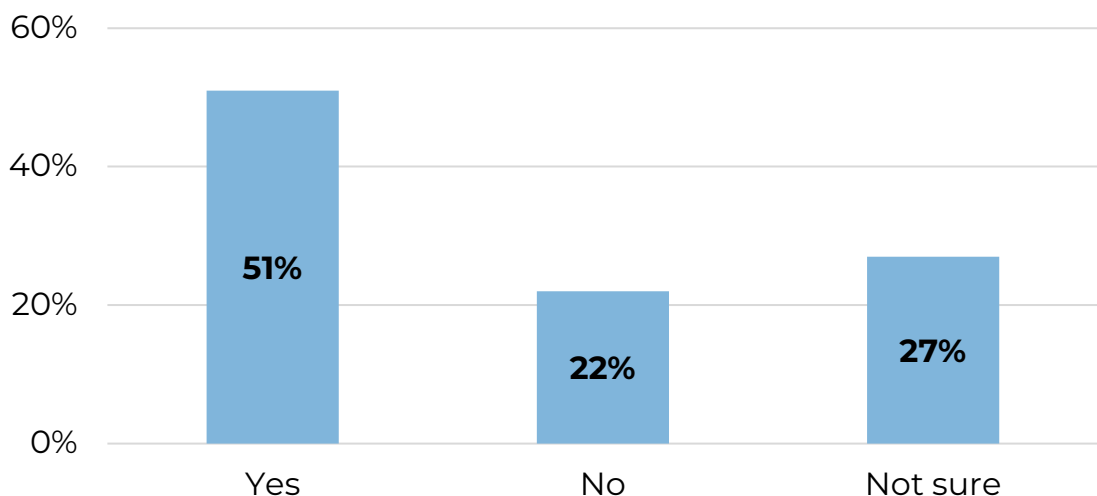
# Concerns of Data Collection

- The survey findings indicate that 30% of respondents reported that a data collector had given them the impression that they were the appraiser or had a role other than merely collecting property data.
- Fifty-one percent of respondents expressed safety concerns with the data collection process.

## Data Collector Represented Different Role

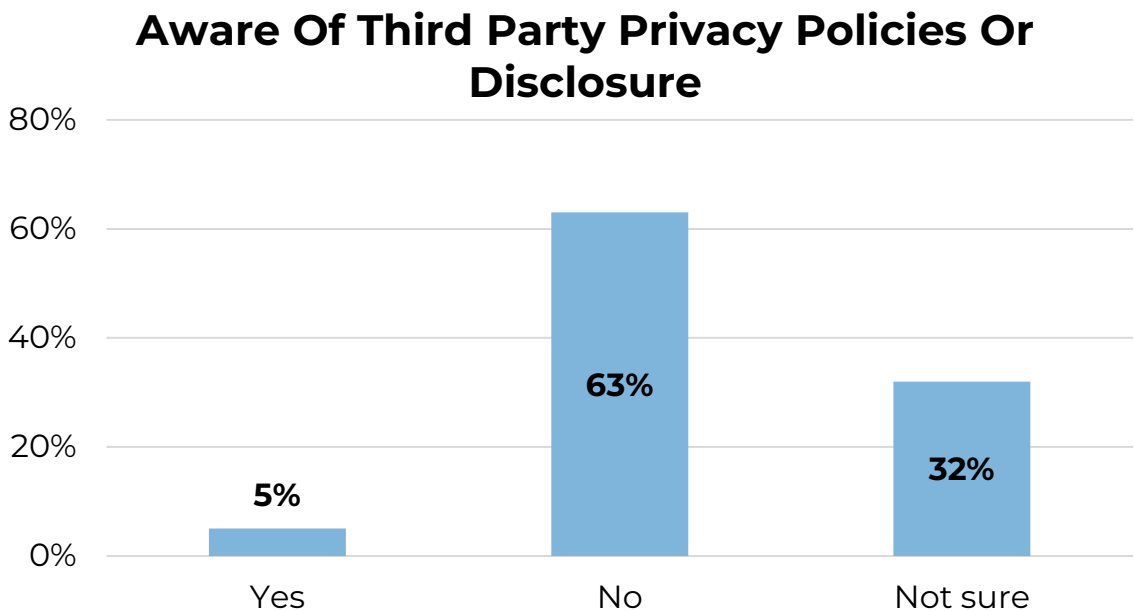
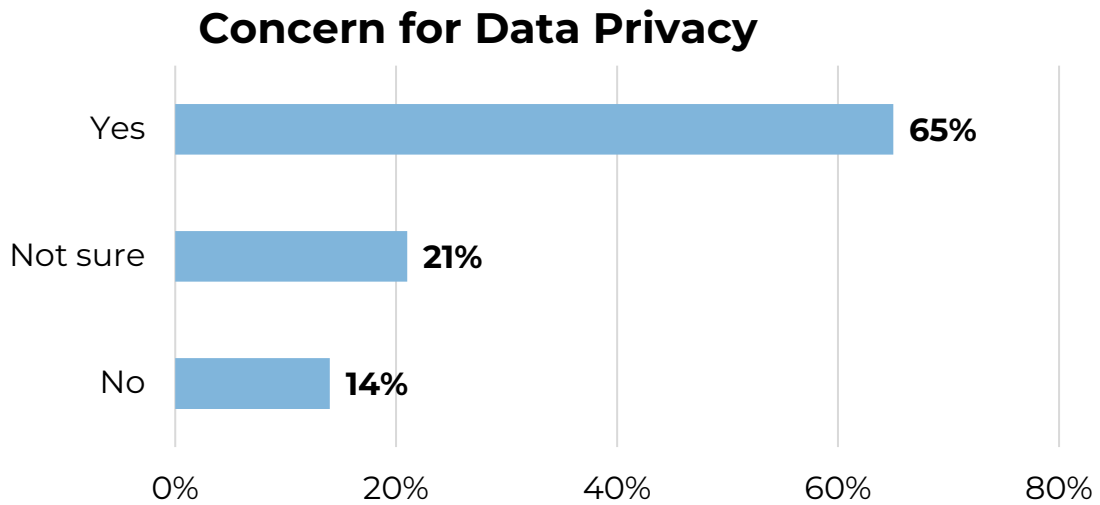


