

# 2023 Appraisal Survey

National Association of REALTORS®  
Research Group



NATIONAL  
ASSOCIATION OF  
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## 2023 Appraisal Survey

In July 2023, NAR Research conducted a survey of all 9,800 appraiser members and 50,000 randomly-selected residential-focused non-appraiser members.



### Objectives:

- To determine the level of impact of appraisals on the current market and member business in terms of cost, turn-around times, and other challenges;
- To measure member experiences with bias and discrimination in the real estate process in general and in the appraisal process;
- To determine how these issues may have shifted since 2022.

# Methodology Details

## Survey



The survey was sent via email to 50,000 randomly selected residential practitioners who are not appraisers and to all 9,800 appraiser members. Of these, 56,883 were successfully delivered, and 2,174 completed the survey, for a response rate of four percent. Of the total respondents, 388 were appraisers.

## Demographics



Similar to 2022, the typical respondent is a residential (69 percent) sales agent (57 percent) who practices in a suburban market (53 percent). She is a white (80 percent) woman (65 percent) and has 15 years of experience in the field.

## Dates



The survey was deployed on July 17, 2023, and closed on July 31, 2023.

## 3-Step Survey Methodology

### 01 Sample

Successfully delivered to 57,600 members in total.

### 02 Data Collection

Of these, 2,535 completed the survey.

### 03 Reminders

Two email survey reminders were sent to non-responders.

## Analysis

Results were analyzed by appraisers vs. other members. Statistically significant differences are called out throughout the report where noted.

The margin of error for survey results overall is +/-2.10 percent. This margin of error is low enough, and the response rate high enough that results overall can be considered quantitative and reflective of all residential-focused members within this margin of error.

The margin of error for appraiser results is +/-4.88 percent, while the margin of error for non-appraiser results is +/-2.34 percent.

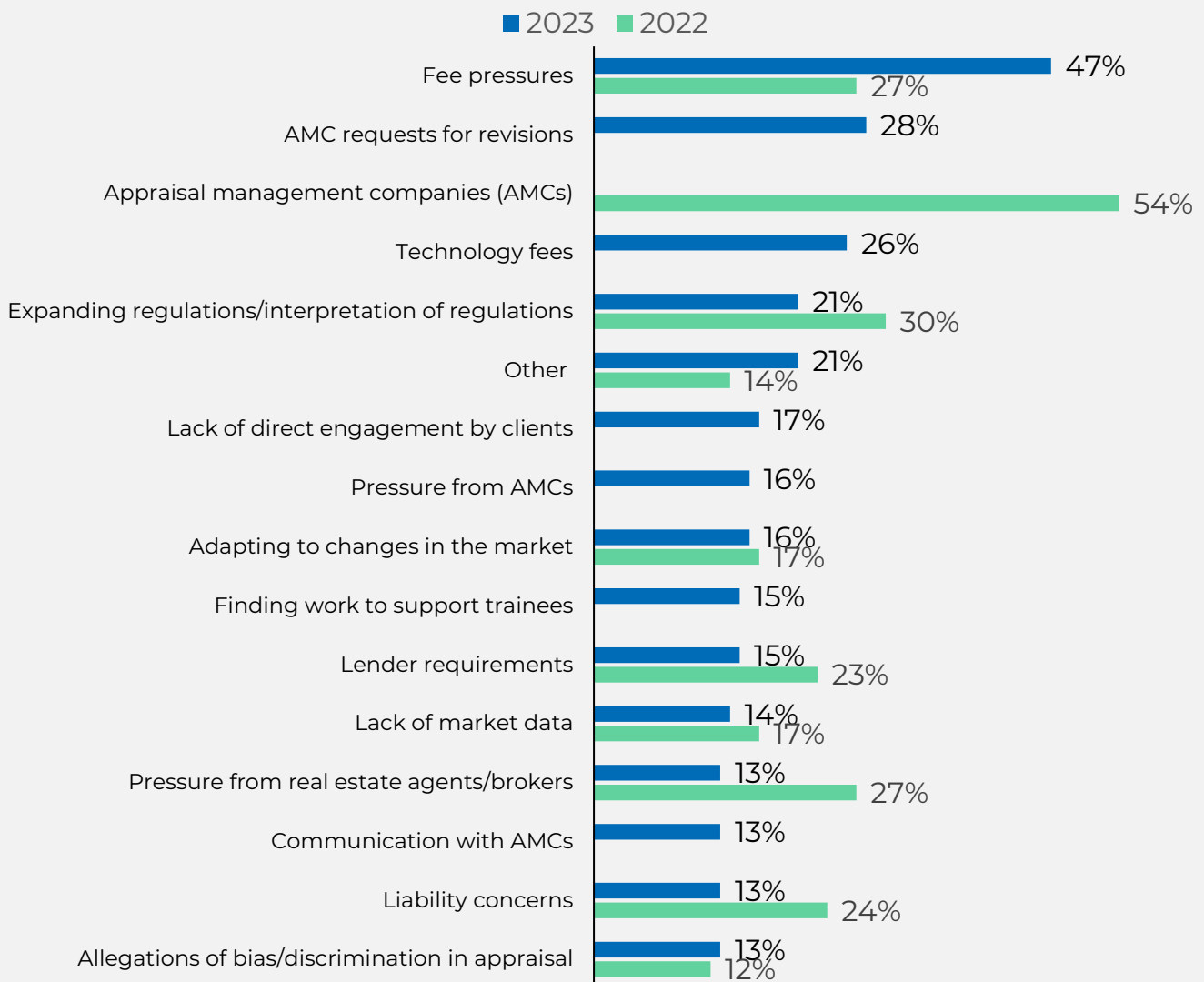
# Survey Results - Appraisers



# Greatest Challenges In Business - Appraisers

In 2022, more than half of appraisers cited Appraisal Management Companies (AMCs) in general among their greatest challenges. This year, this option was broken into three separate AMC-related issues. Forty-four percent cite at least one of these, with 28 percent specifically citing AMC requests for revisions. This year, however, the single greatest challenge, cited by almost half (47 percent), is “fee pressures,” which, based on comments, is also related in many cases to pressure from AMCs. This is up sharply from 27 percent last year. One-quarter (26 percent) cite technology fees (not an option in 2022). Appraisers are less likely this year to cite expanding regulations/interpretations of regulations, lender requirements, pressure from real estate agents/brokers, and liability concerns. The 21 percent who cite other challenges are most likely to cite lack of business/slow market, rising interest rates, low fees, and to reiterate pressure from AMCs.

## IN THE PAST YEAR, WHAT HAVE BEEN THE GREATEST CHALLENGES IN YOUR BUSINESS? PLEASE CHOOSE YOUR TOP FOUR:

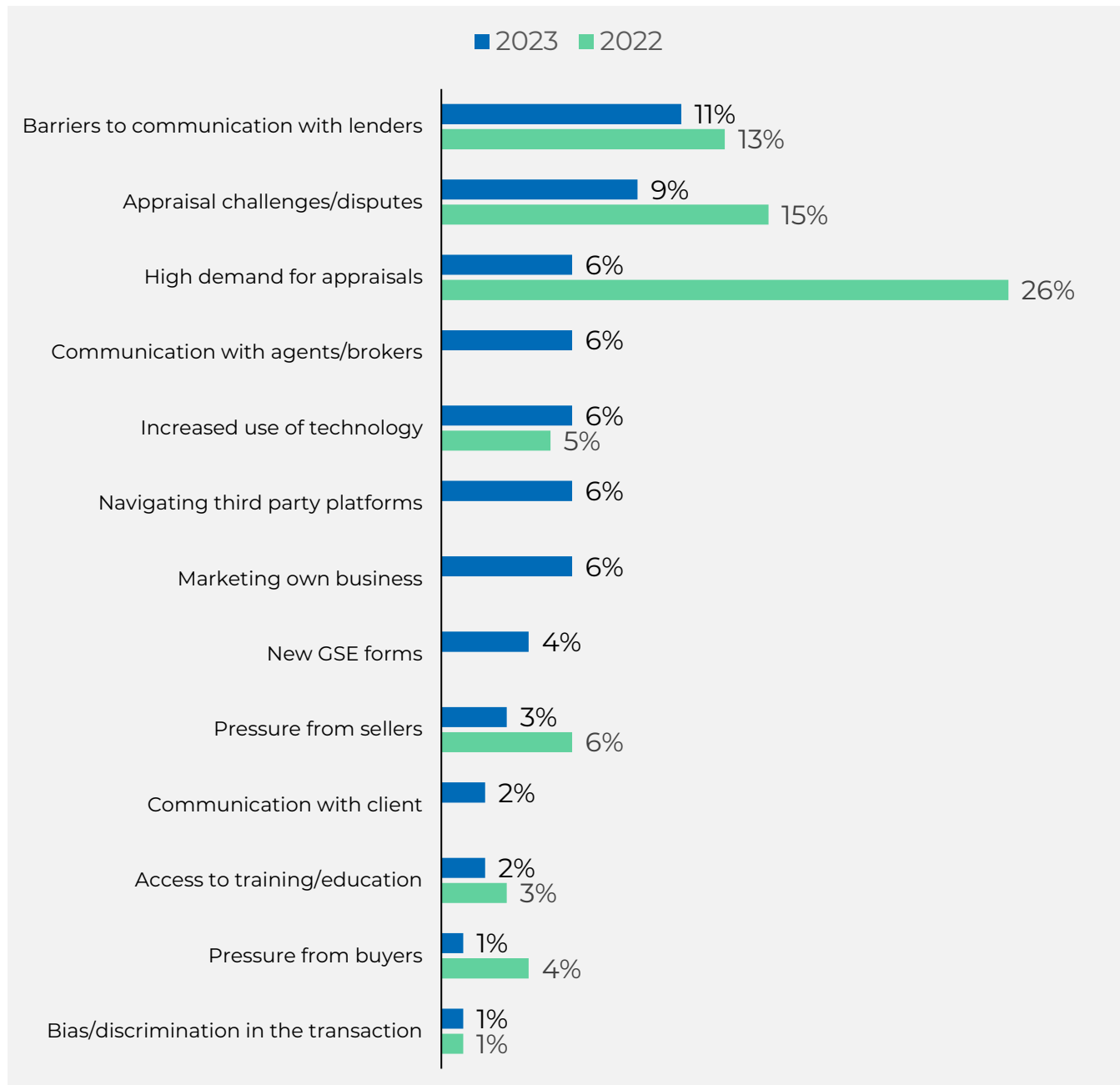


N=388

# Lesser Challenges With Business - Appraisers

Appraisers are much less likely to cite high demand for appraisals this year (six percent, down from 26 percent) and less likely to report appraisal challenges/disputes (nine vs. 15 percent) as challenges. Barriers to communication with lenders are cited by only 11 percent; all other challenges listed below are reported by six percent or less of appraisers.

## IN THE PAST YEAR, WHAT HAVE BEEN THE GREATEST CHALLENGES IN YOUR BUSINESS? PLEASE CHOOSE YOUR TOP FOUR:

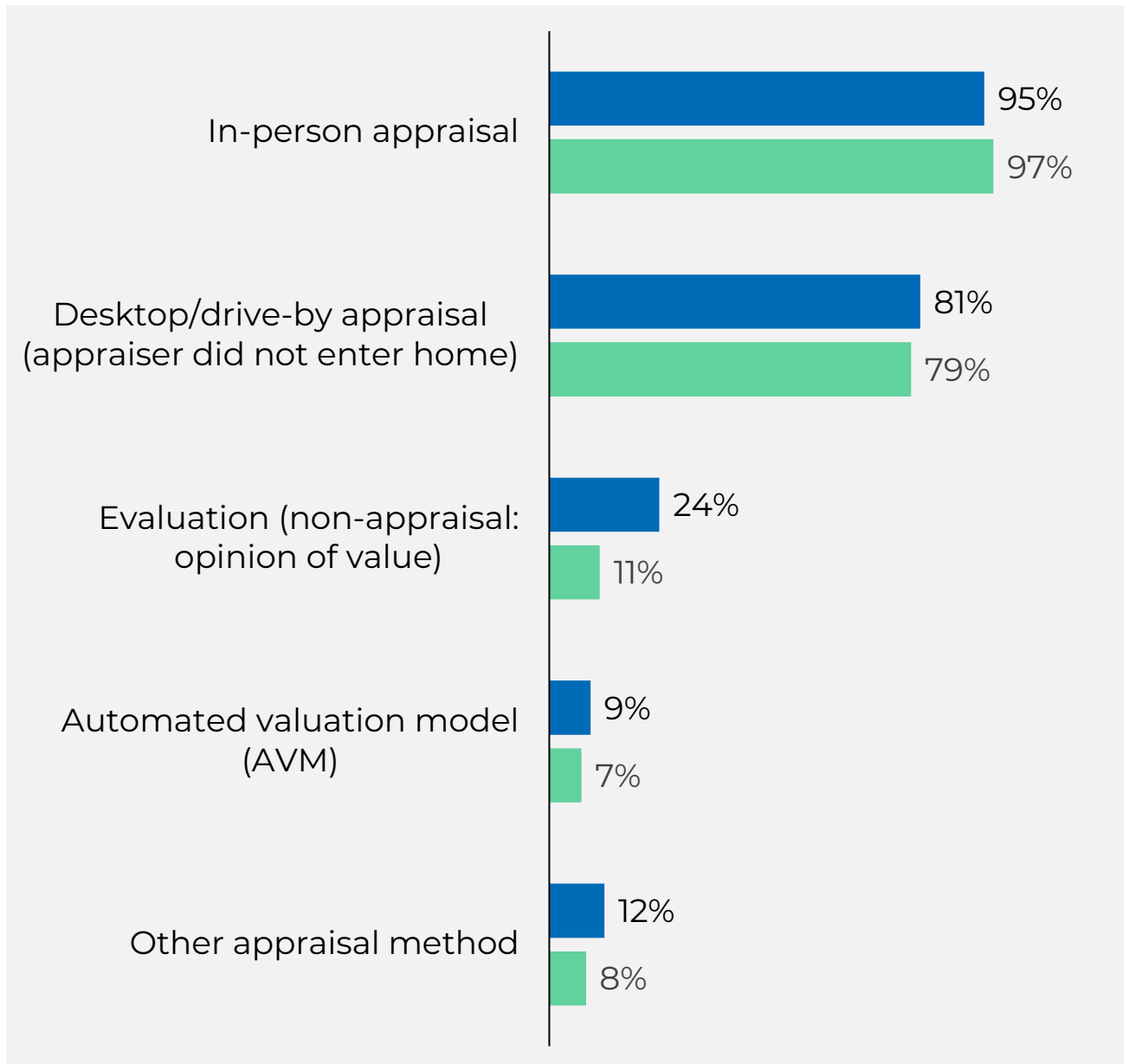


N=388

# Valuations - Appraisers

As in 2022, virtually all appraiser respondents (95 percent) have conducted an in-person appraisal, and 81 percent have done so by desktop/drive-by appraisal. One-quarter (24 percent) cite evaluations (non-appraisal opinions of value), up sharply from 11 percent last year. As in 2022, less than 10 percent cite AVMs. The twelve percent who cite other valuation methods most often explained that they use a hybrid approach or specify “all of the above.”

