



The Appraisal **FOUNDATION**

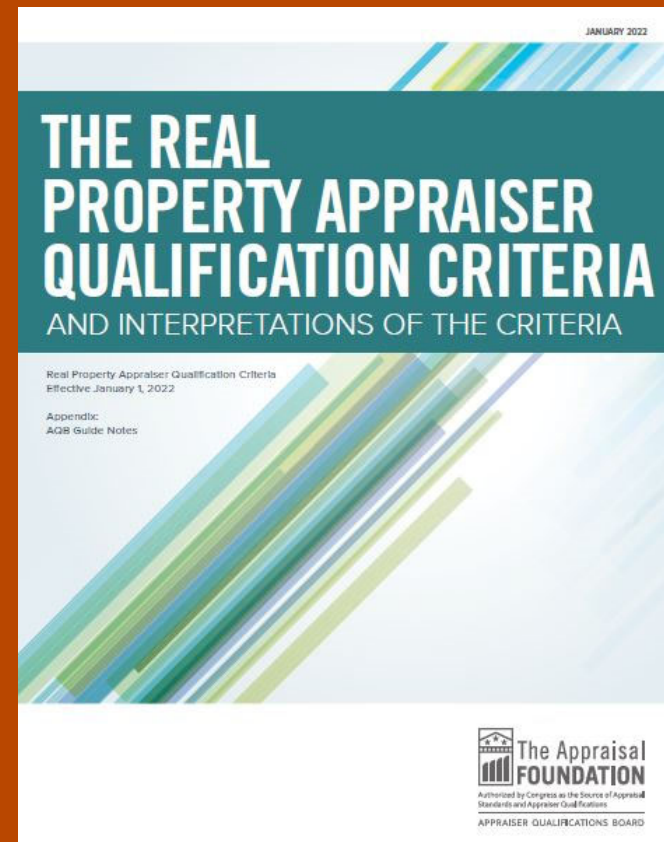
Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications

Practical Applications of Real Estate Appraisal (PAREA) May 9, 2023

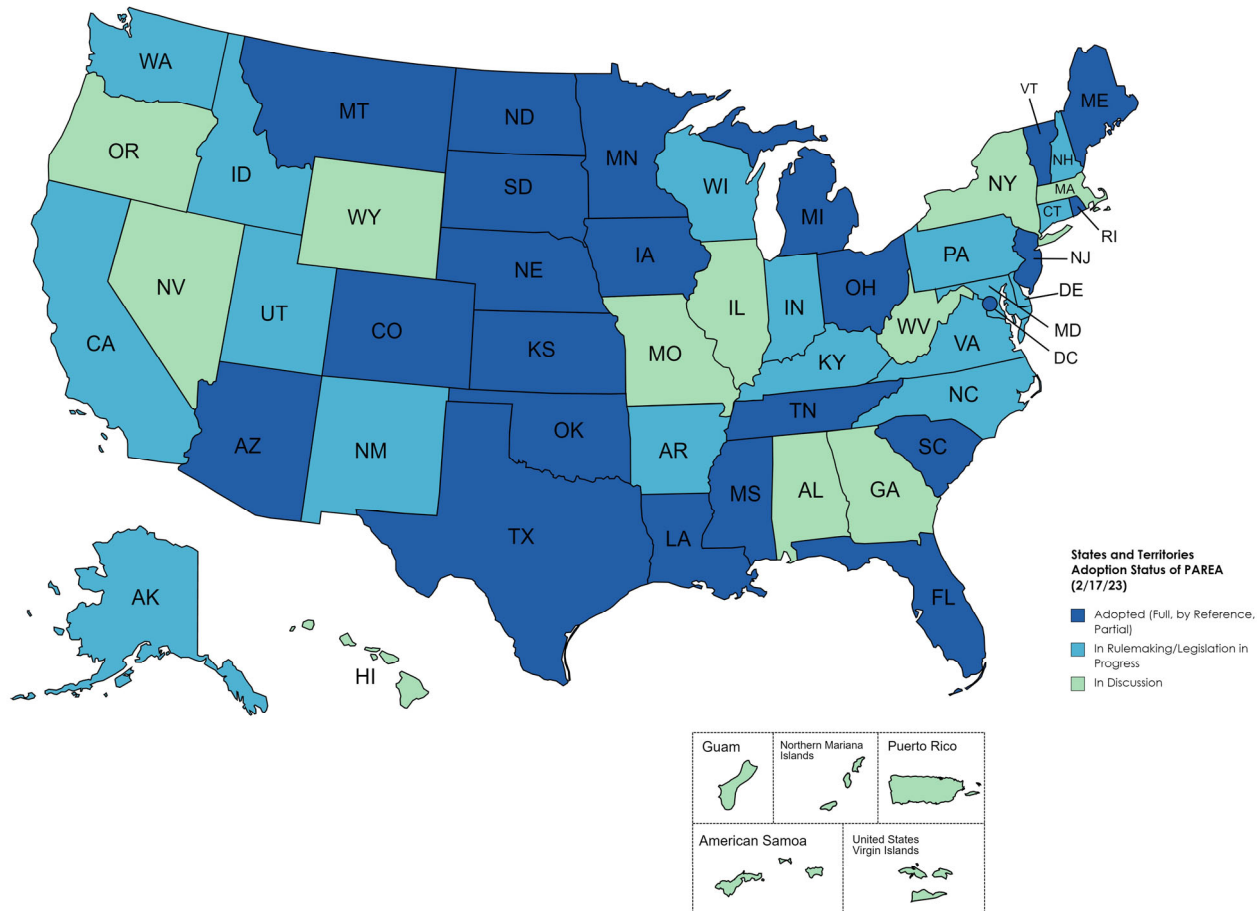
Updates on PAREA:

