



THE APPEAL OF THE APPRAISAL PROFESSION



A Candidate's perspective

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Introduction

Real estate is one of the largest asset classes in the world, yet its value is not always obvious. Markets operate on limited information and subjective assessments. Appraisers bridge this gap by providing analysis that facilitates informed decision-making. As the real estate industry continues to expand, the demand for objective, well-trained professionals has never been greater.

I began my candidacy in 2022 and am nearing my AACI designation. Reflecting on the process, I want to share what motivated me to pursue a career as an appraiser.

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The appraisal perspective

Real estate markets operate on incomplete information. Developers understand construction costs and feasibility, but may rely on others for market analysis. Lenders are concerned with risk mitigation, but may have less exposure to long-term asset performance. Realtors specialize in transactions, but may have limited operational context. Property managers handle day-to-day operations, but may not be exposed to transactions or development.

All of these factors affect market value, and it is an appraiser's responsibility to understand and reconcile how they come together to affect market decisions. Because of this, appraisers have access to more information than others typically would regarding financial performance, broader market perspectives, risk considerations – and most importantly – what value means in real estate.

The career dynamic

The real estate industry offers a variety of career paths, including working as a realtor, developer, lender, or investor. However, the role of an appraiser is distinct. As an appraiser, you are not confined to a specific area; your expertise is applicable across the different areas of real estate, including investment analysis, portfolio management, and strategic decision-making.

The word 'appraiser' implies we focus solely on value; however, we also work in many areas within real estate. We provide expertise in areas such as conservation easements, hotels, natural resources, litigation, development, portfolio valuation, and feasibility studies. This variety allows appraisers to be involved in different aspects of real estate, from commercial and residential to specialized property types.

Another benefit of being an appraiser is the willingness of professionals to share their knowledge. Past and present colleagues, as well as 'competitors,' have eagerly shared their knowledge and opinions. If you want to learn, all you need to do is ask. With a clear path in mind, there are few barriers to pursuing it.

The demand for appraisers

While the real estate industry continues to grow, the number of appraisers has seen a modest decline. According to the 2023-2024 AIC Annual Update, compared with 2015-2016, there are 55 fewer AACIs and 14 fewer CRAs.

With a growing real estate industry and fewer appraisers, established professionals are focused on their work, leaving a gap in volunteer roles. This provides a unique opportunity for new appraisers to become more involved, whether through local chapters, direct engagement with the Appraisal Institute of Canada, or contributing in ways that would normally be unavailable to those earlier in their careers. It's a chance to build connections and gain experience in the industry.

There are also many appraisers who are retiring, with nobody to replace them. Because of this, clients and colleagues are often more willing to work with new appraisers in order to fill the gap. These assignments tend to be specialized and are often more interesting than standard appraisals. Developing these skills boosts your credibility.

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The designation

The amount of study and preparation required, paired with real-world experience, led me to repeatedly revisit core concepts and challenge how they apply in different contexts. This process prompted me to ask many questions and read extensively, giving me a perspective that I would not have gained otherwise.

In appraisal, we have a formalized perspective on value that has evolved over a century, dating back to the early 1900s when land economists began formalizing modern land economics. Many of these economists laid the foundation for our profession – conducting valuations and studies that shaped the methods we use today.

An appraisal designation is a mark of expertise, earned through rigorous study and practical application, grounded in a tradition that dates back to the early

land economists who shaped real estate valuation. This sets appraisers apart as the foremost real estate analysts.

The appeal

I was drawn to appraisal because it offers more than just technical skills – it offers perspective. Unlike other real estate professions, appraisal is not about selling, financing, or managing assets; it is about understanding them. That understanding develops over time and is shaped by experience and the people willing to share what they have learned.

In the short time I have been in this career, I have had the opportunity to speak with a variety of professionals and contribute to many interesting projects. It is the top of the field which allows you to pursue any path in real estate. That makes it appealing. 📌