## HAVE YOU EVER CONDUCTED A VALUATION OF A HOME THROUGH... (SELECT ALL THAT APPLY):



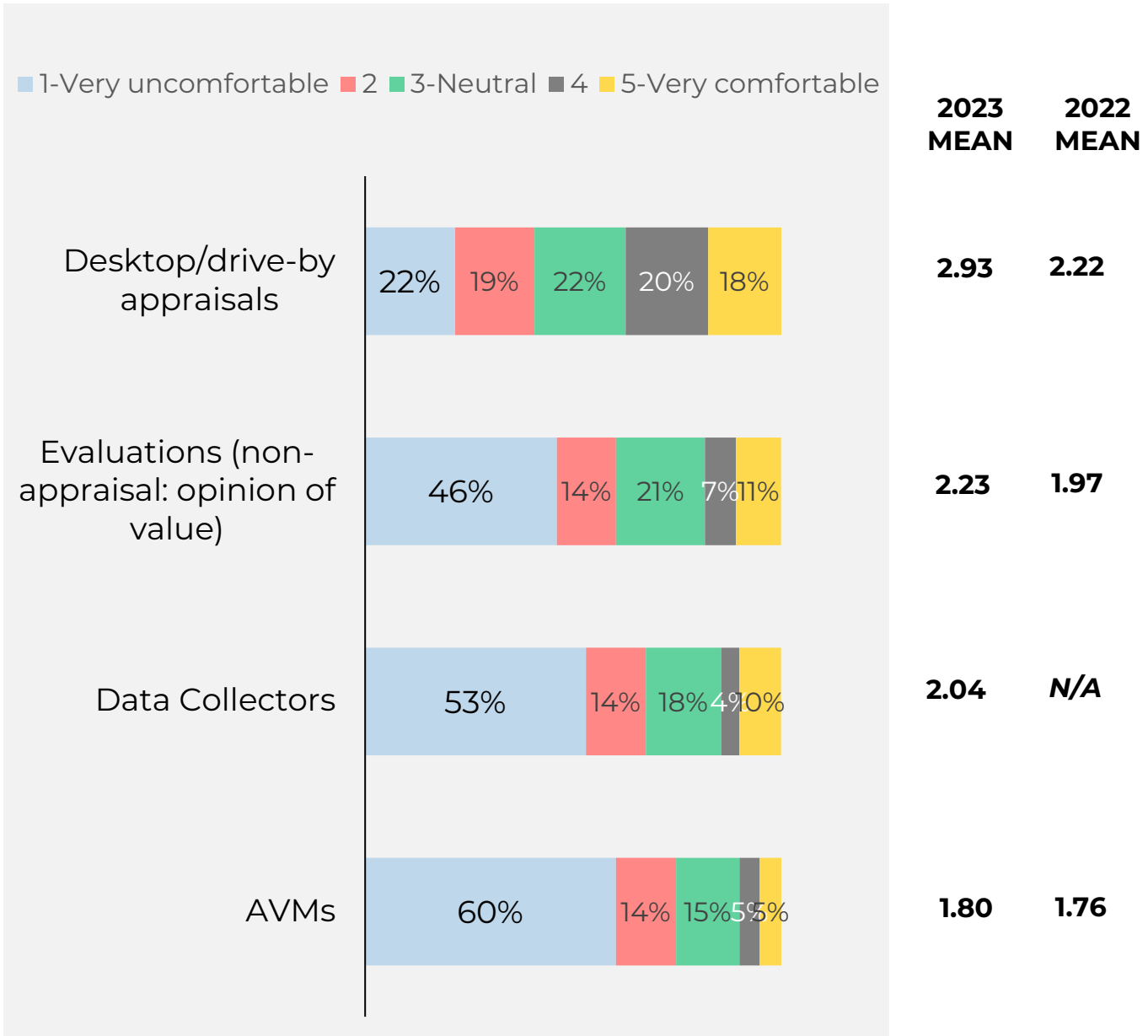
N=388



# Comfort With Valuation Tools - Appraisers

The typical appraiser is neutral about desktop/drive-by appraisals (mean rating closest to three on a five-point scale), a slightly higher comfort level than in 2022. He or she is uncomfortable (rating of two on a five-point scale) with all the other alternative valuation methods tested. This is similar to 2022.

## HOW COMFORTABLE ARE YOU WITH...

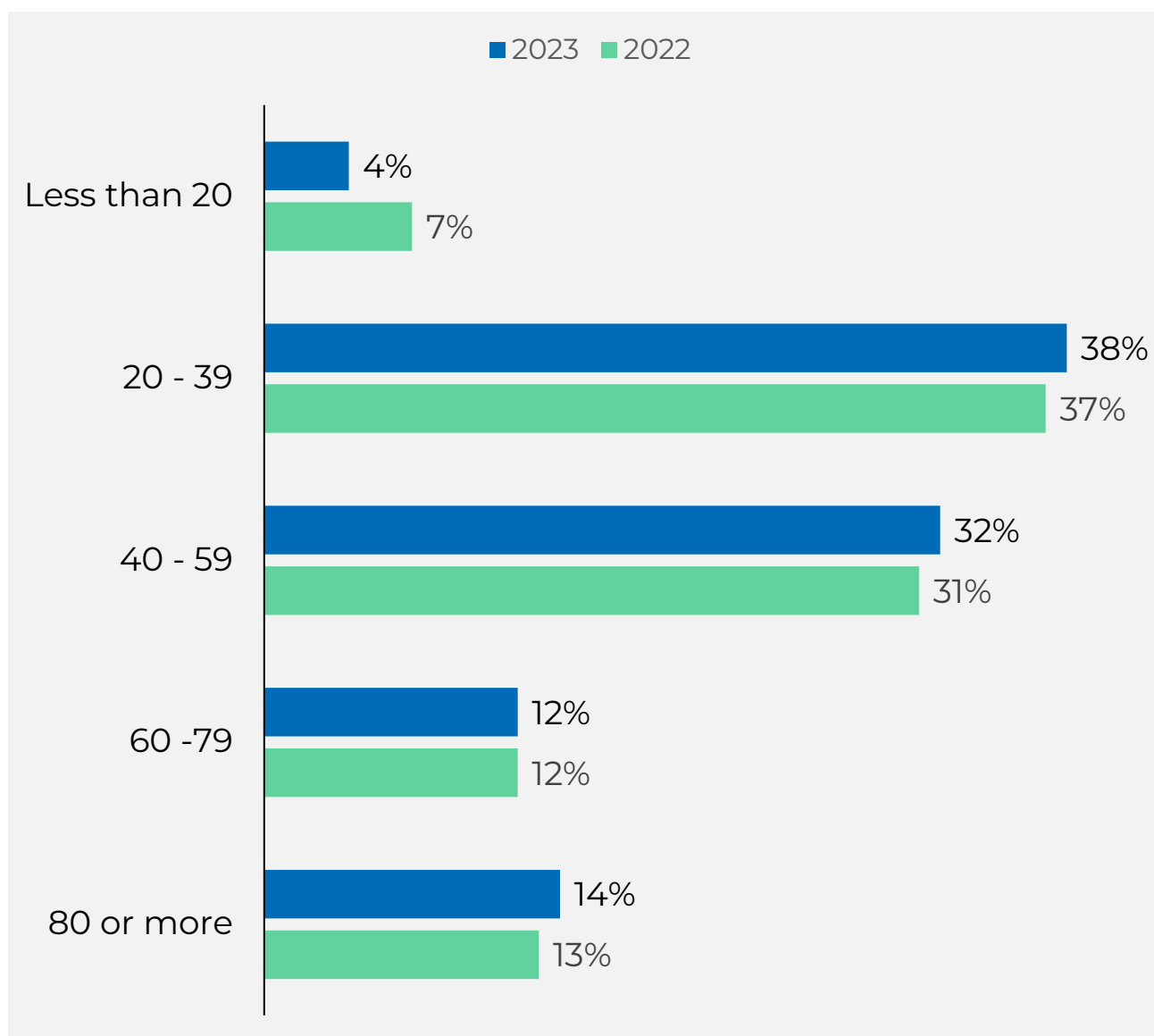


N=388

# Radius in Which Appraisals Are Conducted - Appraisers

The typical appraiser reports a 45-mile radius in which they conduct appraisals, up slightly from 40 miles in 2022. Over one-third (38 percent) cite a 20- to 39-mile radius; 32 percent report 40 – 59 miles.

## HOW FAR IS THE RADIUS IN MILES IN WHICH YOU TYPICALLY CONDUCT APPRAISALS? MEDIAN = 45 MILES

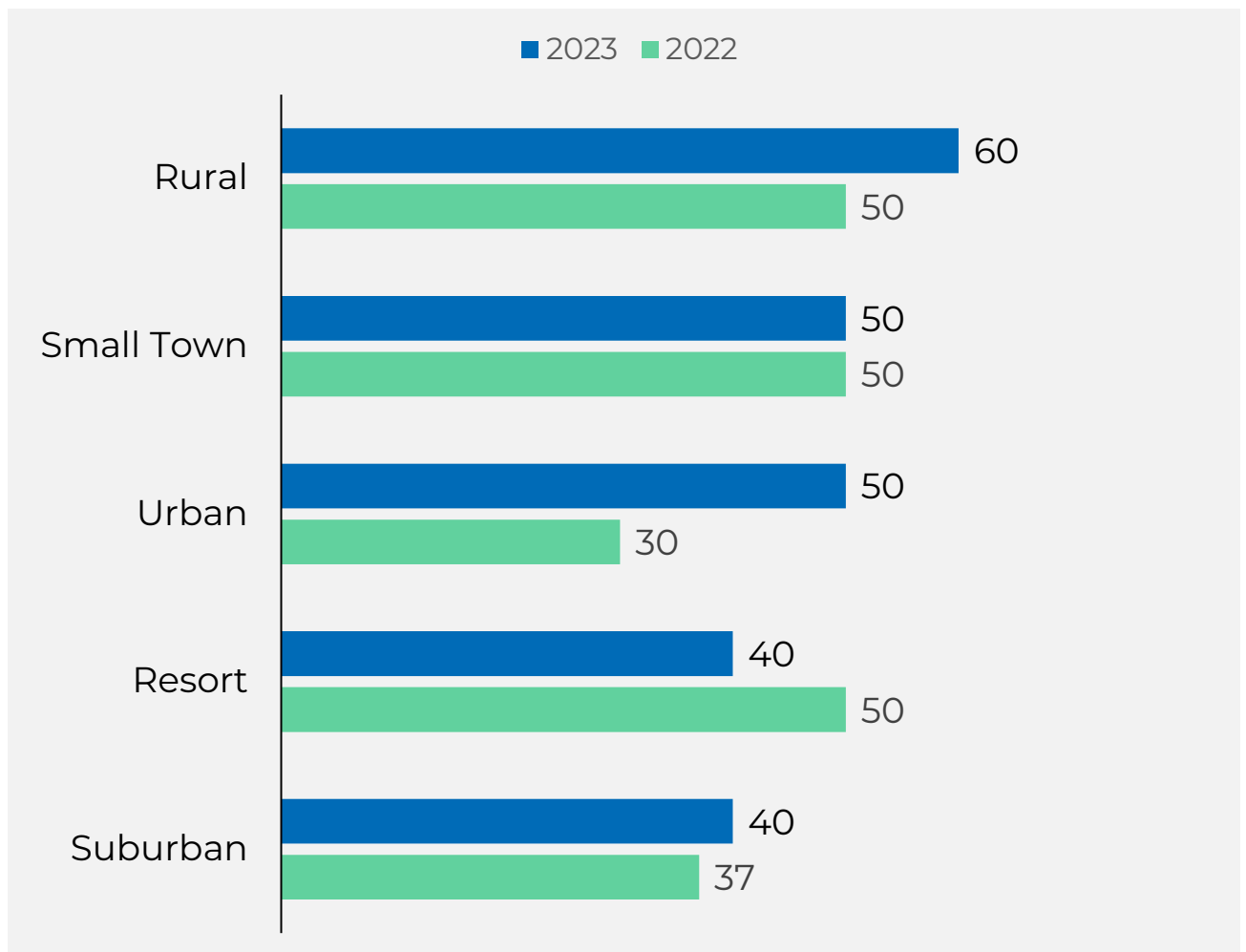


N=388

# Radius By Area Type - Appraisers

Appraisers in rural areas report a radius of 60 miles, up from 50 in 2022. As in 2022, those in small-town areas report a typical radius of 50 miles, while those in resort areas report 40 miles, down from 50 last year. Those in urban areas report 50 miles, up sharply from 30 miles in 2022. Those in suburban areas report 40 miles, similar to 37 miles in 2022. Sixty-two percent practice primarily in suburban areas.

## MEDIAN RADIUS IN WHICH APPRAISALS ARE CONDUCTED BY AREA TYPE (IN MILES)

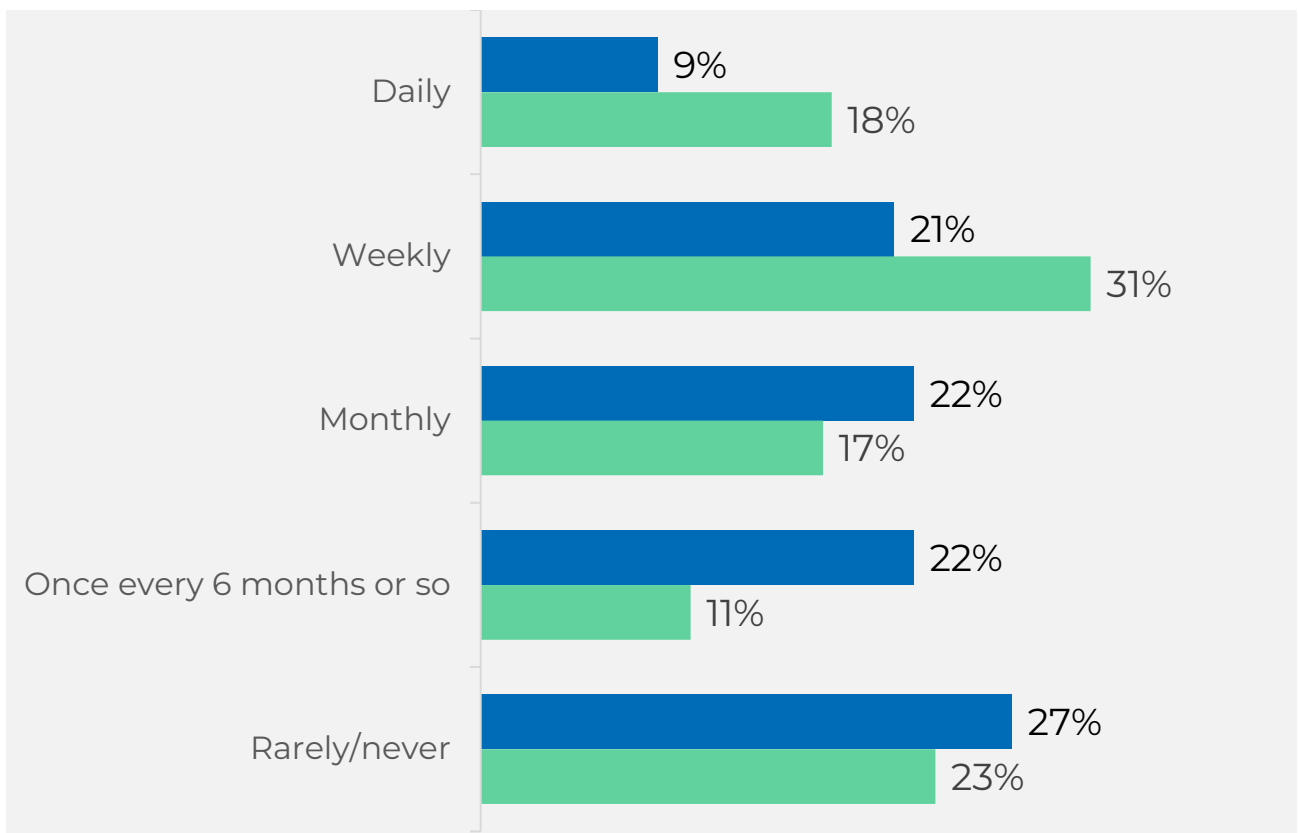


N=388

# How Often Asked to Conduct Appraisals Outside Geographic Area/Property Type of Expertise - Appraisers

Just over half (52 percent) of appraisers are asked monthly or more often to conduct appraisals outside of the geographic area or the property type in which they feel their expertise is. This is down significantly from 67 percent in 2022, but the typical frequency is still monthly or more often. That said, appraisers are twice as likely to report this once every six months or so as in 2022 and are half as likely to say this occurs daily.