## Safety Concerns



# Concerns of Data Collection

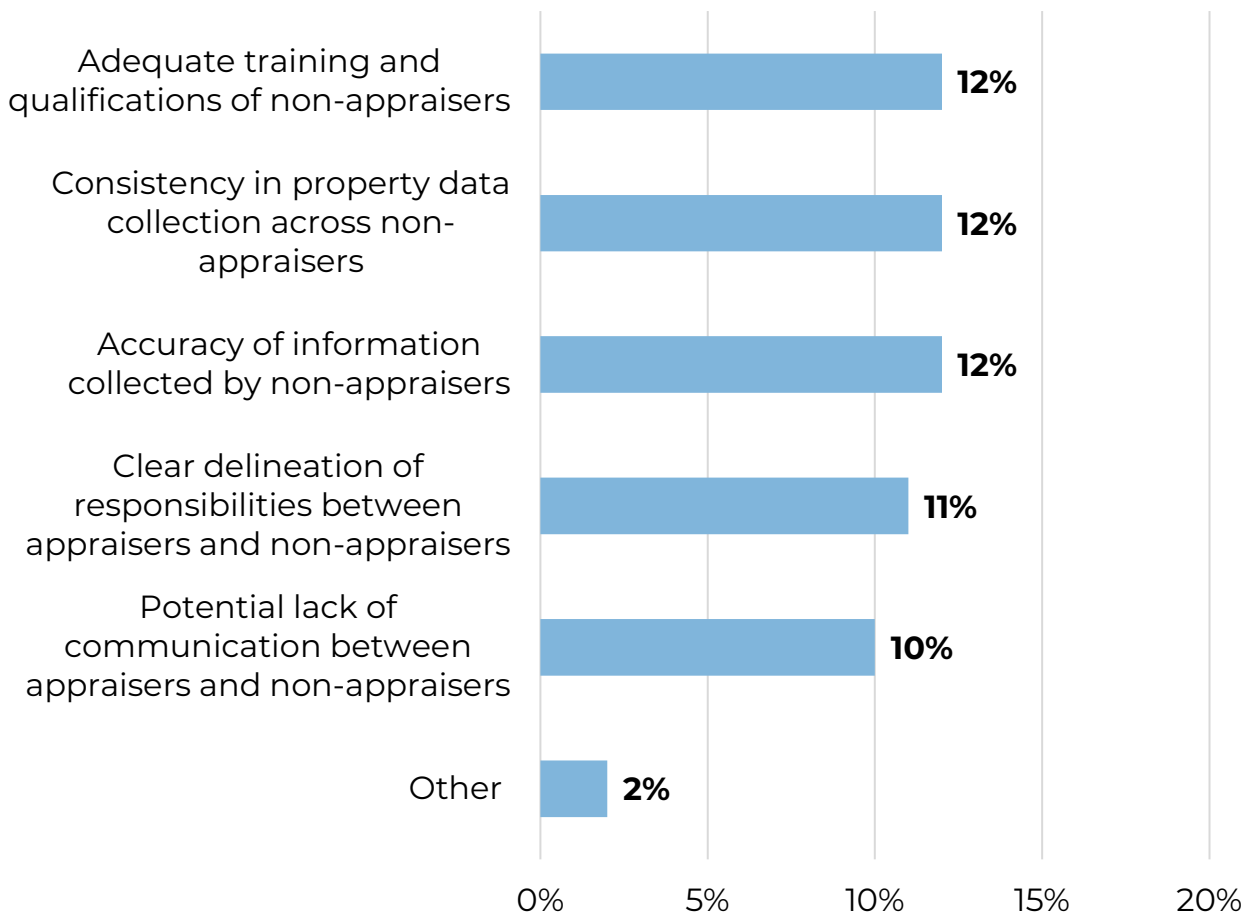
- Sixty-five percent of respondents expressed concerns regarding the data collected and data privacy.
- Sixty-three percent of the participants stated that they were not made aware of any third-party privacy policies or disclosures during their experience with data collection.