- Nine concept reviews submitted to date
- Eight providers are actively working on developing PAREA programs. Three have publicly announced their development of PAREA:
 - Appraisal Institute hopes to launch by September 2023
 - OPTEON is actively developing their PAREA
 - McKissock hopes to launch in 2024
- 3,000 interested in PAREA

Frequently asked questions from state regulators



How many states have adopted PAREA?



How much experience can be gained by PAREA?

Certification Type	Education	Experience	Exam
Licensed Residential	150 hours	1000 hours under a Supervisor in 6 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified Residential	200 hours	1500 Hours under a Supervisor in 12 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified General	300 hours	3000 Hours under a Supervisor in 18 months OR PAREA can replace up to 50% of the required experience hours	Yes

How do I know that a PAREA Program will be high-quality without seeing it?

- Providers must follow the *Criteria*, *PAREA Implementation Policies*, and be sure they meet the PAREA Minimum Content Requirements for *Licensed Residential* and/or *Certified Residential* Classifications.
- The AQB will personally be reviewing each program to ensure that minimum standards are met.

Do states need to approve PAREA programs themselves?

- The AQB will approve PAREA programs, but it is up to each individual state to adopt PAREA as an alternative pathway, and to accept the AQB's approval of PAREA programs.
- AQB ensures approved PAREA programs:
 - Include PAREA section of the *Criteria*
 - Present a comprehensive demo of the program to the AQB
 - Follow the *PAREA Implementation Policies*
 - Meet the PAREA Minimum Content Requirements for *Licensed Residential* and/or *Certified Residential* Classifications.

Do Mentors need to be licensed in individual states?

- No. There is not a geographical competency requirement within PAREA, so Mentors do not need to be licensed in the states where they are mentoring participants.

How will the PAREA program benefit states?

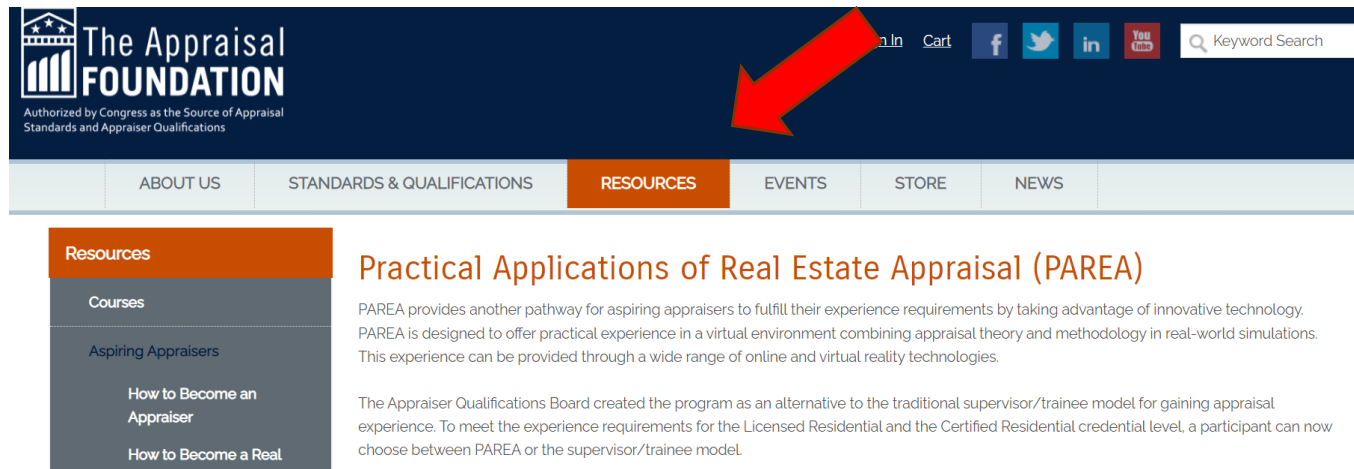
- Having participants go through a structured, AQB-approved program assures consistent and accurate training (something that is not always the result of some individual supervisor/trainee arrangements).
- With a state's full acceptance of PAREA experience, the need to review appraisal logs and appraisal work samples could be eliminated.
- Ensures the participant has experience writing USPAP compliant appraisal reports.
- Ensures the reports the participants demonstrate their own work product skills, rather than their supervisors.