## HOW OFTEN ARE YOU ASKED TO CONDUCT APPRAISALS OUTSIDE OF THE GEOGRAPHIC AREA OR THE PROPERTY TYPE YOU FEEL YOUR EXPERTISE IS IN?



N=388

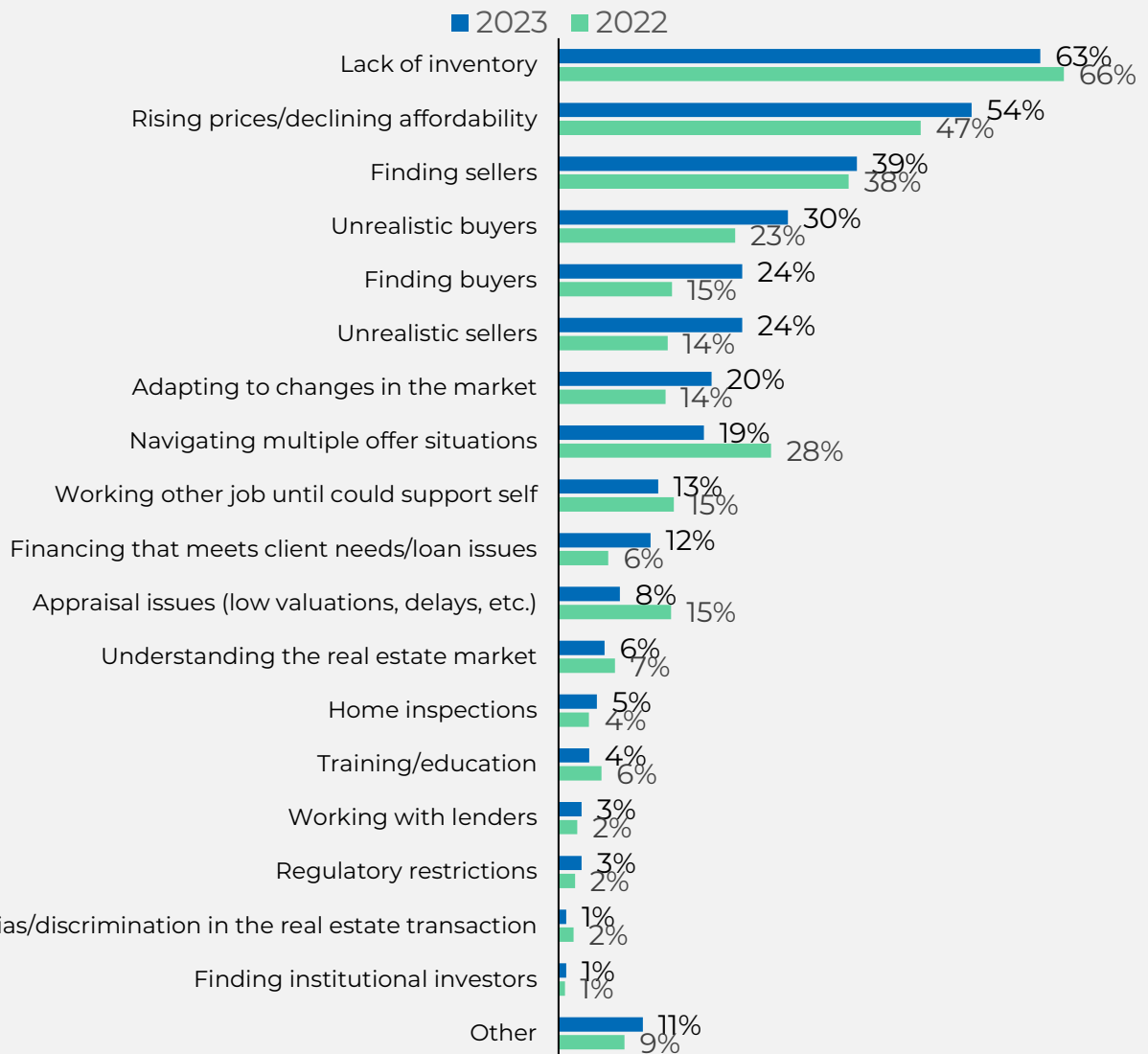
# Survey Results – Other Practitioners (Non-Appraisers)



# Greatest Challenges With Transactions – Non-Appraiser Members

Similar to 2022, 63 percent of non-appraiser members cite a lack of inventory among their greatest challenges. Other top challenges are rising prices/declining affordability (54 percent, up from 47 percent), finding sellers (39 percent, unchanged from 38 percent), and unrealistic buyers (30 percent, up from 23 percent). One quarter (24 percent) this year cite finding buyers and unrealistic sellers, up from 15 and 14 percent last year. Only eight percent cite appraisal issues, down from 15 percent last year. Other issues cited include high interest rates, competing with cash buyers, difficult agents, and finding homeowners insurance.

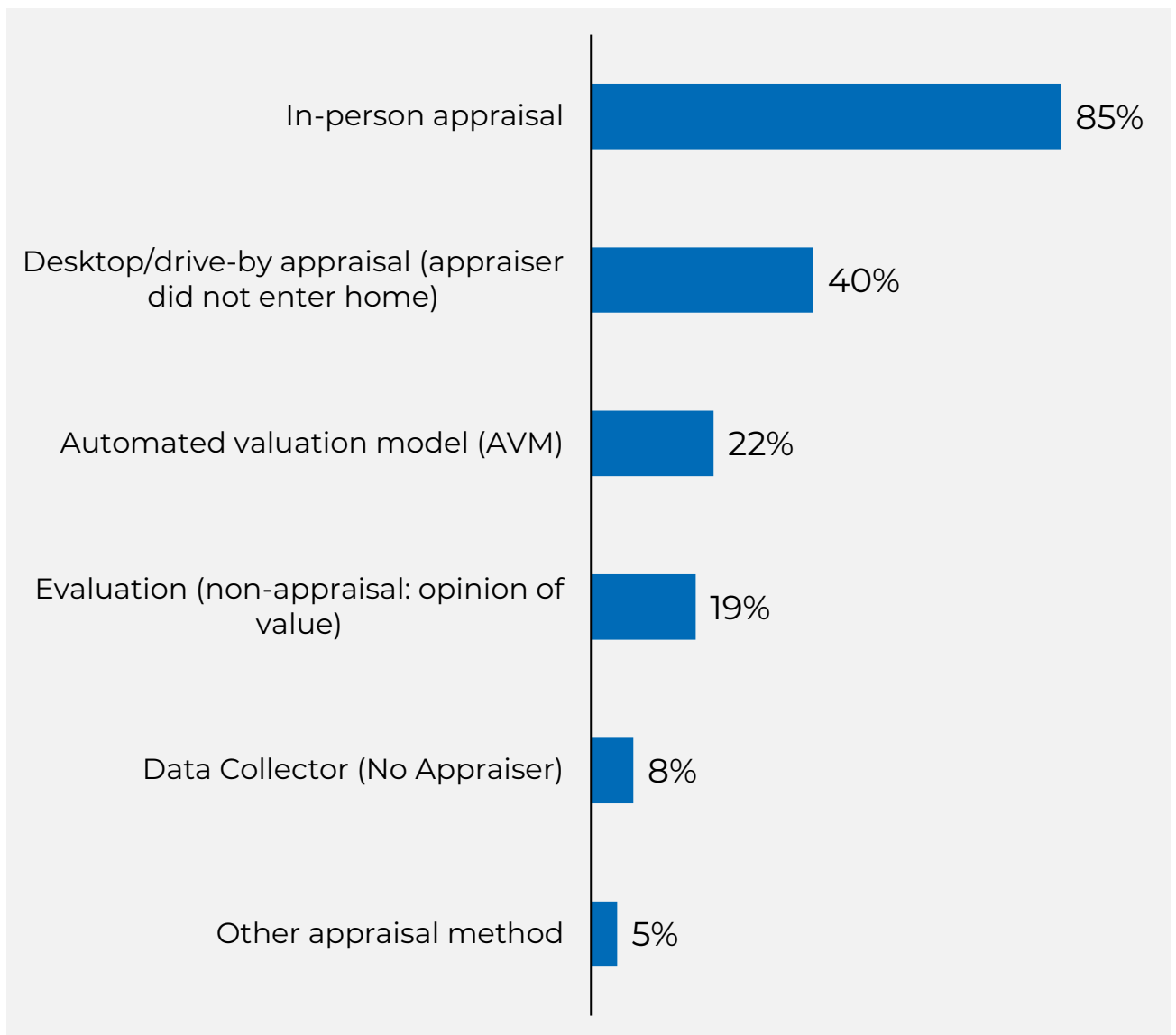
## IN THE PAST YEAR, WHAT HAVE BEEN THE GREATEST CHALLENGES IN YOUR REAL ESTATE TRANSACTIONS? PLEASE CHOOSE YOUR TOP FOUR:



# Valuation Types – Non-Appraiser Members

Eighty-five percent of non-appraisers have had valuations of homes via in-person appraisals. Forty percent cite desktop/drive-by appraisals. One in five cite AVMs (22 percent) and evaluations (19 percent); only eight percent have had valuations via data collectors. Most of those citing other methods cite appraisal waivers, have not been practicing long enough to have had valuations, or are not sure of the methods. *This question was not asked in 2022.*

## HAVE YOU EVER HAD A VALUATION OF A HOME OR PROPERTY THROUGH...(CHECK ALL THAT APPLY):



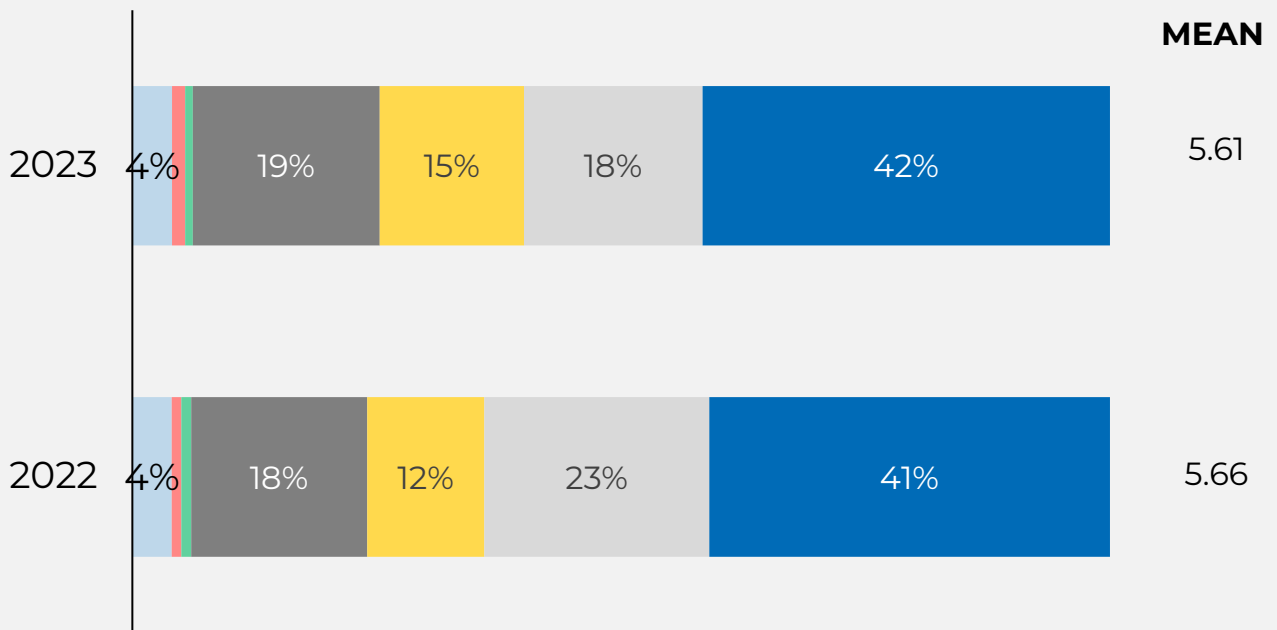
**N=1,748**

# Impact of Appraisal on Transaction – Non-Appraiser Members

The typical non-appraiser member reports that an appraisal has a high impact on a transaction (mean closest to six on a seven-point scale); this is essentially unchanged from 2022. Forty-two percent feel that the appraisal has a very high impact on the transaction.