# Concerns of Data Collection

- Approximately 12% of respondents highlighted the need for adequate training and qualifications of non-appraisers to ensure their competency in data collection. Additionally, another 12% emphasized the importance of maintaining consistency in property data collection across non-appraisers to ensure reliable and standardized information.
- Furthermore, an equal percentage of 12% expressed concerns about the accuracy of information collected by non-appraisers, underlining the significance of reliable data for the appraisal process.

## Specific Concerns Between Appraisers and Data Collectors

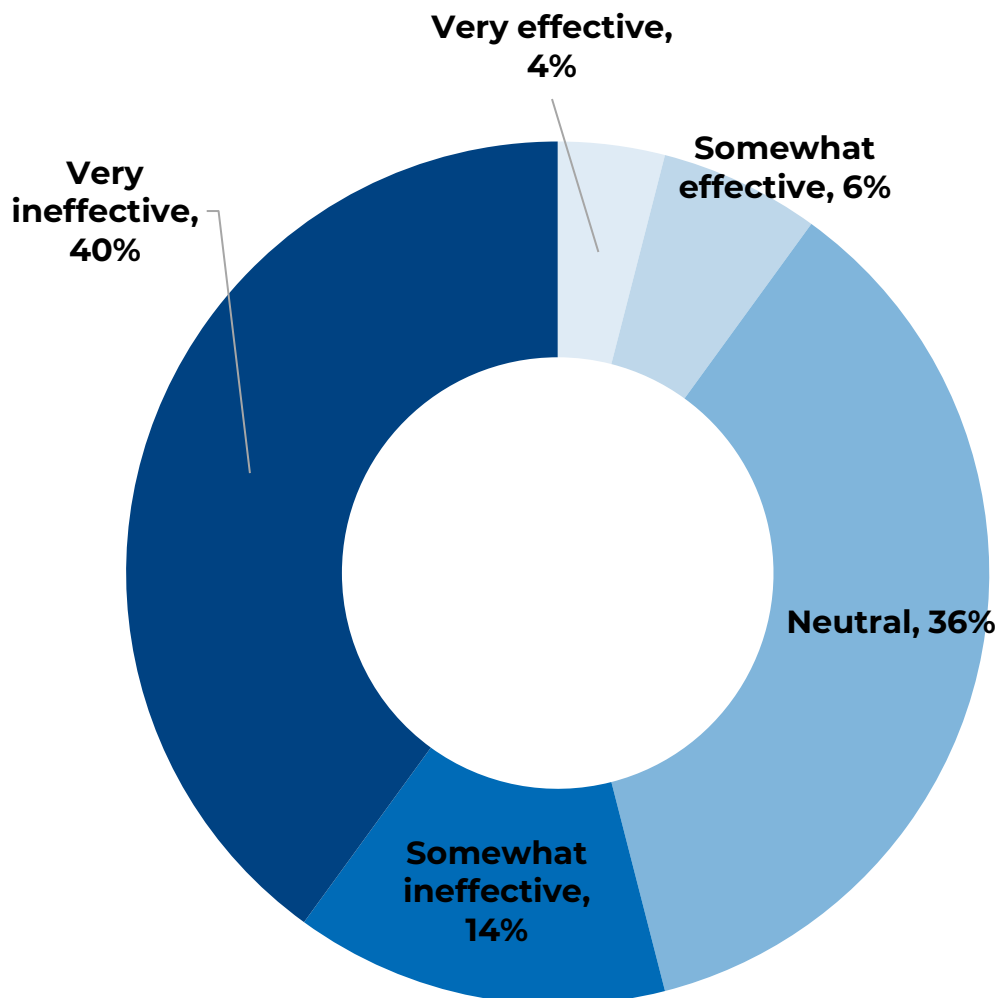




# Effectiveness of Appraisal Process

- The survey showed varied perceptions regarding the effectiveness of the current appraisal process that involves data collectors gathering property data.
- Respondents had differing views, with some finding it very ineffective (40%), others neutral (36%), and some considering it somewhat ineffective (14%).