How will the PAREA program benefit states?

- Participants are required to demonstrate mastery of each topic area before moving forward in the program. Thus, the emphasis is proficiency, not hours.
- PAREA will provide the participant opportunities to apply the complete appraisal process in the development of an appraisal report.
- The program is specifically designed to NOT provide competency for all types of specific appraisal problems. This is true of the existing licensing system today. As receiving an appraisal credential does not make one competent to perform all types of assignments. Just as it is now, all credentialed appraisers can gain competency before completing assignments, but they do not have to demonstrate competency before they are issued a credential.

Stay Informed

- Extensive information available on our PAREA webpage:



The screenshot shows the website header for The Appraisal Foundation, which is authorized by Congress as the source of appraisal standards and appraiser qualifications. The navigation menu includes links for ABOUT US, STANDARDS & QUALIFICATIONS, RESOURCES (highlighted with a red arrow), EVENTS, STORE, and NEWS. A search bar is also present. The main content area features a sidebar with a 'Resources' dropdown menu containing 'Courses', 'Aspiring Appraisers', 'How to Become an Appraiser', and 'How to Become a Real...'. The main text area is titled 'Practical Applications of Real Estate Appraisal (PAREA)' and describes the program as a pathway for aspiring appraisers to fulfill their experience requirements through innovative technology in a virtual environment. It also notes that the program was created as an alternative to the traditional supervisor/trainee model for gaining appraisal experience.

- Sign up for PAREA updates

Questions?

The Foundation is here to help you with any questions you have or to provide you with the materials you need to fully understand PAREA:

Aida Dedajic
aida@appraisalfoundation.org
(202) 624-3058



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Practical Applications of Real Estate Appraisal (PAREA)



Market Snapshot

Profile of the Profession



96.5%
are white



70%
are male



83%
are 51-65

20%
are over 65



49%
are sole
proprietors

The overall appraisal profession is flat year-over-year,

but the breakdown indicates opportunity:

- 104k licenses granted in 2022 (1% growth)
- Licensed appraisers (licensed, residential, general) down in 2022 by 1% (92,627)
- Trainee growth tells a different story; **the number of trainees has grown 57% between 2018 and 2022**

Licenses	2/2018	2/2019	2/2020	2/2021	2/2022
Trainees	7,136	8,129	8,775	9,726	11,212
Growth		14%	8%	11%	15%

57%!



McKissock's PAREA Solution



A PAREA Provider must:

- Obtain AQB approval prior to offering the program
- Verify the participant qualifies for PAREA; confirm the participant has completed the mandatory QE course requirements and meet any other jurisdictional requirements
- Provide a customer service mechanism for program participants and those considering the program
- Provide and manage mentors as well as ensure quality instruction and mentoring
- Have sufficient technical assistance and mentors available to ensure each participant's experience is robust and meaningful
- Ensure that the participant successfully completes all modules and PAREA requirements before issuing a completion certificate

McKissock's PAREA Solution

Our vision for PAREA combines our expertise, rich content library, and stable of esteemed appraisers to create a dynamic, interactive experience. We will also be able to leverage our relationships with AMCs, appraisal firms, and appraisal organizations to extend our reach and provide access to best-in-class appraisal technology for our students.

McKissock's PAREA solution will feature:

- Mastery-based training scenarios that participants will be able to use in preparation for completing real-life appraisal assignments.
- Myriad training techniques, including videos, assessments, simulated activities, appraisal software exercises, and directed virtual learning exercises.
- Ongoing one-on-one training and feedback virtual sessions with a mentor.
- Performance-based assessments for measuring mastery of complex assignments.
- Hands-on experience using appraisal software and technology.
- Mentor-graded appraisal reports based on a double-blind review to minimize subjectivity and demonstrate rigor (three is the minimum required to pass the program).
- It mimics real-life scenarios through modules, simulations, appraisal software, and technology sandboxes, which offer practical experience virtually.
- It aims to expose students to a variety of property types, markets, and appraisal technology.