## HOW WOULD YOU RATE THE IMPACT AN APPRAISAL HAS ON A TRANSACTION?

1-No Impact 2 3 4-Neutral/Moderate impact 5 6 7-Very high impact



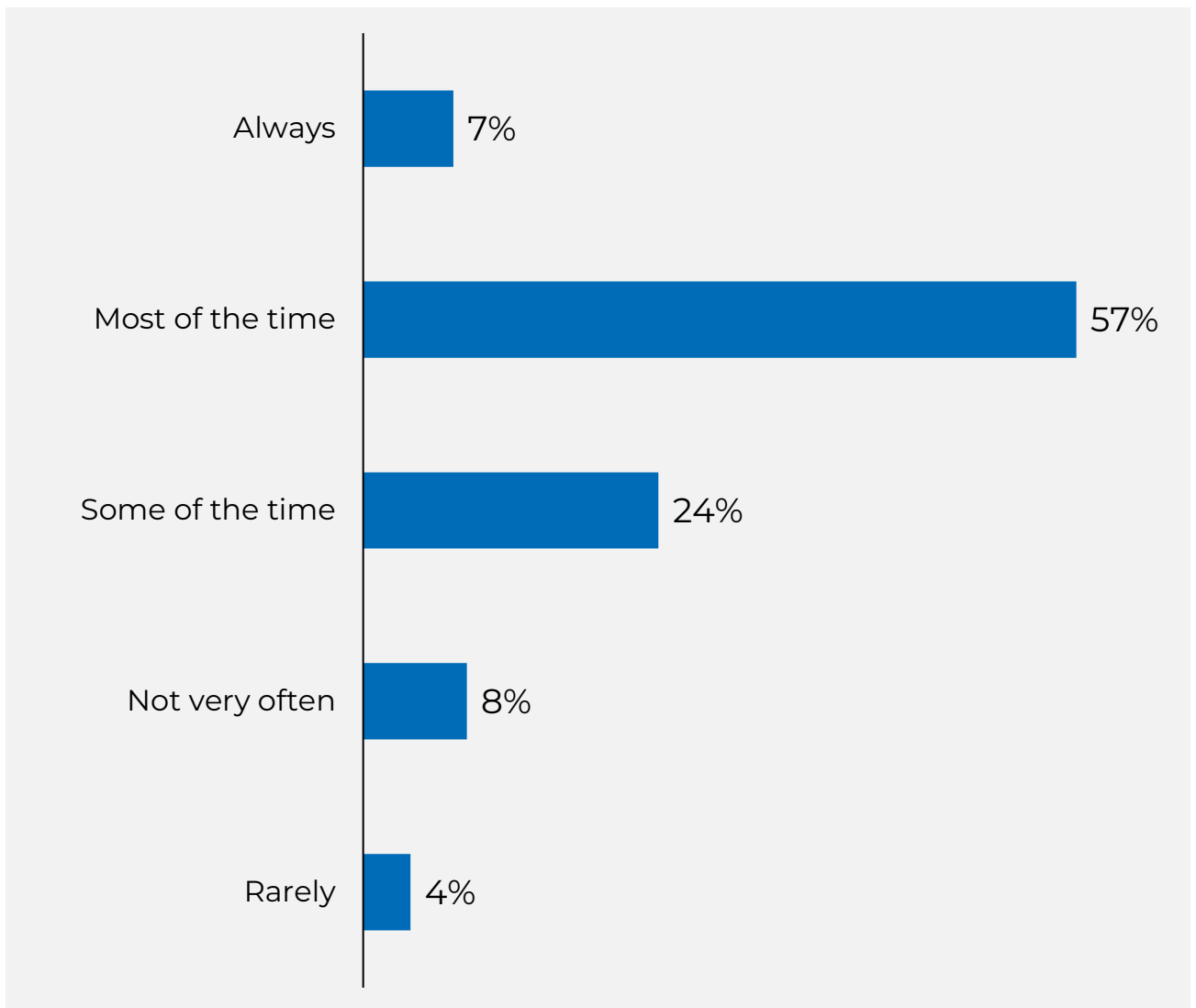
N=1,748



# Appraisals Coming In At/Above Contract Price

Almost two-thirds (64 percent) of non-appraiser members say that appraisals come in at or above the contract price in their transactions most of the time (57 percent) or always (seven percent). One quarter (24 percent) say this happens some of the time; only 12 percent report this to be not very often (eight percent) or rarely (four percent). *This question was not asked in 2022.*

## HOW OFTEN DO APPRAISALS COME IN AT OR ABOVE CONTRACT PRICE IN YOUR TRANSACTIONS?

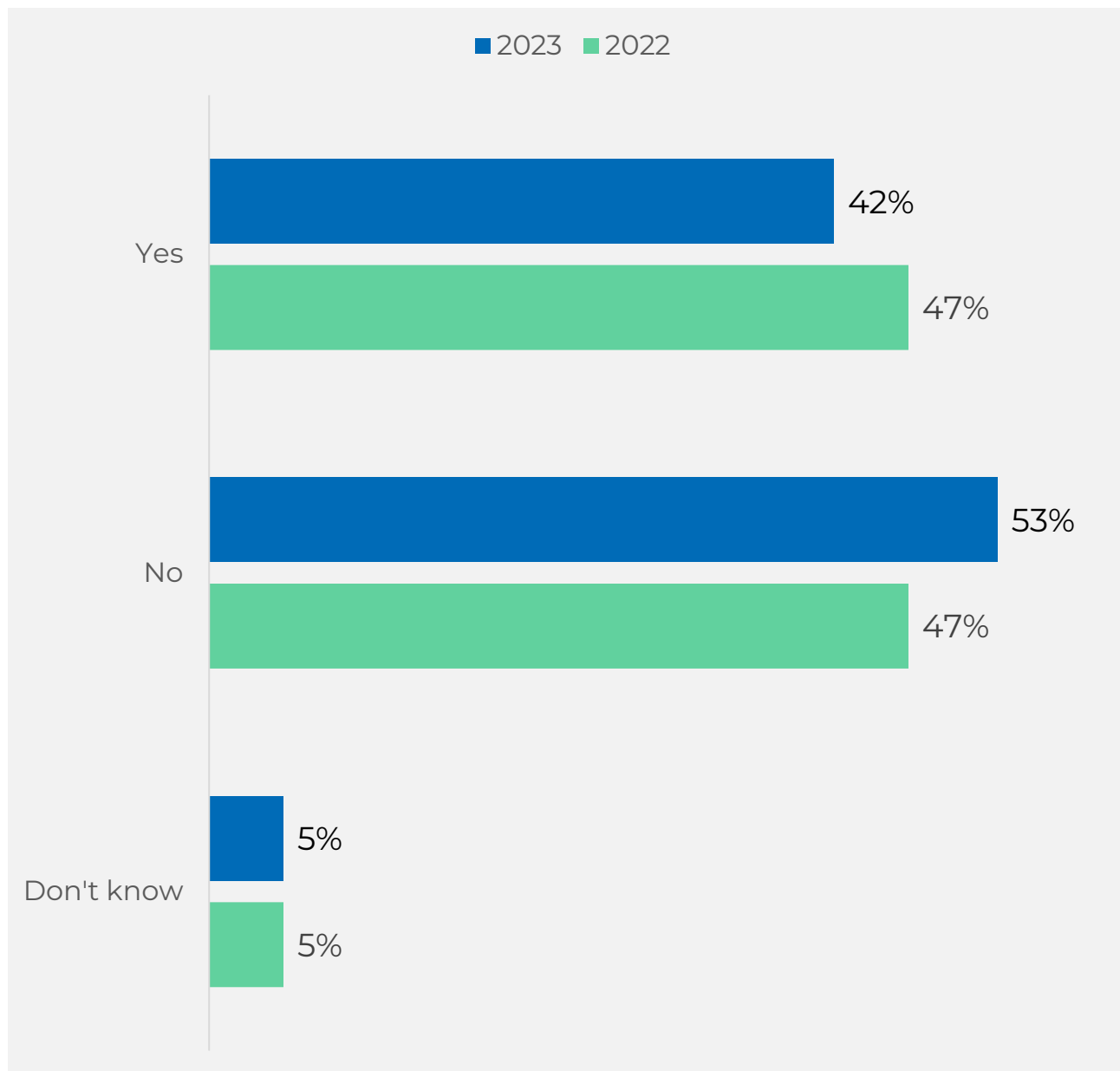


**N=1,748**

# Transactions Falling Through Due Appraisal – Non-Appraiser Members

Forty-two percent of non-appraisers have had a transaction fall through because of an appraisal, down slightly from 47 percent last year. More than half (53 percent) this year have never had this happen, up from 47 percent.

## HAVE YOU EVER HAD A TRANSACTION FALL THROUGH BECAUSE OF AN APPRAISAL?

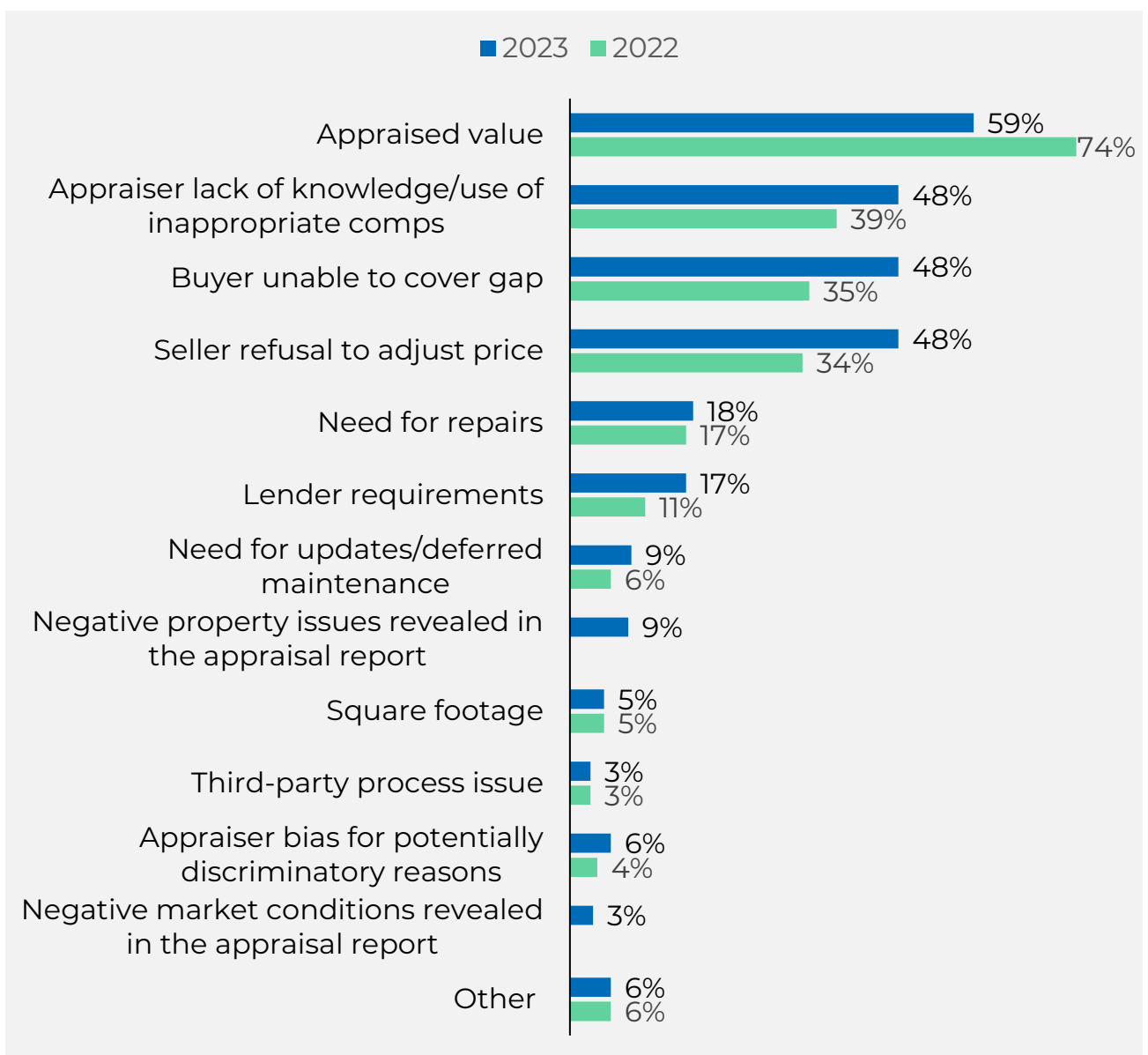


N=2068

# Reasons Transaction Fell Through – Non-Appraiser Members

As in 2022, the most common reason a transaction fell through as a result of an appraisal is appraised value (59 percent); however, this is down from 74 percent last year. This is followed by 48 percent each who report that the appraiser lacked the knowledge or used inappropriate comps, up from 39 percent, along with the buyer being unable to cover the gap and the seller refusing to adjust the price, both up from just over one-third each last year. Most of the other reasons were related to the appraiser using inappropriate comps or the buyer backing out.

## WHAT WAS/WERE THE REASON(S) THE TRANSACTION(S) FELL THROUGH AS A RESULT OF AN APPRAISAL?

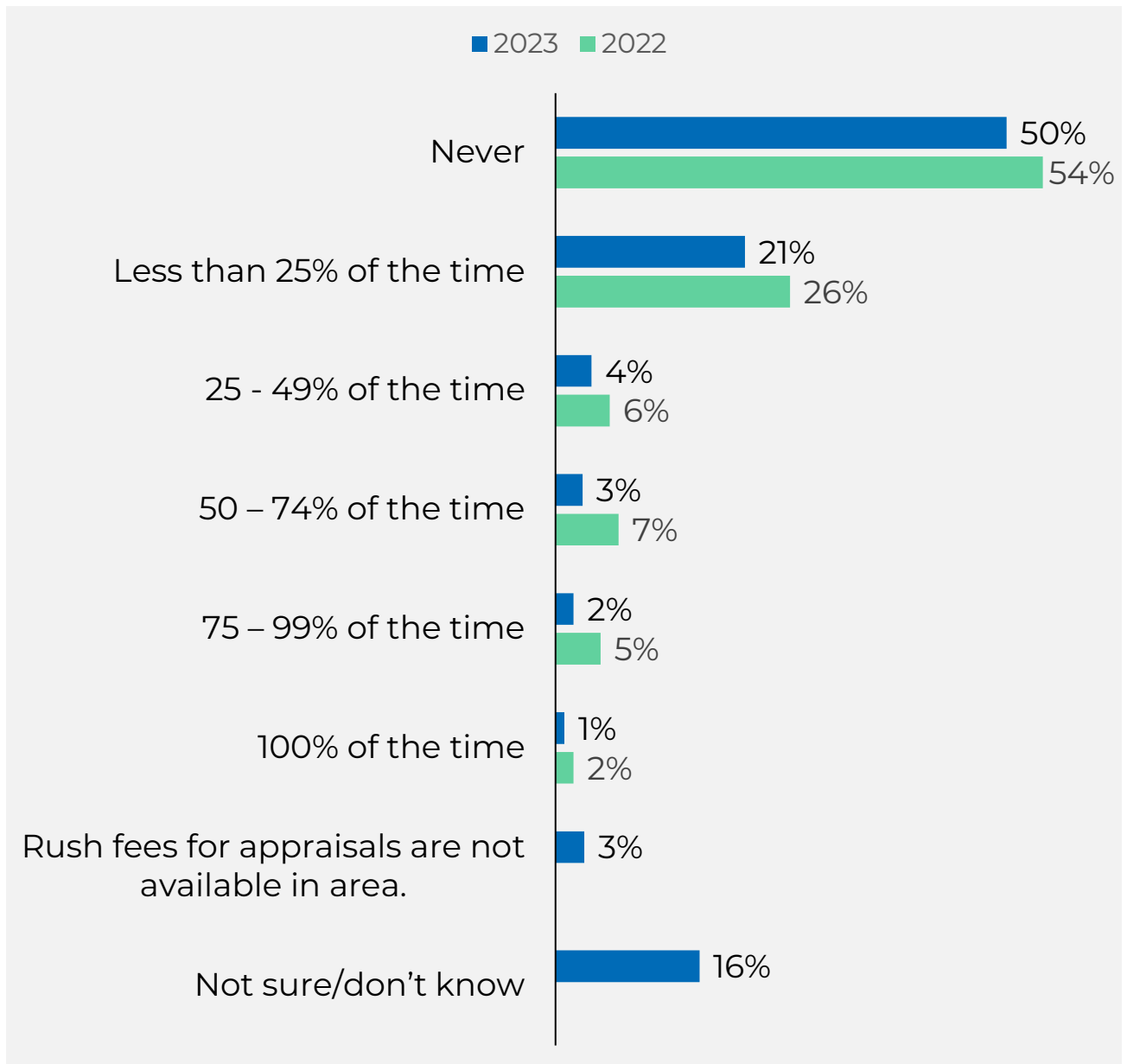


N = 739

# Rush Fees – Non-Appraiser Members

The typical non-appraiser member has never paid a rush fee for an appraisal (50 percent, down slightly from 54 percent). Thirty-one percent have paid rush fees at least once, with the largest share (21 percent) having paid a rush fee less than 25% of the time. *Please note that last year's question did not include "not sure/don't know," so a comparison is not exact.*