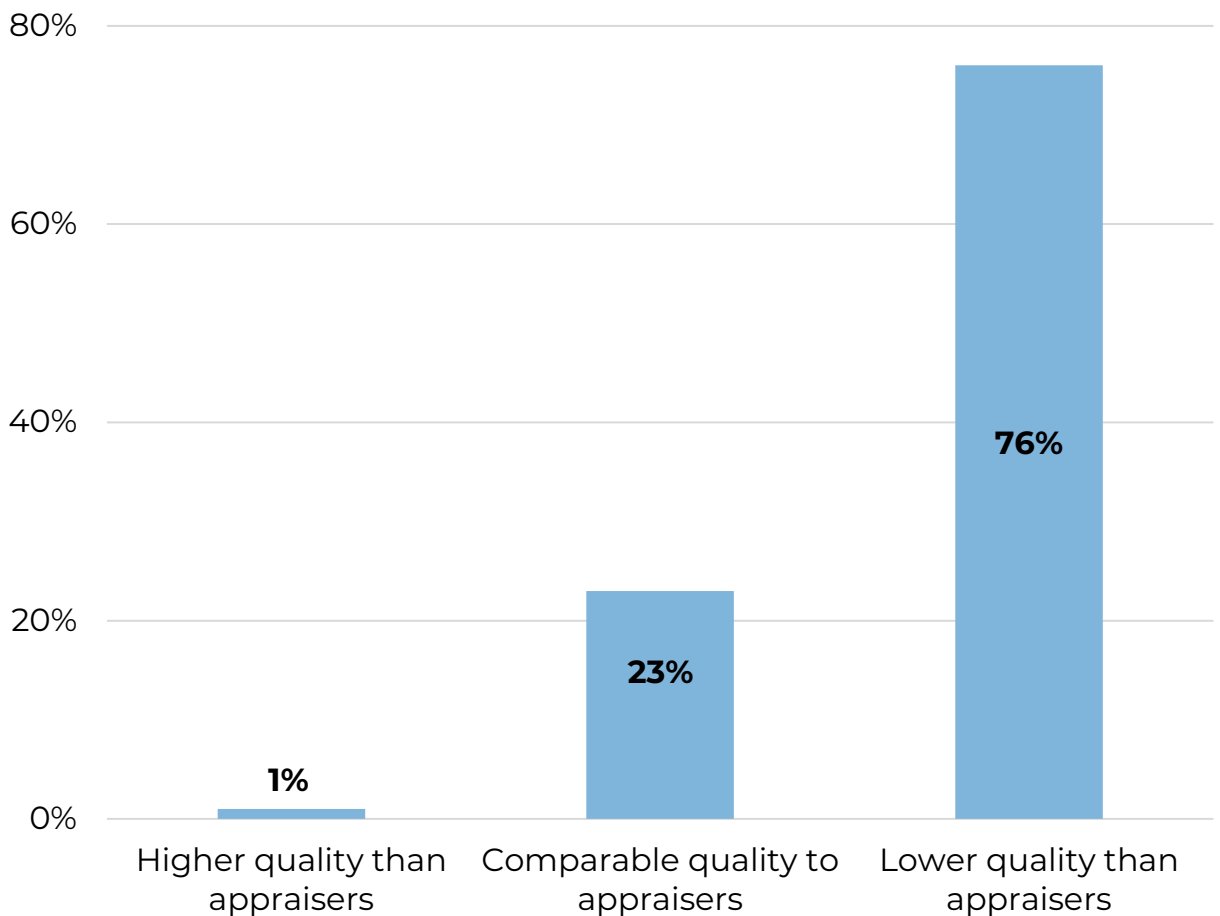
## Current Appraisal Process Effectiveness