Resources

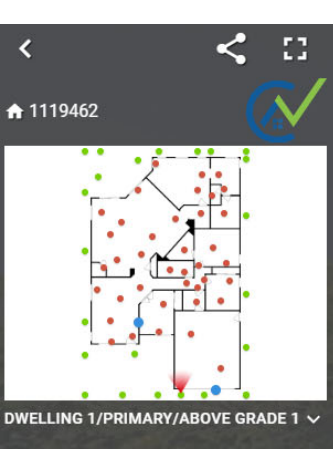
What will we use to build PAREA?





Technology

Learning Experience Platform (LXP), simulation experience tool, mentor dashboard, integration with participant and mentor interaction, etc.



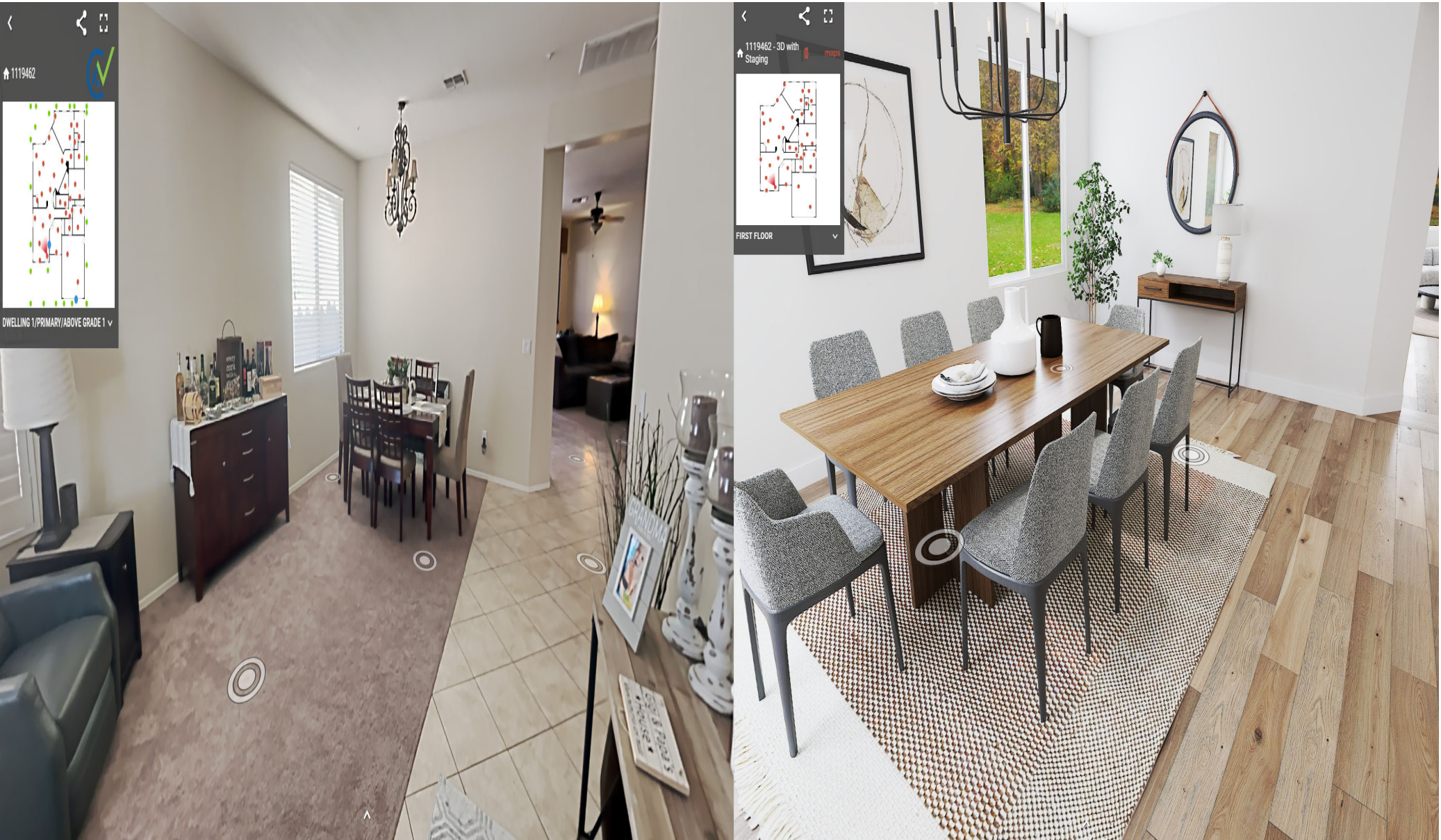
Simulations:

- Property Walk-Through Technology
 - Exterior Views
 - Interior Views
 - Special Situation/Condition View

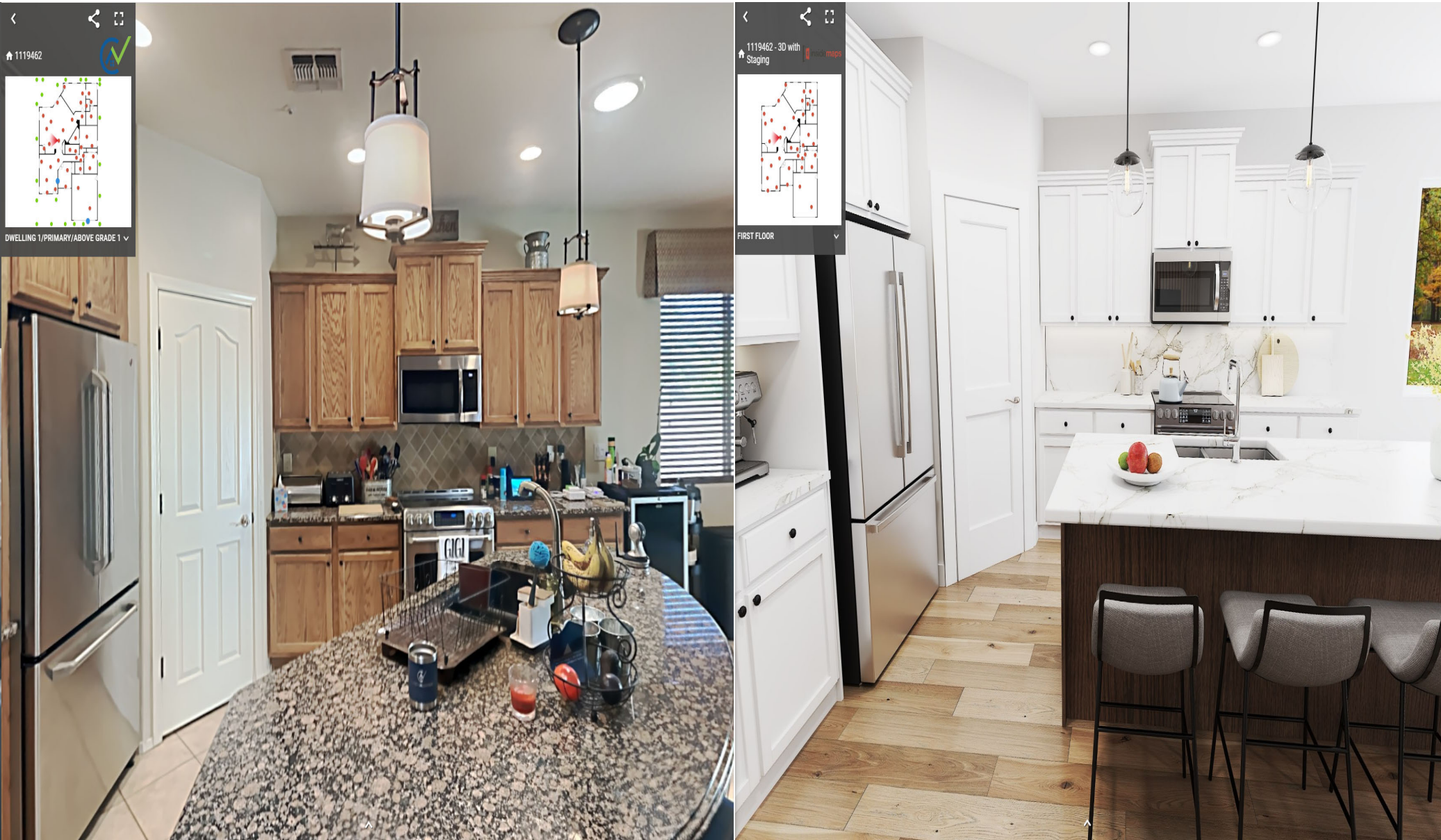
Property Inspection