## ABOUT HOW OFTEN DO YOU OR YOUR CLIENTS PAY RUSH FEES FOR APPRAISALS?

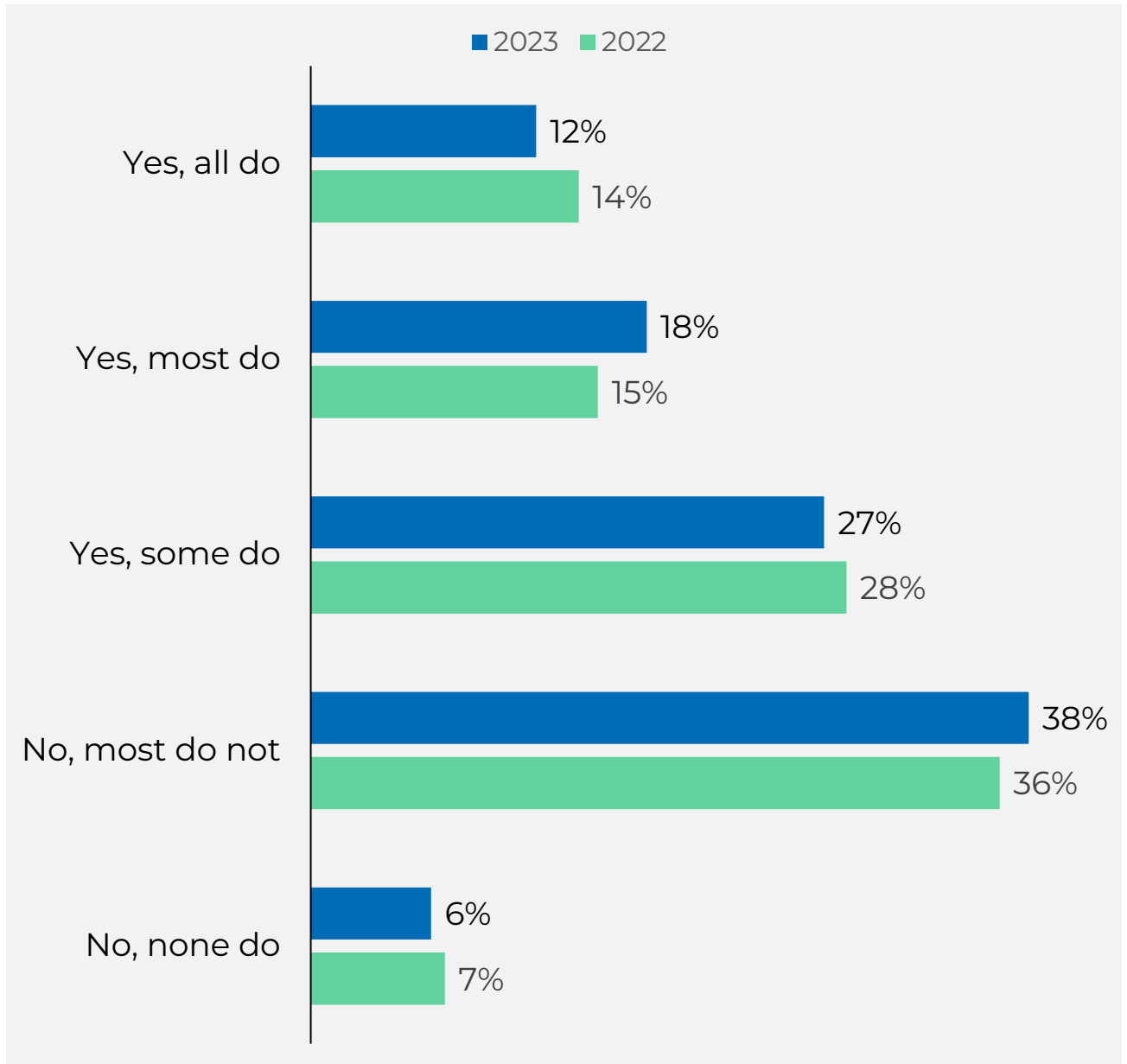


N=1,856

# Appraisal Gap – Non-Appraiser Members

Similar to 2022, 44 percent of respondents report that most or all of their clients do not understand what an appraisal gap is when they first begin to work with them. Over one-quarter (27 percent) report that some of their clients understand what an appraisal gap is. Thirty percent report that most or all do.

## WHEN YOU FIRST BEGIN TO WORK WITH THEM, DO YOUR CLIENTS UNDERSTAND WHAT AN APPRAISAL GAP IS?

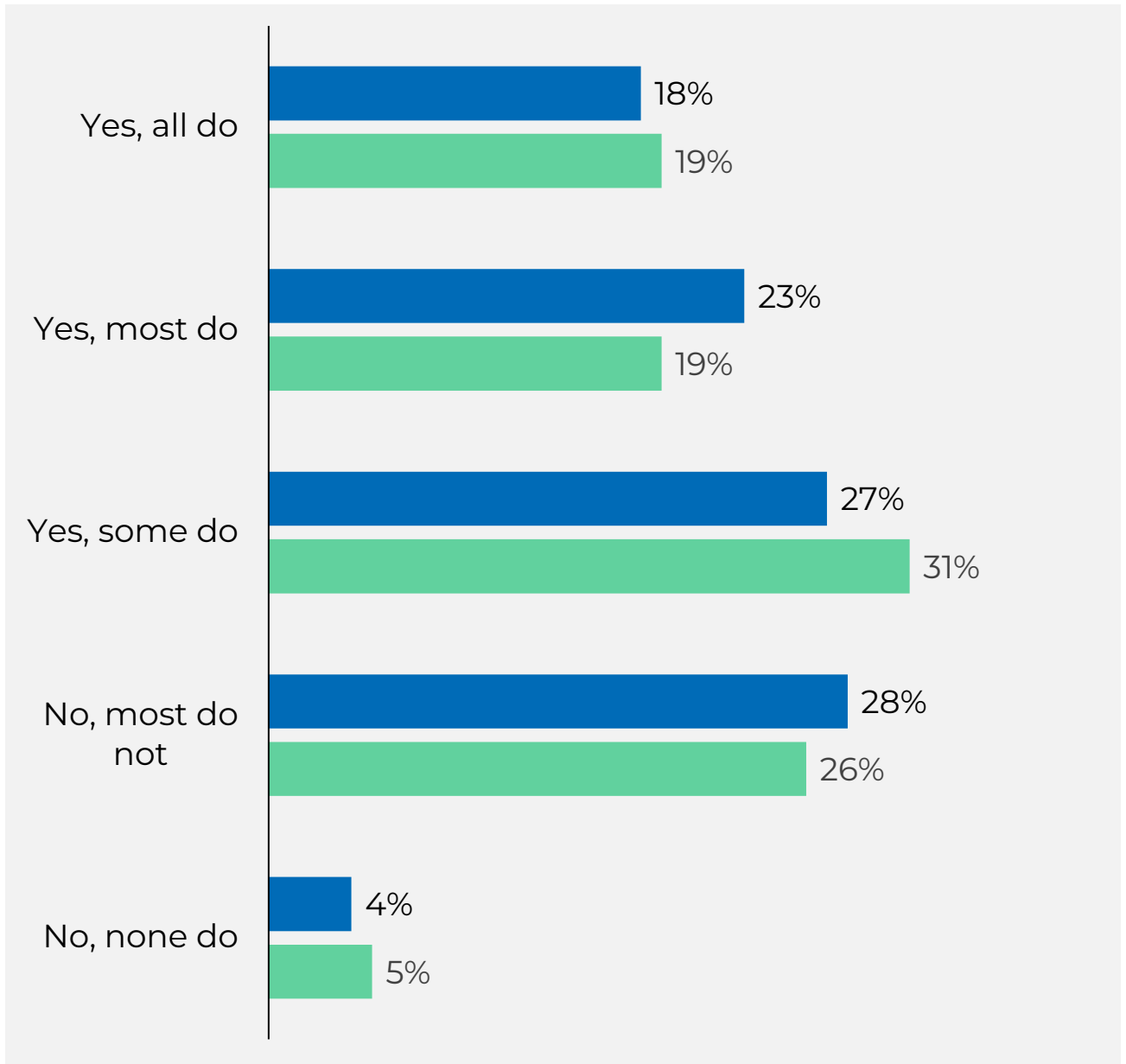


N=1,856

# Appraisal Contingency – Non-Appraiser Members

As in 2022, non-appraiser members are more likely to report that their clients understand what an appraisal contingency is than to understand an appraisal gap: 68 percent say that some, most, or all do. Twenty-eight percent say most do not. These proportions are similar to 2022.

## WHEN YOU FIRST BEGIN TO WORK WITH THEM, DO YOUR CLIENTS UNDERSTAND WHAT AN APPRAISAL CONTINGENCY IS?

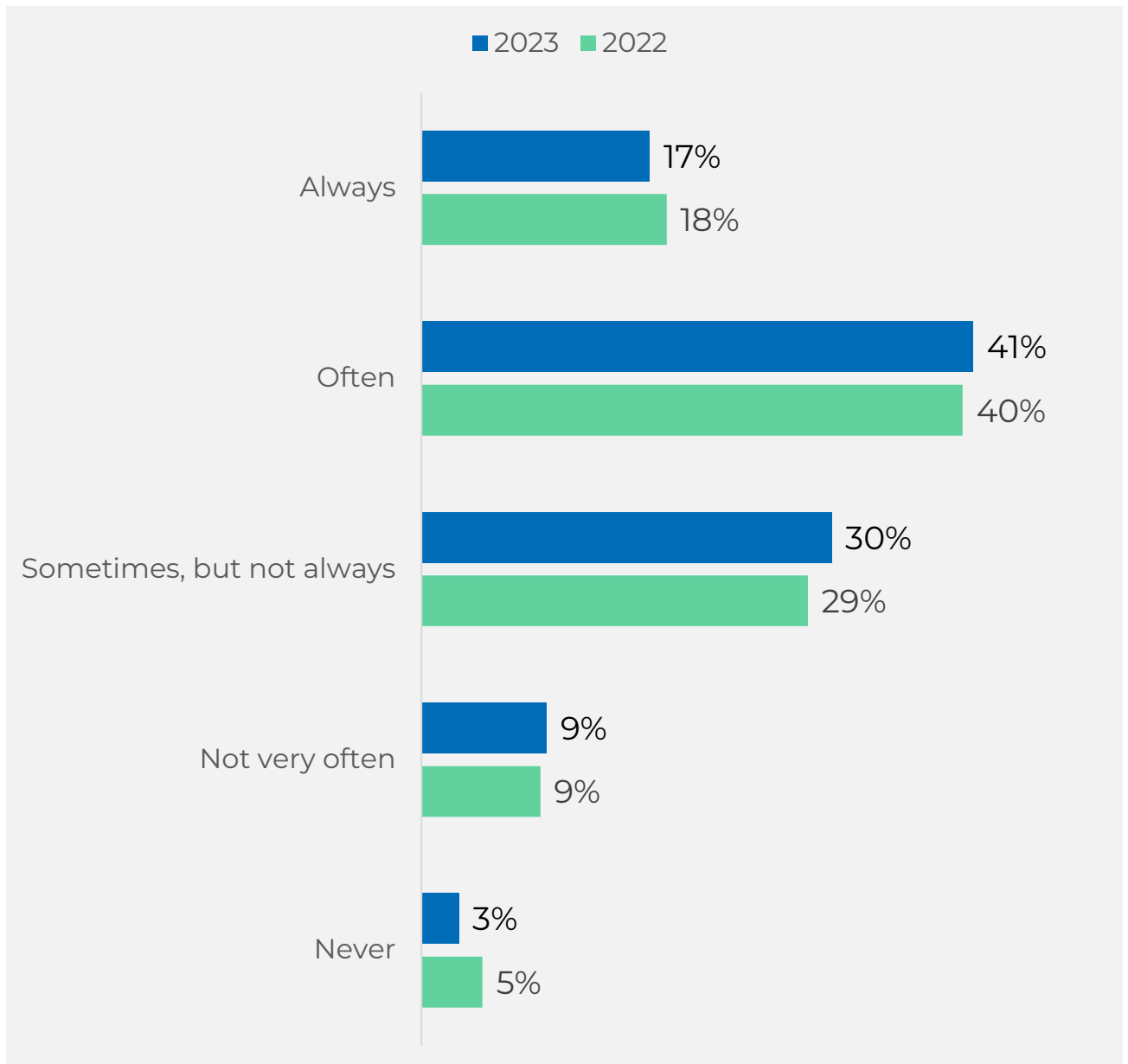


N=1,856

# Local Appraiser Involved in Transaction – Non-Appraiser Members

As in 2022, the largest share of non-appraiser members (41 percent) reports that a local appraiser is often involved in the transaction, and 17 percent say that local appraisers are always involved in the transaction. Thirty percent cite sometimes but not always.