# Perceived Quality of Property Data Collected

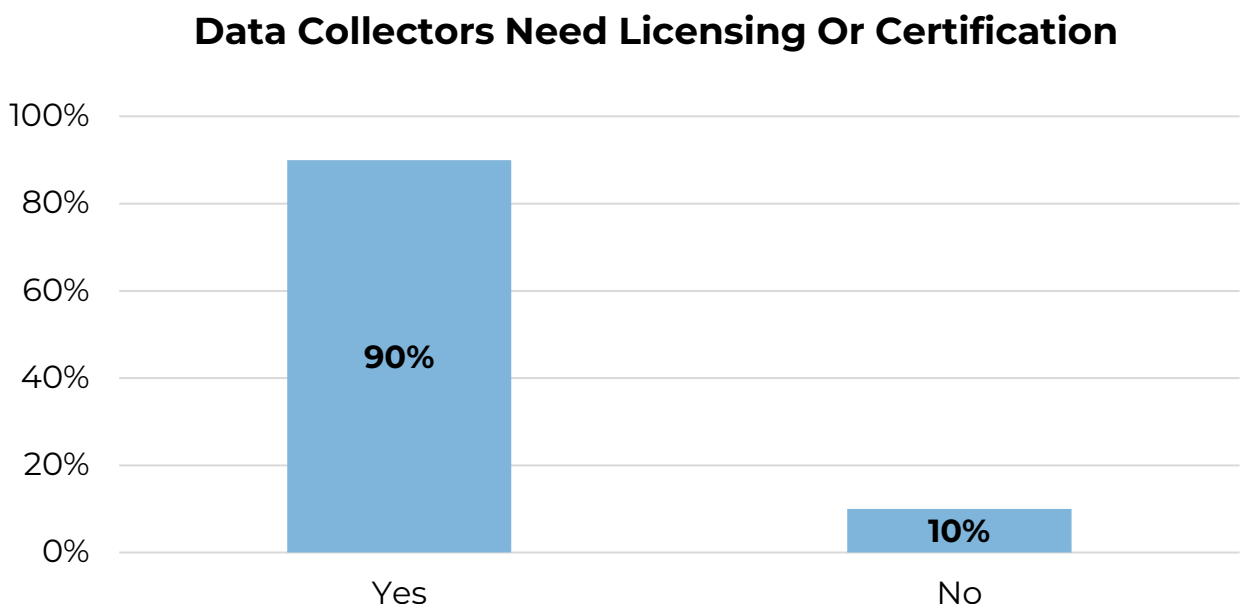
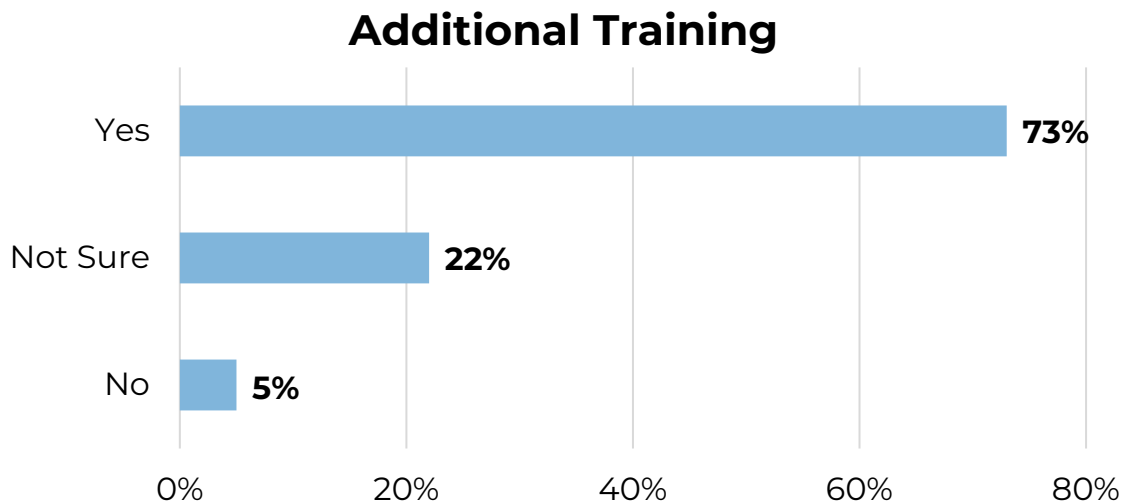
- According to the survey responses, the majority of participants (76%) perceive the quality of property data collected by data collectors to be lower than that collected by appraisers themselves.
- Conversely, 23% of respondents believe that the quality of data collected by data collectors is comparable to that of appraisers.

## Quality of Property Data by Data Collector



# Improvements for Data Collectors

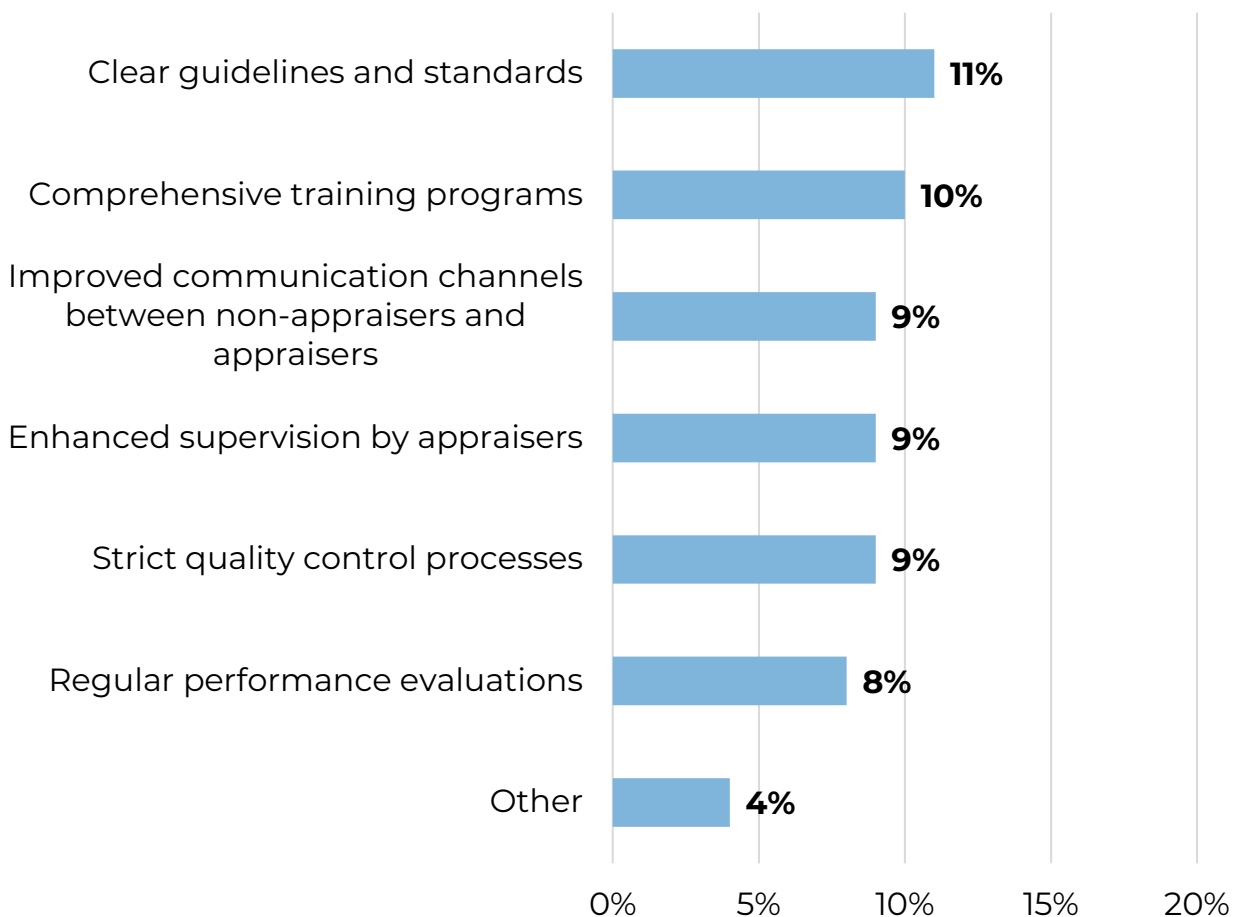
- Seventy-three percent of respondents believe there is a need for additional training or guidelines for data collectors who conduct property reviews in the appraisal process.
- An overwhelming majority of 90% of respondents believe there is a need for licensing or certification of data collectors.