Changing the property



Changing the property



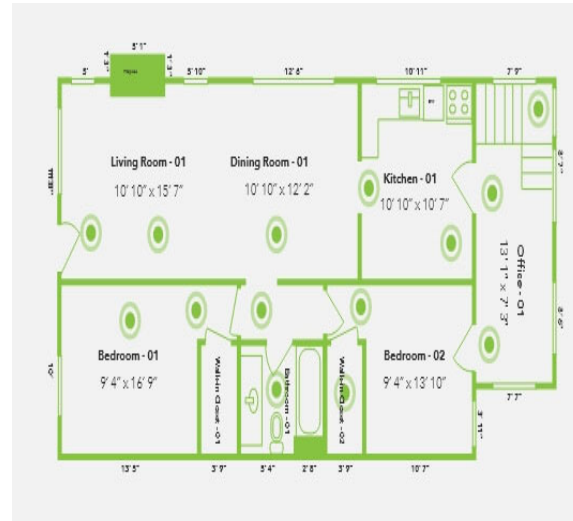
Changing the property



Property Inspection

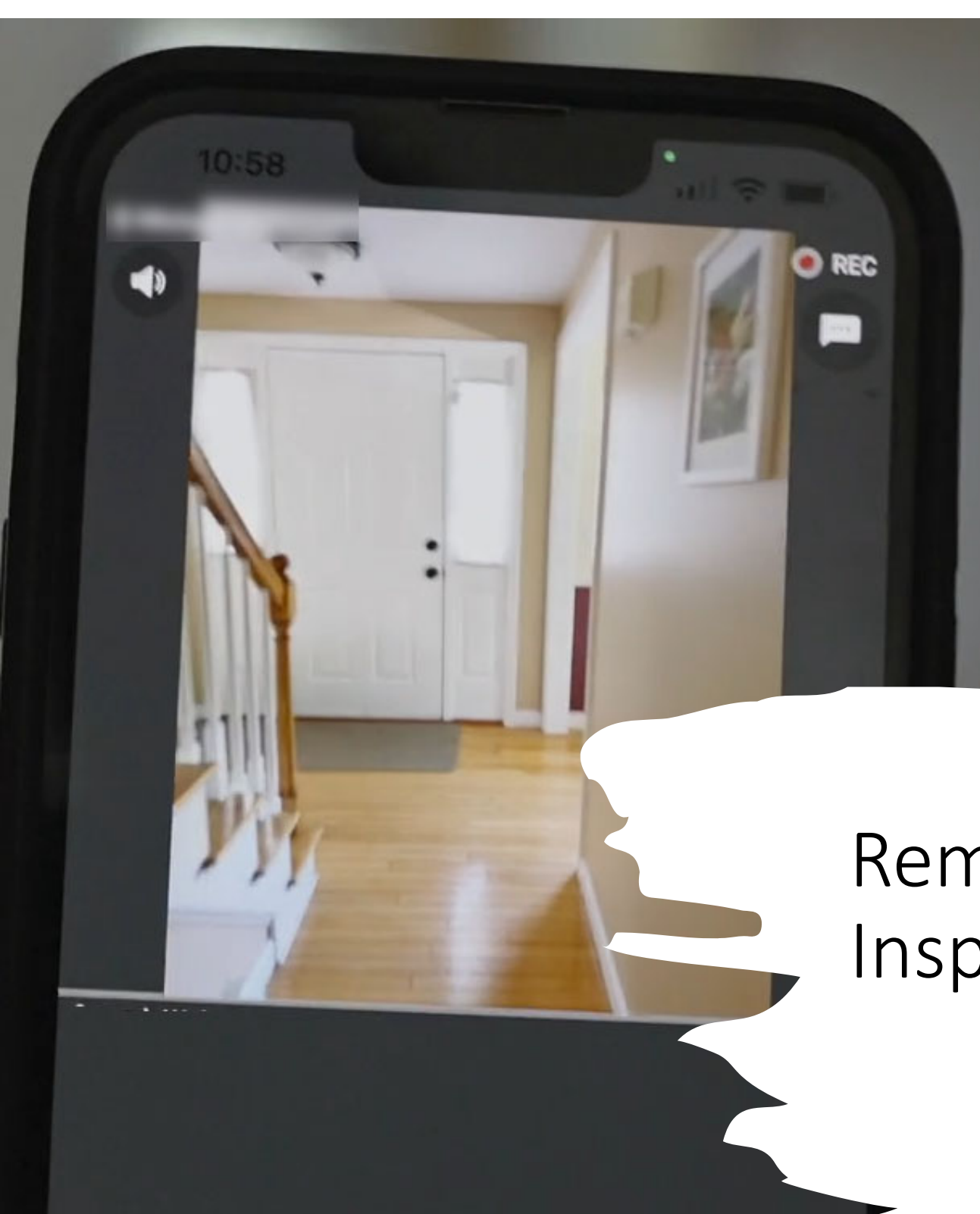


Simulations:



- Property inspection & 3D scanning
- Immersive virtual tours
- Data & details from every angle
- To-the-centimeter floor plans
- Advanced 3D models
- Ability to create scenarios that appraisers may not see in their typical training
 - Location
 - Condition
 - Obsolescence






Remote Property Inspection

Property Database

Order ID
AARO
901 GUSTANE DR
SAINT CHARLES, MO 63301, U
GLA
1,026
LotSize (sqft)
11,247
Beds
3
Baths
1
Last Sale
\$195,000 (01-26-2023)
Sales Comparison Value
--

GET SHAREABLE LINK
DOWNLOADS ▾

901 GUSTANE DR
SAINT CHARLES, MO 63301, USA



Sold

List Price
\$185,000

List Date: 12-14-2022

Sold Price
\$195,000

Sold Date: 01-26-2023

Key Details

Status	Sold	MLS #	22077803
Property Type	Single Family Residence	List Price	\$185,000
Parcel Number (APN)	6-0148-4928-00-0032.0000000	Listing Date	12-14-2022
Rooms Total	6	Sold Date	01-26-2023
Bedrooms	3	Sold Price	\$195,000
Original List Price	\$185,000	Bathrooms Full	1
Bathrooms Half		Stories	1
Architectural Style	Traditional,Ranch	Days On Market	43
Garage YN	Y	MLS Name	MARIS
Living Area	1,026	Price / (SqFt)	\$190
Lot Size(Acres)	0.26	Lot Size (Sq Ft)	11,247
County	St. Charles County	Year Built	1955
Parking Description	Attached Garage	Parking Spaces	

Public Remarks : Showings start 9am saturday december 17.Affordable ranch style home conveniently located close to parks, dining, and shopping! you'll love the convenience of this neighborhood.The open floorplan features a kitchen with new flooring, tile backsplash, gas range and dining area, and a spacious living room.3 bedrooms with an updated bath.Major bonus is an oversized 2 car garage.Relax on the huge deck overlooking the fenced in level yard with a walk out basement ready for your finishing touches.Refrigerator stays.

Property Information

● MLS Data
● Public Record Data
● Mismatch in MLS and Public Record
● User Defined

Property Listing Information					
Listing Date	12-14-2022	List Price	\$185,000	Sold Date	01-26-2023
Sold Price	\$195,000	Status	Sold	MLS Listing Number	22077803
Price / (SqFt)	\$190	Days On Market	43	Listing Type	Sale
Original List Price	\$185,000	Distressed YN	N	Original Listing Date	12-14-2022
Modification Date	01-26-2023	Distress Type		Status Change Date	01-26-2023
MLS Name	MARIS	Pending Date	12-18-2022	Off Market Date	
Originating MLS Name	maris	Concessions		Concessions Amount	\$0
Concessions Comments					

Property Database

McKissack Learning

- Subject Property
- Sales Comparison
- Neighborhood
- Value Reconciliation
- Additional Docs
- Preview

Order ID: AARO 901 GUSTANE DR GLA: 1,026 LotSize (sqft): 11,247 Beds: 3 Baths: 1 Last Sale: \$195,000 (01-26-2023) Sales Comparison Value: --