## HOW OFTEN IS A LOCAL APPRAISER INVOLVED IN YOUR TRANSACTIONS?

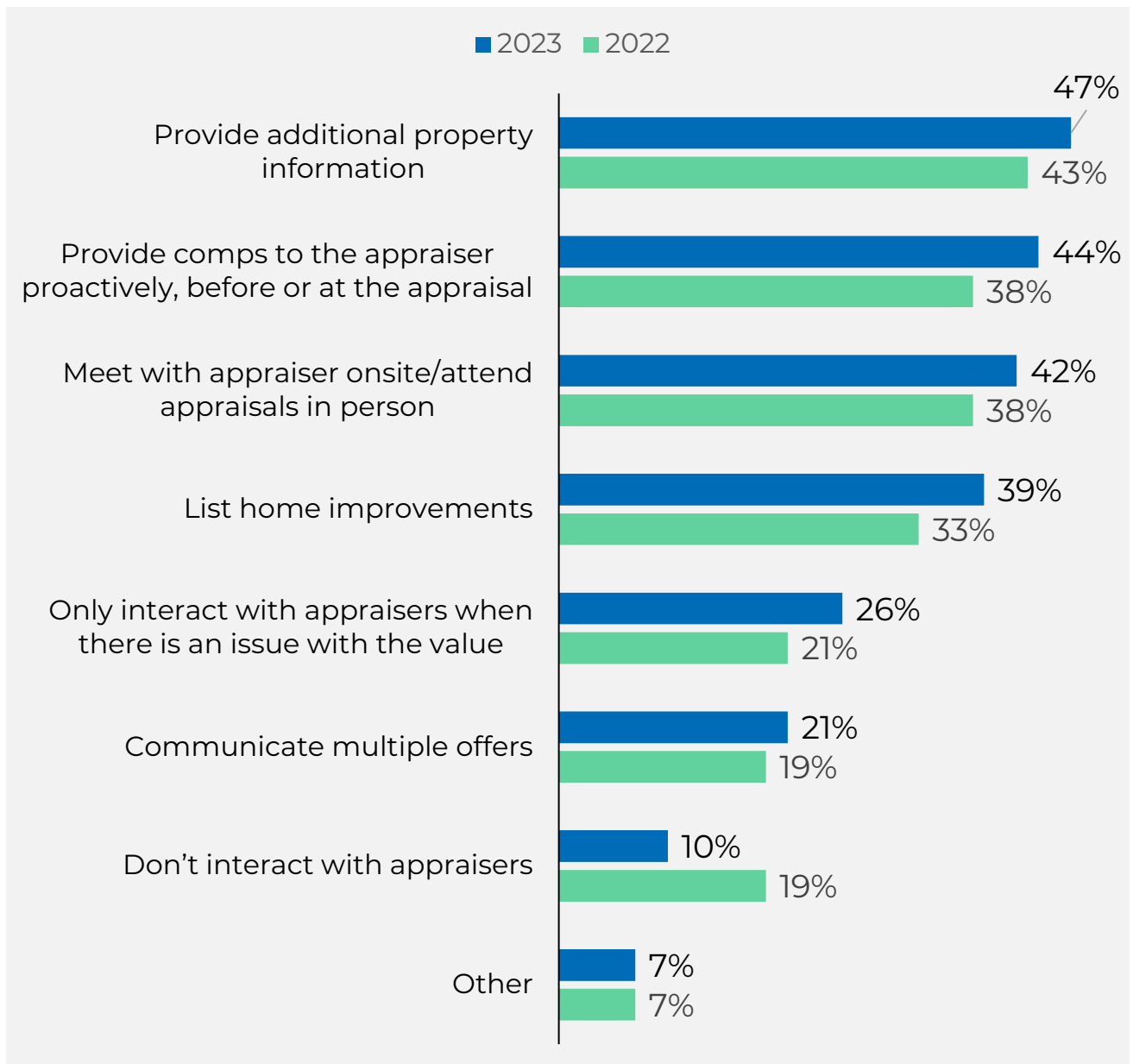


N=1,748

# Interactions with Appraisers –

Ninety percent interact with appraisers in some way, up from 81 percent in 2022. Almost half (47 percent) say that they interact with appraisers by providing additional property information. Forty-four percent provide comps proactively, before or at the appraisal, and 42 percent report that they meet with appraisers onsite or attend them in person. Many of the other comments indicate that the member has not interacted with an appraiser yet, that they only interact with an appraiser when the appraiser requests it, or that they interact only to schedule appointments.

## IN WHAT WAYS DO YOU INTERACT WITH APPRAISERS? PLEASE CHECK ALL THAT APPLY:



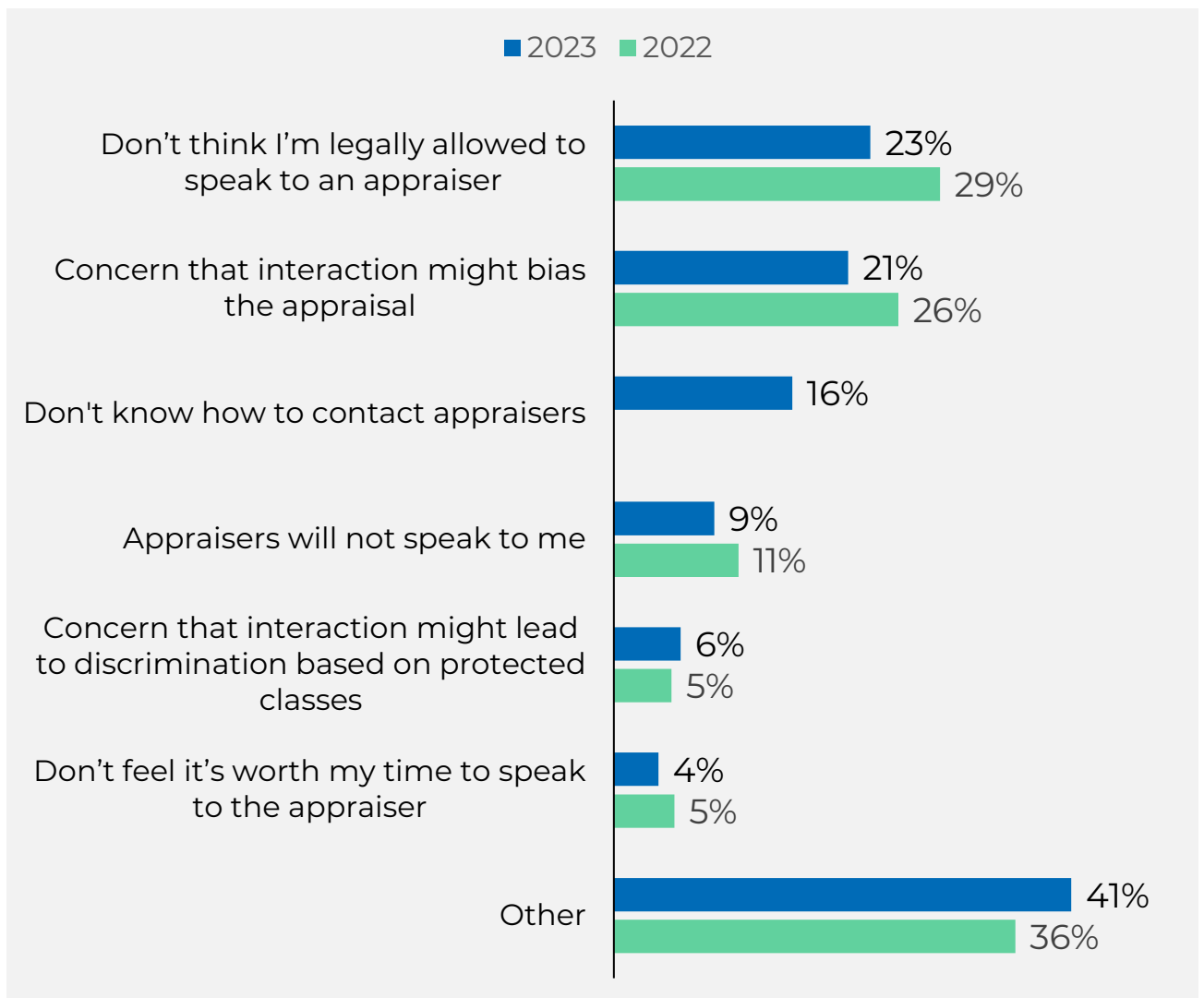
N=1,748



# Reasons for Not Interacting with Appraiser – Non-Appraiser Members

Of the 10 percent of non-appraiser members who report not interacting with appraisers, 23 percent believe they are not legally allowed to speak to an appraiser, and 21 percent are concerned that the interaction might lead to appraisal bias. These percentages are similar to 2022. Sixteen percent say they do not know how to contact appraisers (not asked in 2022). Most of the 41 percent who cite 'other' reasons have never needed to interact with an appraiser, are too new to have interacted, or say that the bank orders the appraisals.

## WHAT ARE THE REASONS YOU DON'T INTERACT WITH APPRAISERS? PLEASE CHECK ALL THAT APPLY.

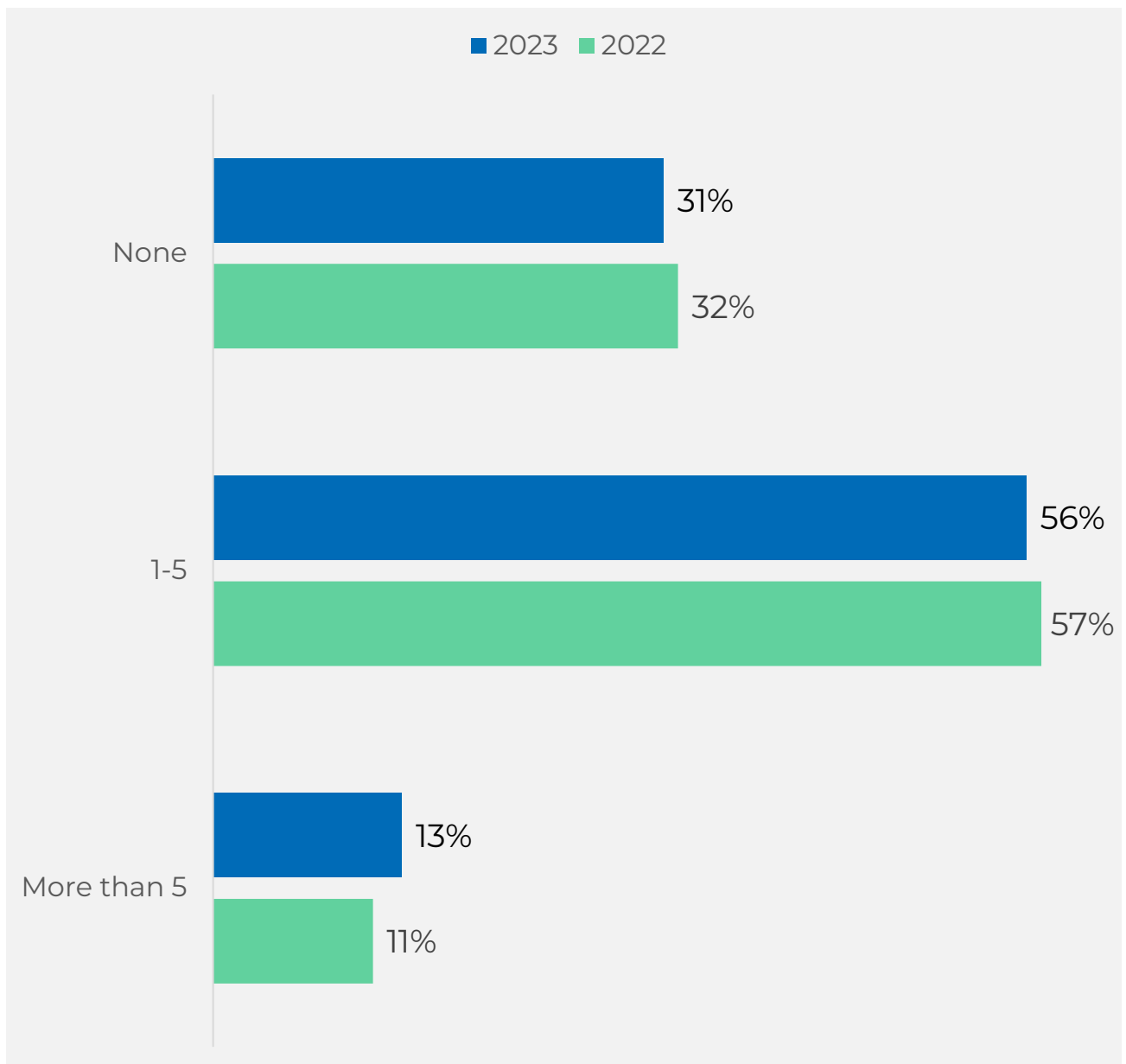


N=182

# Personally Know Appraisers – Non-Appraiser Members

The largest share of respondents (56 percent) personally know one to five appraisers; this is unchanged from 57 percent in 2022. As in 2022, just under one-third (31 percent) know none.

## HOW MANY APPRAISERS DO YOU PERSONALLY KNOW?

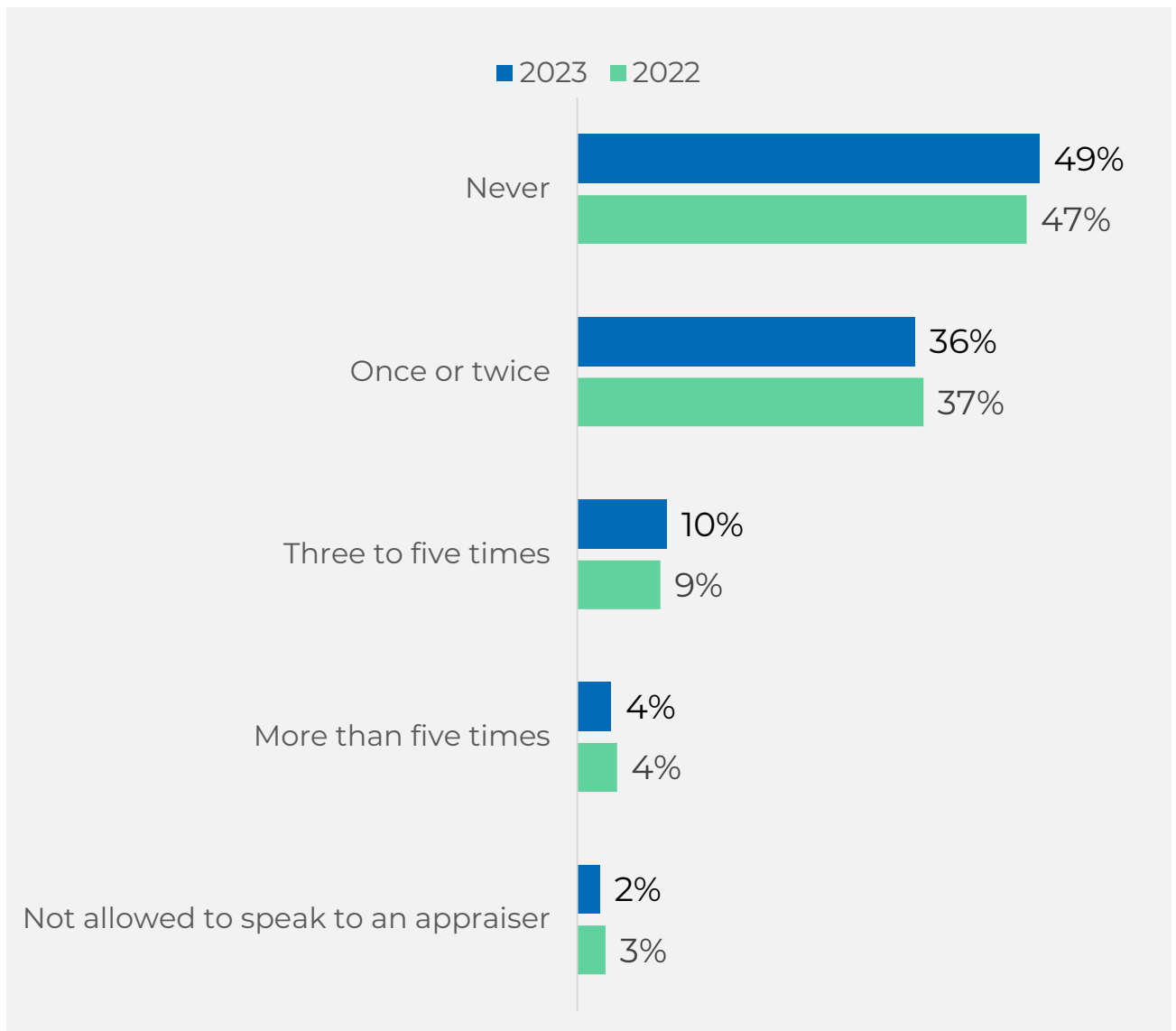


N=1,856

# Reached Out to Appraiser – Non-Appraiser Members

As in 2022, almost half (49 percent) have never contacted a local appraiser to discuss general appraisal issues or contacted one to seek guidance. Thirty-six percent have reached out to an appraisal once or twice in the past year.