# Improvements for Data Collectors

- Approximately 11% of respondents highlighted the importance of clear guidelines and standards to establish a consistent approach. Additionally, 10% emphasized the significance of comprehensive training programs to enhance data collectors' competency.
- Furthermore, 9% of participants stressed the need for improved communication channels between data collectors and appraisers to foster better collaboration. Lastly, an equal percentage of 9% pointed out the importance of enhanced supervision by appraisers to maintain data quality.

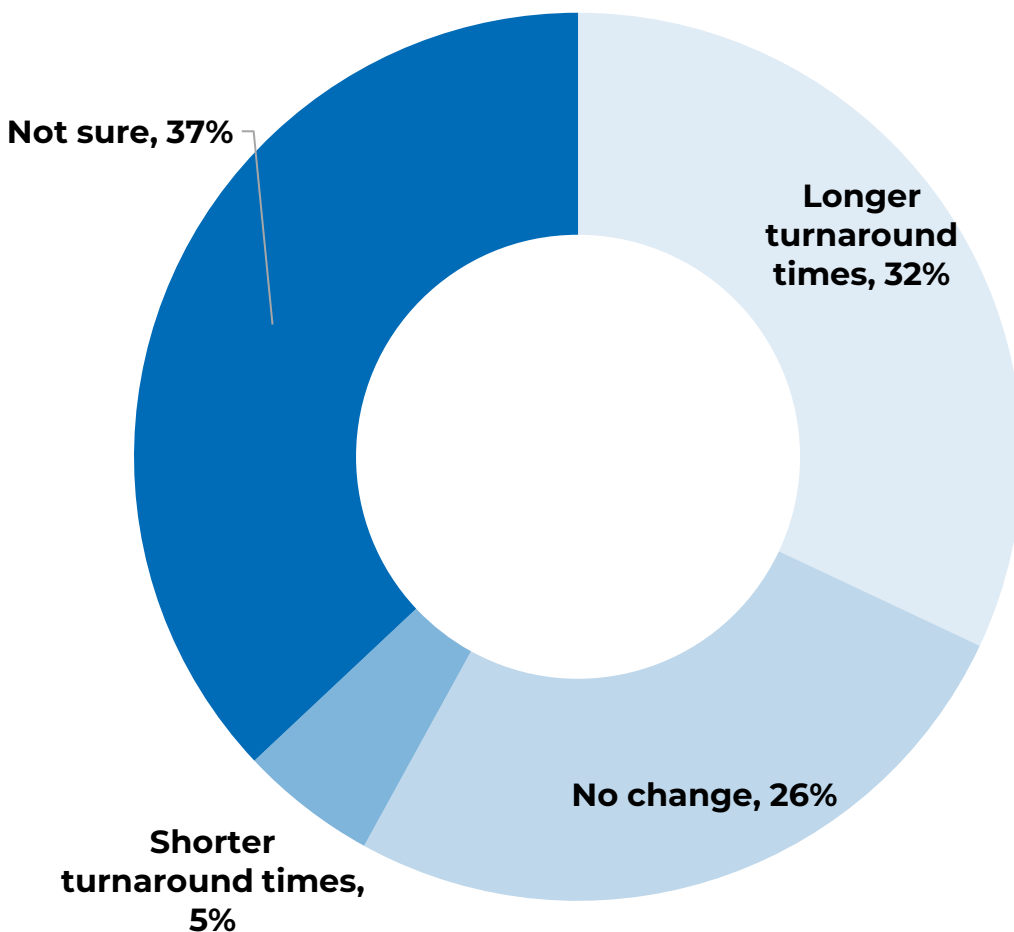
## Measures to Ensure Accuracy and Reliability



# Appraisal Turnaround Time

- Thirty-two percent of participants observed longer turnaround times for appraisals since the involvement of data collectors in property data collection. Meanwhile, 26% reported no change in turnaround times, and a smaller percentage of 5% noticed shorter turn times.