SAINT CHARLES, MO 63301, U

Refresh Comps

	Low	Median	High
Listings	--	--	--
Sales (27)	\$ 110,000	\$ 210,000	\$ 414,000

Comparables Add Comparable Selected Comparables

0 Selected Filter % Similarity Score Modify search 1 - 25 of 30 comparables

#	Address	Sim.(%)	Status (PubRec)	ListPrice	ListLDT	CloseDt	ClosePrice	Bd	Bt	Bt Deg
S	901 GUSTANE DR SAINT CHARLES, MO 6		Sold	\$ 185,000	12-13-2022	01-25-2023	\$ 195,000	3	1	1
1	726 S 7TH ST SAINT CHARLES, MO 6	87.85	Sold	\$ 219,900	06-14-2022	08-09-2022	\$ 230,000	3	1	1
2	827 WATER ST SAINT CHARLES, MO 6	80.9	Sold	\$ 170,000	04-20-2022	05-25-2022	\$ 200,000	2	1	1
3	1241 CUNNINGH... SAINT CHARLES, MO 6	76.7	Sold	\$ 190,000	01-10-2022	03-14-2022	\$ 210,000	3	2	2
4	800 S 7TH ST SAINT CHARLES, MO 6	76.1	Sold	\$ 215,000	02-23-2022	03-30-2022	\$ 210,000	3	2	2
5	1040 PIKE ST SAINT CHARLES, MO 6	76.1	Sold	\$ 219,900	07-14-2022	09-11-2022	\$ 265,000	3	2	2
6	516 JACKSON ST SAINT CHARLES, MO 6	74.3	Sold (PubRec)	--	--	11-28-2022	--	2	--	
7	1205 CUNNINGH... SAINT CHARLES, MO 6	73.6	Sold	\$ 179,500	01-31-2022	03-20-2022	\$ 161,500	3	1	1
8	536 JACKSON ST SAINT CHARLES, MO 6	70.65	Sold	\$ 239,900	06-14-2022	07-26-2022	\$ 250,000	4	2	1.1
9	1601 TIMBER LAN... SAINT CHARLES, MO 6	70.45	Sold	\$ 187,900	08-09-2022	12-07-2022	\$ 185,000	3	1	1
10	412 BOONE AVE SAINT CHARLES, MO 6	70.25	Sold	\$ 95,000	08-25-2022	09-15-2022	\$ 110,000	2	1	1
11	1022 S 6TH ST SAINT CHARLES, MO 6	69.85	Sold (PubRec)	--	--	04-26-2022	\$ 223,184	3	--	
12	801 S 6TH ST SAINT CHARLES, MO 6	69.35	Sold	\$ 314,900	07-09-2022	08-17-2022	\$ 341,111	3	2	2
13	3 RIDGEVIEW CT SAINT CHARLES, MO 6	66.95	Sold (PubRec)	--	--	01-05-2023	--	2	--	
14	54 WOODLAWN... SAINT CHARLES, MO 6	66.25	Sold	\$ 129,900	12-06-2022	01-12-2023	\$ 126,000	3	1	1
15	61 WOODLAWN... SAINT CHARLES, MO 6	66.25	Sold	\$ 139,900	09-08-2022	09-21-2022	\$ 152,000	3	1	1
16	615 S BENTON A... SAINT CHARLES, MO 6	65.25	Sold	\$ 159,900	07-22-2022	09-21-2022	\$ 160,000	4	2	2
17	524 JACKSON ST SAINT CHARLES, MO 6	65.05	Sold (PubRec)	--	--	11-28-2022	--	3	--	
18	1140 PIKE ST SAINT CHARLES, MO 6	63.95	Sold	\$ 235,000	04-07-2022	10-11-2022	\$ 235,000	3	2	2
19	912 MCDONOU... SAINT CHARLES, MO 6	63.35	Sold	\$ 225,000	11-17-2022	01-22-2023	\$ 210,000	2	1	1
20	907 WATER ST SAINT CHARLES, MO 6	63.35	Sold	\$ 170,000	04-27-2022	05-26-2022	\$ 170,000	2	1	1
21	1041 PERRY ST SAINT CHARLES, MO 6	63.35	Sold	\$ 147,900	01-27-2022	03-08-2022	\$ 170,000	2	1	1

Inventory Analysis

25 first prev 1 2 next last

Testing

The screenshot shows a web application interface for a 'Real Estate Millwork Assessment'. At the top, there is a header bar with a checkmark icon on the left, the title 'Real Estate Millwork Assessment' in the center, and a 'Reload step media' button and a 'Navigation' dropdown menu on the right. Below the header, the main content area is divided into two columns. The left column features the 'McKissock Learning' logo, which includes a green hummingbird icon, and a photograph of a wooden millwork detail. The right column contains the word 'MILLWORK' in large, bold, black capital letters. Below this text are two green buttons: 'Watch Instructional Video' and 'Start Feature Identification Task'. A small circular icon is visible in the bottom right corner of the main content area.

Key Role: McKissock Mentors

- We will use mentors to grade assignments, provide feedback, engage with their PAREA students via Zoom and platform discussions, facilitate group student discussions and discussion forum assignments, ensure the quality of the student's work is appropriate and sufficient
- McKissock will be held accountable by the state in vetting PAREA student work and competency, so ensuring our mentors are qualified and holding students accountable as needed is crucial
- Mentoring pool will be comprised of a stable of current instructors and potential recently accredited appraisal McKissock students (for the training assistant roles)
- We will need a mix of urban, suburban, and rural experiences and geographies
- Two types of mentors:
 - Training assistants/graders on less complex assignments
 - Mentors: experienced appraisers for grading complex assignments, providing feedback to the participant, and reviewing submitted appraisal assignments