## HOW OFTEN IN THE PAST YEAR HAVE YOU CONTACTED A LOCAL APPRAISER TO DISCUSS GENERAL APPRAISAL ISSUES OR SEEK GUIDANCE ON APPRAISALS?

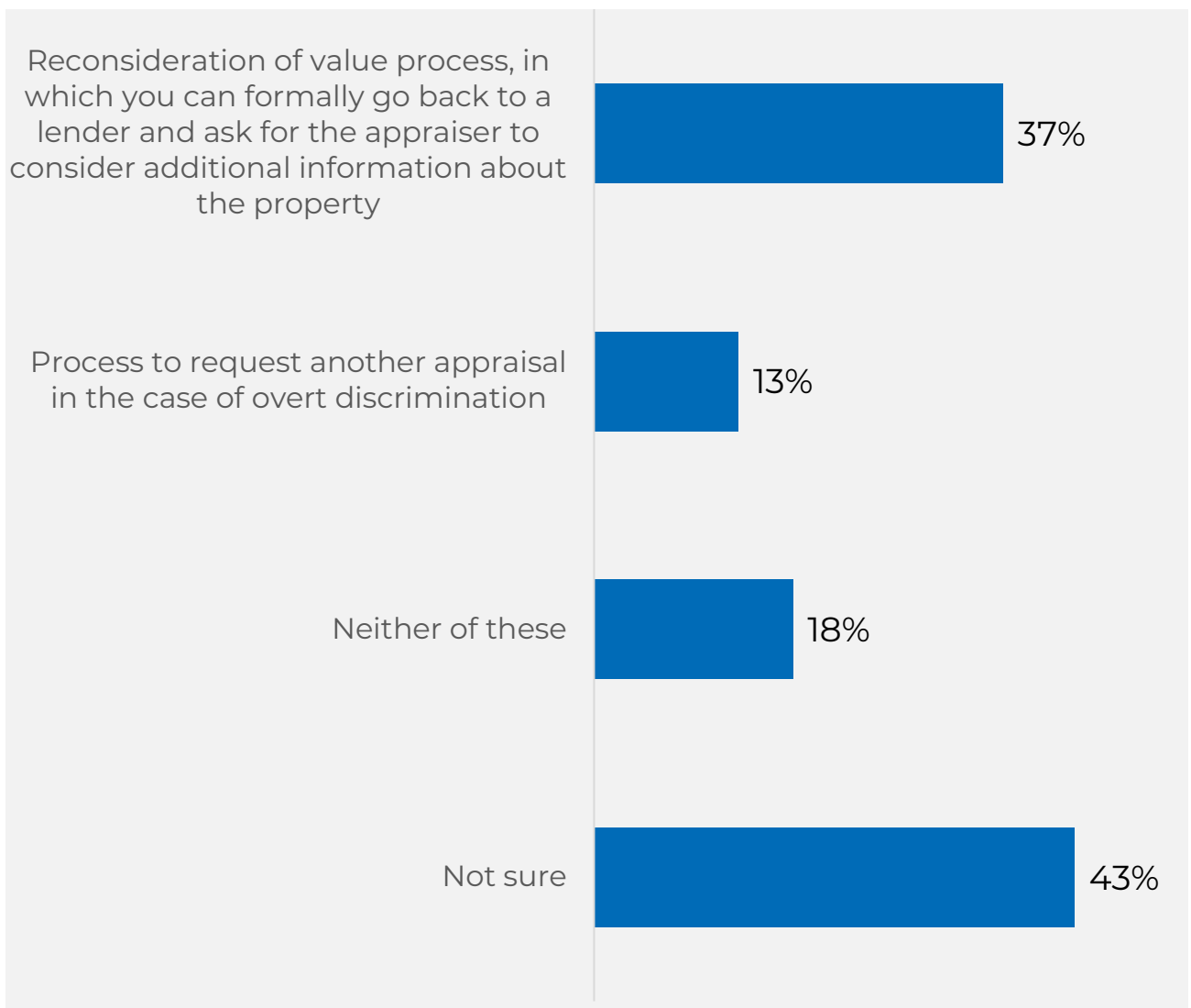


**N=1,748**

# Reconsideration of Value – Non-Appraiser Members

Thirty-seven percent of non-appraiser members say that the lenders their clients work with typically have a reconsideration of the value process. This is similar to the 39 percent who reported that their local areas had reconsideration of value processes in 2022. Thirteen percent report a process to request another appraisal in case of overt discrimination. Eighteen percent cite neither of these; 43 percent are not sure. *This question was changed from 2022, so a direct comparison is not possible.*

## DO THE LENDERS YOUR CLIENTS WORK WITH TYPICALLY HAVE A: (CHECK ALL THAT APPLY):

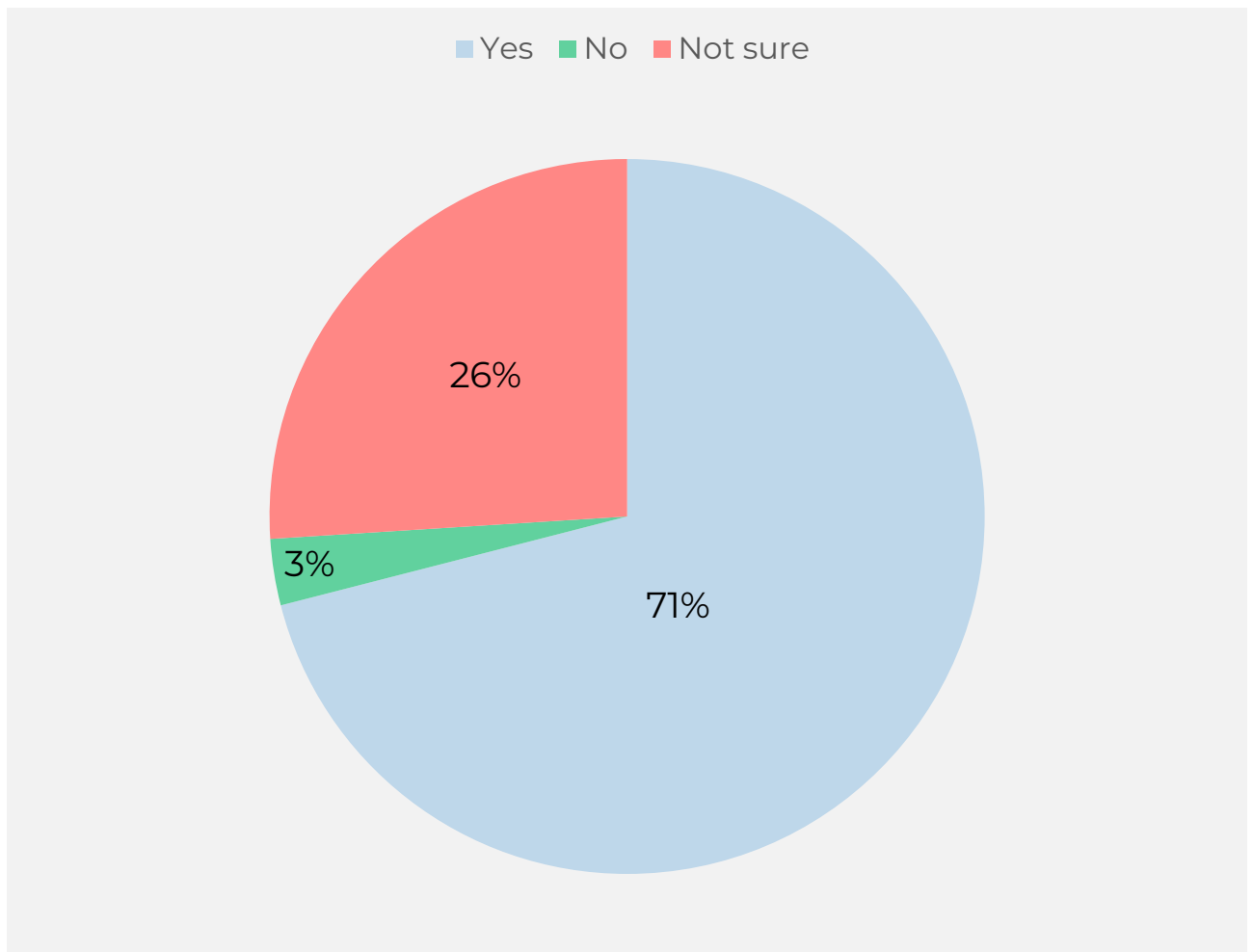


N=1,748

# Reconsideration of Value Process – Non-Appraiser Members

Seventy-one percent of non-appraiser members feel that a reconsideration of the value process like one of the above would be helpful if every lender had one and were required to notify consumers that these options were available. *This question was not asked in 2022.*

**WOULD A RECONSIDERATION OF VALUE PROCESS LIKE ONE OF THE ABOVE BE HELPFUL IF EVERY LENDER HAD ONE AND WERE REQUIRED TO NOTIFY CONSUMERS THAT THESE OPTIONS WERE AVAILABLE?**



**N=1,748**

# Survey Results – All Respondents

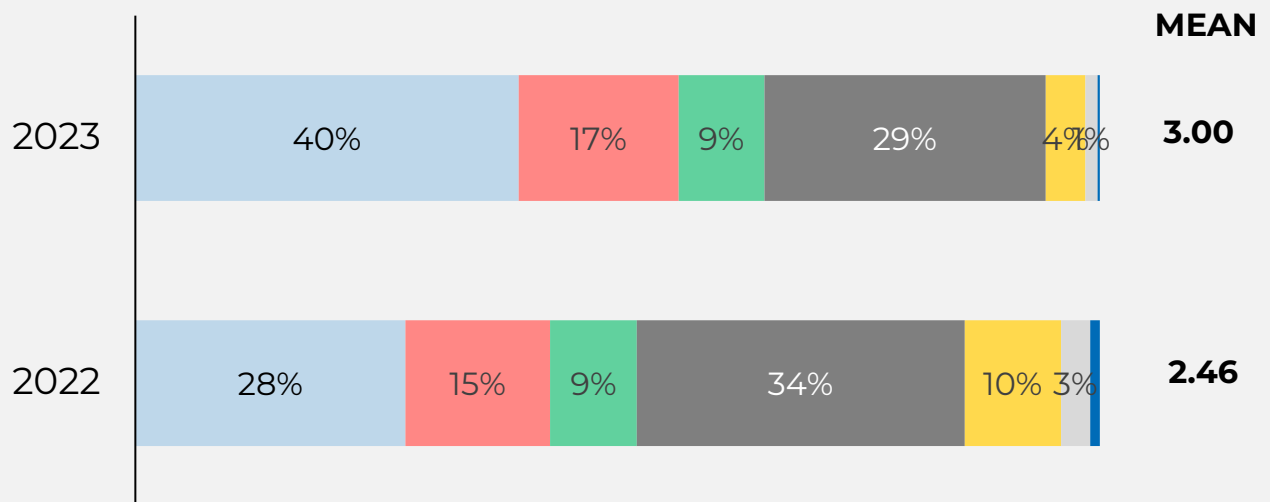


# Difficulty Obtaining a Home Appraisal – All Respondents

The typical respondent reports it is easy to obtain a home appraisal in their area (mean closest to two on a seven-point scale where one is “very easy.”) This is an improvement from 2022 (mean of three, or “fairly easy.”) Fifty-seven percent now report it is “easy” or “very easy,” up from 43 percent last year. Non-appraiser members rate this more somewhat difficult than appraisers (mean of 2.00 vs. 2.55).

## IN YOUR LOCAL AREA, HOW DIFFICULT IS IT TO OBTAIN A HOME APPRAISAL?

1-Very easy   2   3   4-Neither easy nor difficult   5   6   7-Very difficult



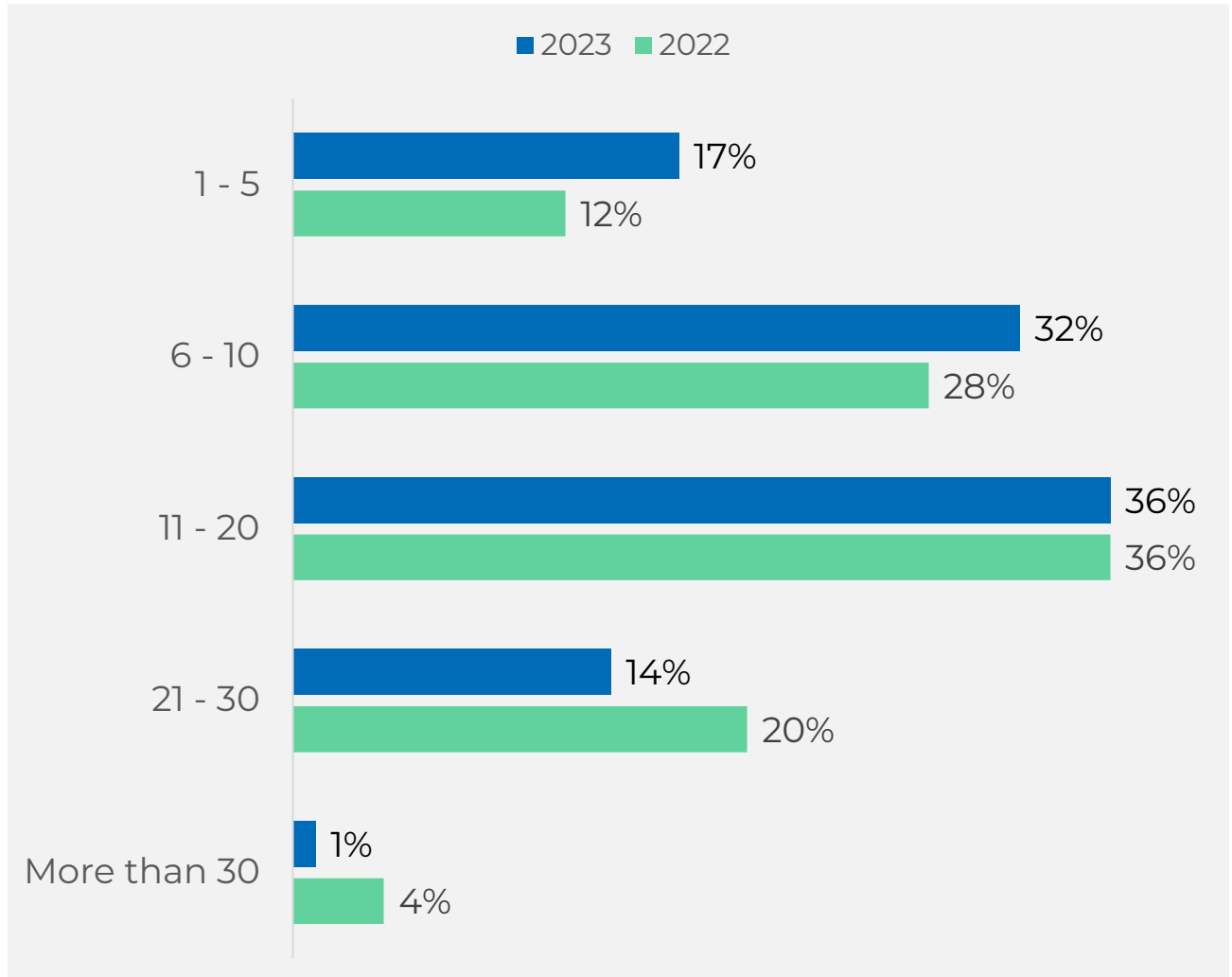
N=2,136

# Appraisal Time – All Respondents

The typical respondent reports that it takes eleven calendar days after acceptance of the contract to receive a completed appraisal report from the lender, down from 14 days in 2022. Half (49 percent) now report 10 days or less. It should be noted that appraisers report this time to be significantly lower than non-appraisers: 10 days vs. 14. A number of appraisers explained in comments that they could not answer this accurately and could only report their own turn-around times to the lenders. *Seven percent of respondents were unsure and skipped this question.*

## WHAT IS THE TYPICAL WAIT TIME IN CALENDAR DAYS AFTER ACCEPTANCE OF CONTRACT TO RECEIVE A COMPLETED APPRAISAL REPORT FROM THE LENDER?