## Turnaround Time Using Data Collectors

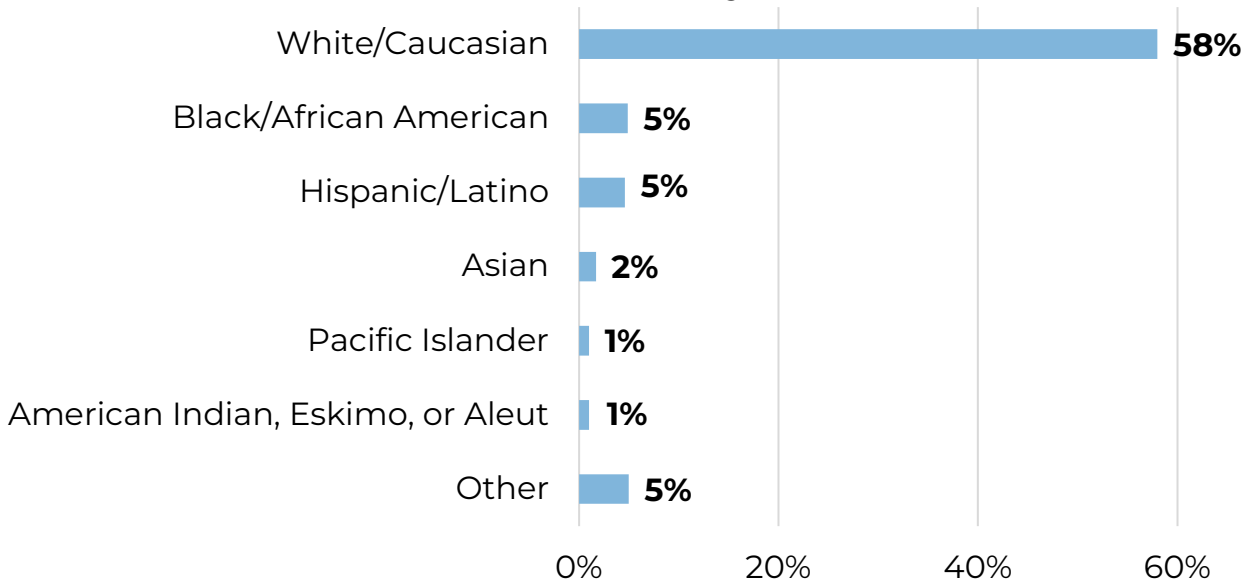


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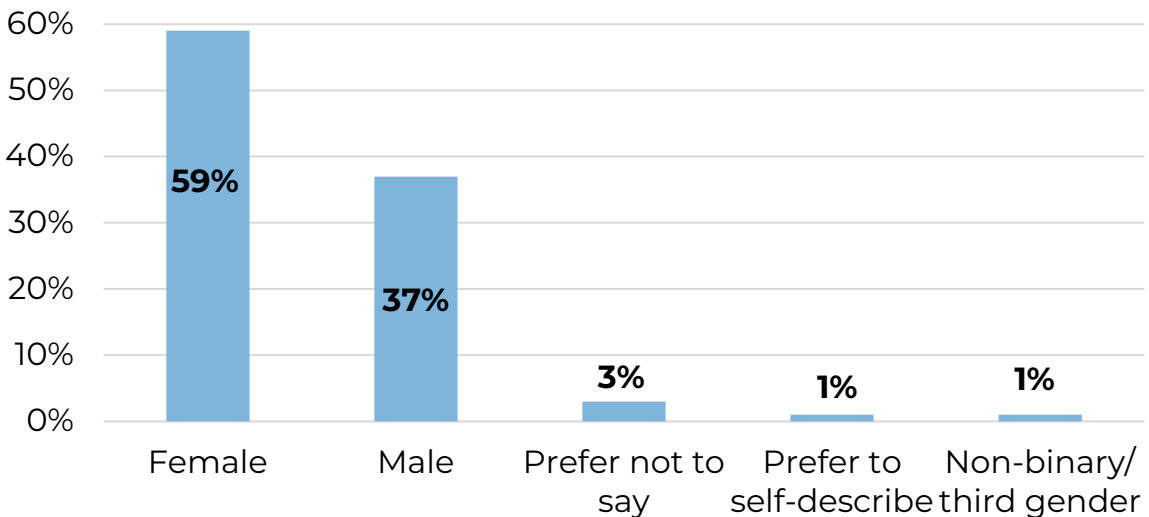
# Demographics

- The survey results indicate that 58% of respondents identified as White/Caucasian, 5% as Black/African American, 5% as Hispanic/Latino, and 2% as Asian.
- Fifty-nine percent of respondents identified as female, 37% as male, and 1% as non-binary/third gender when asked about their gender.

## Race/Ethnicity

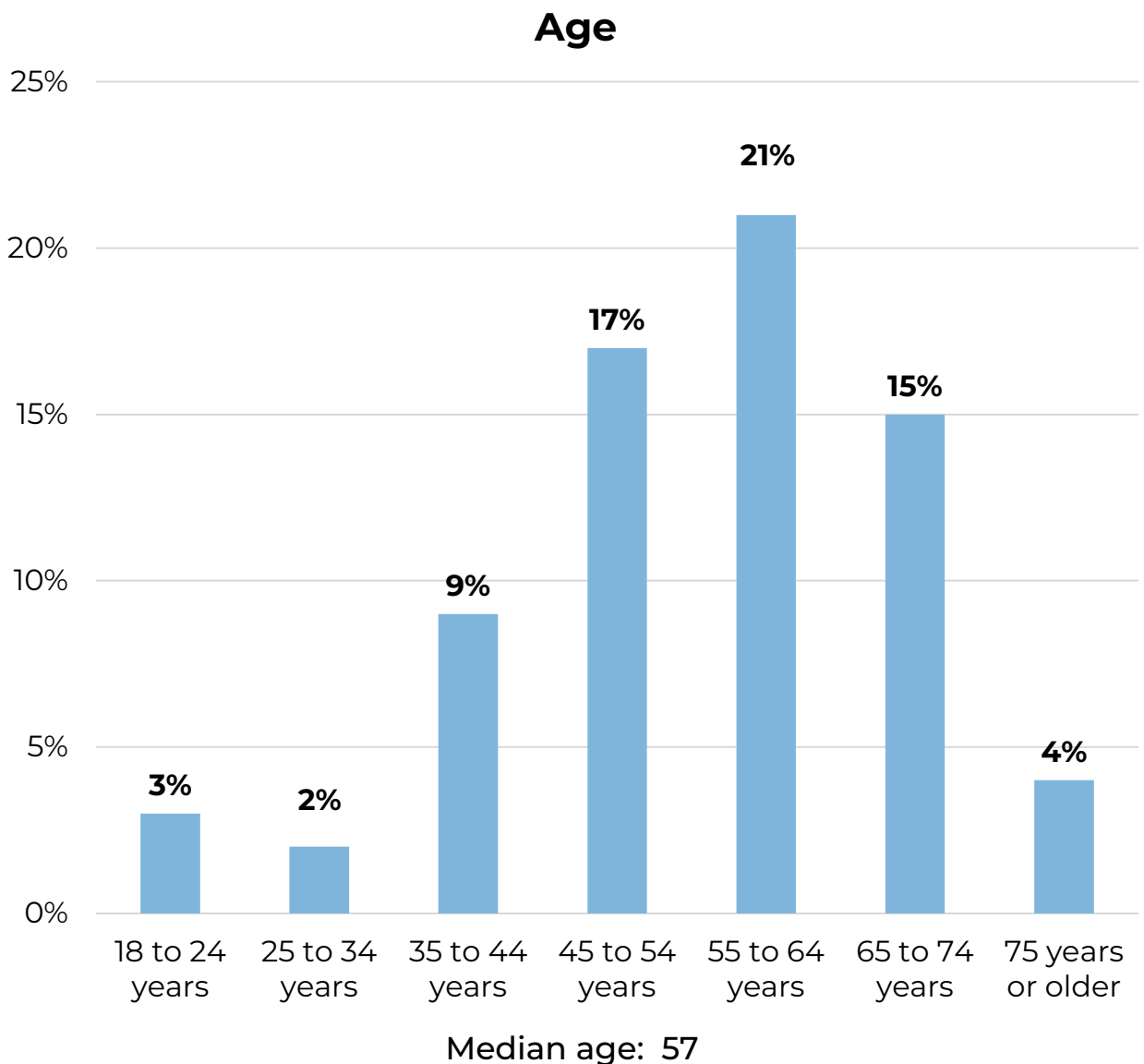


## Gender



# Demographics

- The survey provides insights into the age demographics of real estate professionals. Specifically, 17% of respondents belong to the 45 to 54 years age group, while 21% fall into the 55 to 64 years category.
- Additionally, 15% of participants are between the ages of 65 to 74 years. The data showcases a diverse distribution of real estate professionals across different age brackets.



# Methodology

In March 2023, NAR invited a random sample of 50,000 active REALTORS® to fill out an online survey. A total of 3,164 useable responses were received for an overall response rate of 6.3 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 1.74percent.

The primary measure of central tendency used throughout this report is the median – the middle point in the distribution of responses to a particular question or, equivalently, the point at which half of the responses are above and below a particular value.



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Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

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