**2023 MEDIAN = 11 DAYS**  
**2022 MEDIAN = 14 DAYS**



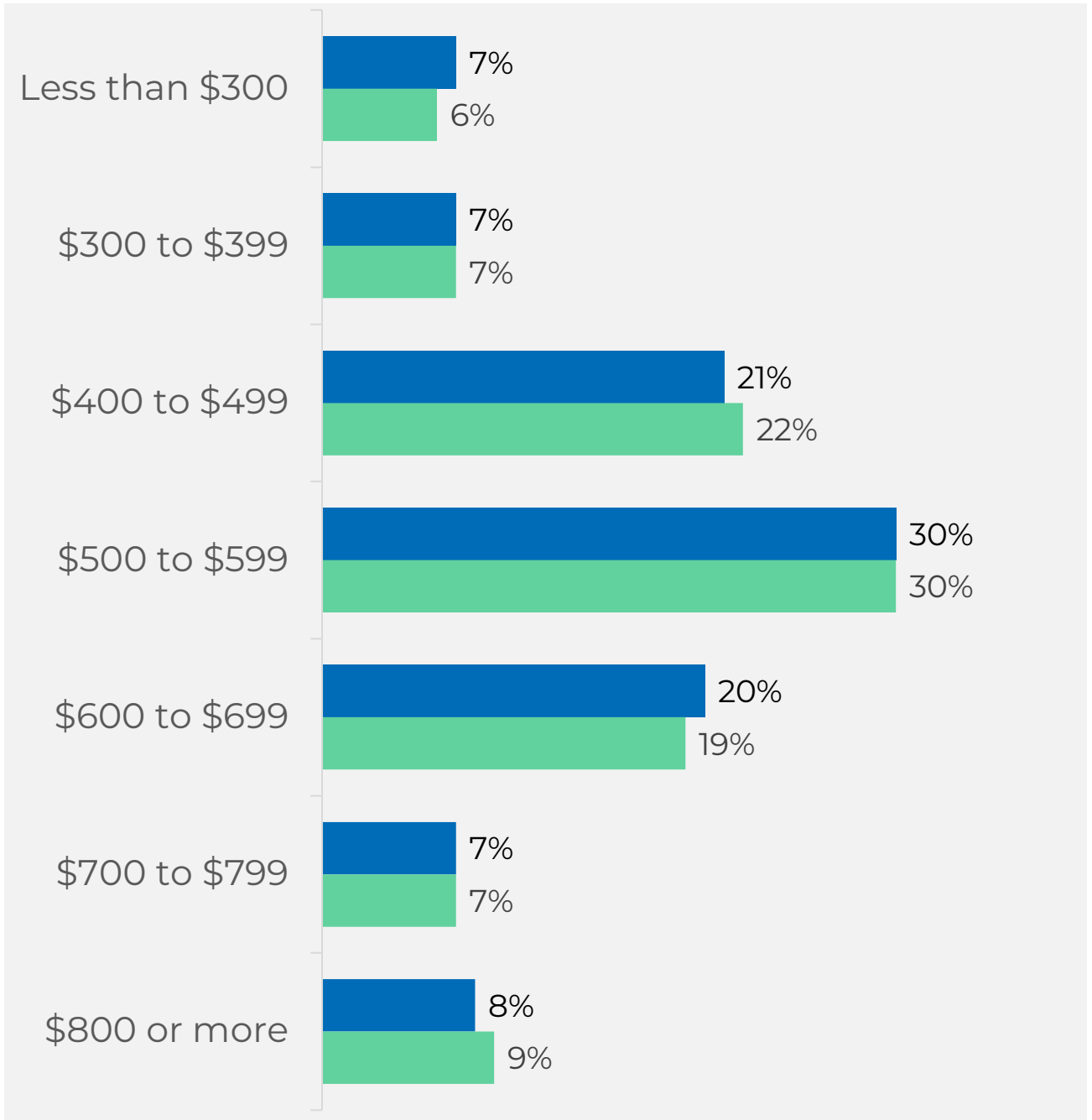
**N=1,987**



# Appraisal Cost – All Respondents

As in 2022, the typical cost to complete an appraisal is \$500. Eighty-six percent report a cost of \$400 or more.

## WHAT IS THE TYPICAL COST IN U.S. DOLLARS FOR AN APPRAISAL IN YOUR LOCAL MARKET? 2022 AND 2023 MEDIANS = \$500

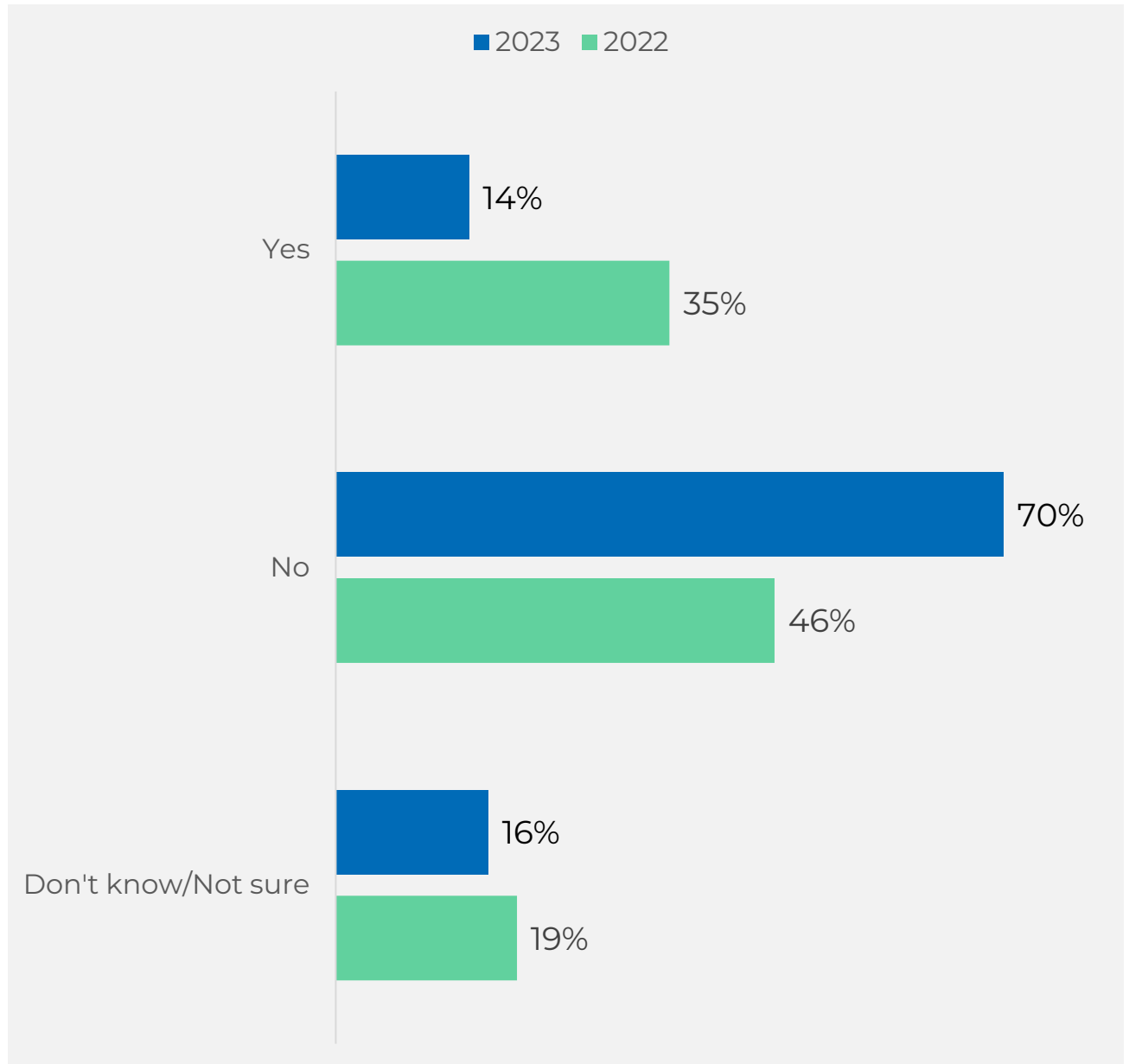


N=1,619

# Delays in Market in Completing Appraisals – All Respondents

Only 14 percent of respondents overall feel there are delays in their market in completing appraisals, down sharply from 35 percent last year. Seventy percent say no, up from 46 percent in 2022. Appraisers are no more or less likely than other members to cite delays.

## DO YOU FEEL THERE ARE DELAYS IN YOUR MARKET IN COMPLETING APPRAISALS?

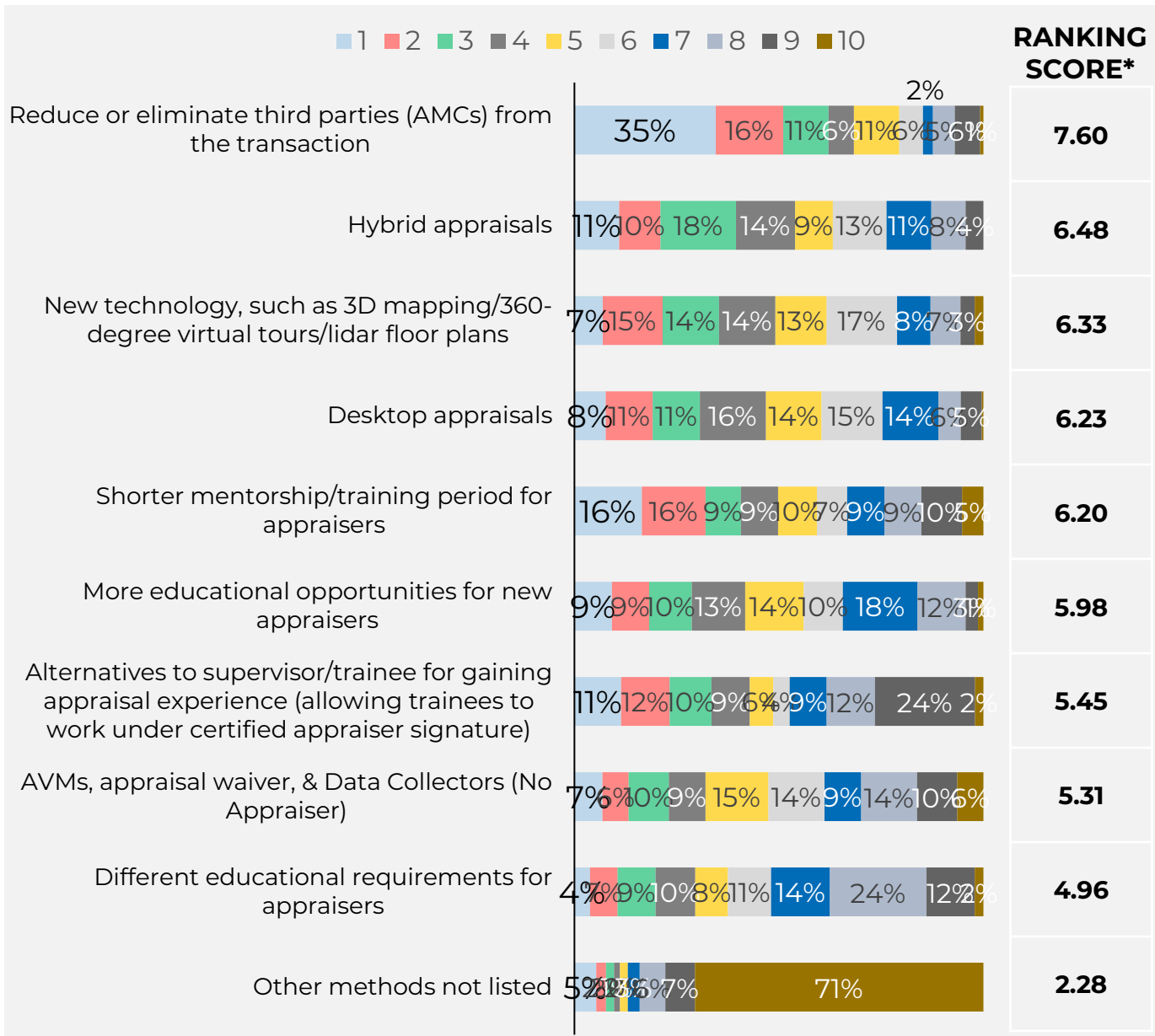


N=2,136

# Addressing Appraisal Delays – All Respondents

Among all respondents who report delays in their areas, the highest-ranked method of addressing the issues is to reduce or eliminate third parties (AMCs) from the transaction. Over one-third of these respondents rank this the Number One method; 62 percent place it in the Top Three. The other top-ranked methods are hybrid appraisals (39 percent place in the Top three) and new technology (36 percent place in the Top Three). *Please note that due to the addition of several methods, results cannot be compared to 2022.*

**PLEASE RANK THE FOLLOWING POSSIBLE WAYS OF ADDRESSING THE CURRENT DELAYS IN COMPLETING APPRAISALS FROM 1 TO 8, WHERE 1 IS THE BEST WAY TO ADDRESS THEM AND 8 IS THE WORST WAY TO ADDRESS THEM.**



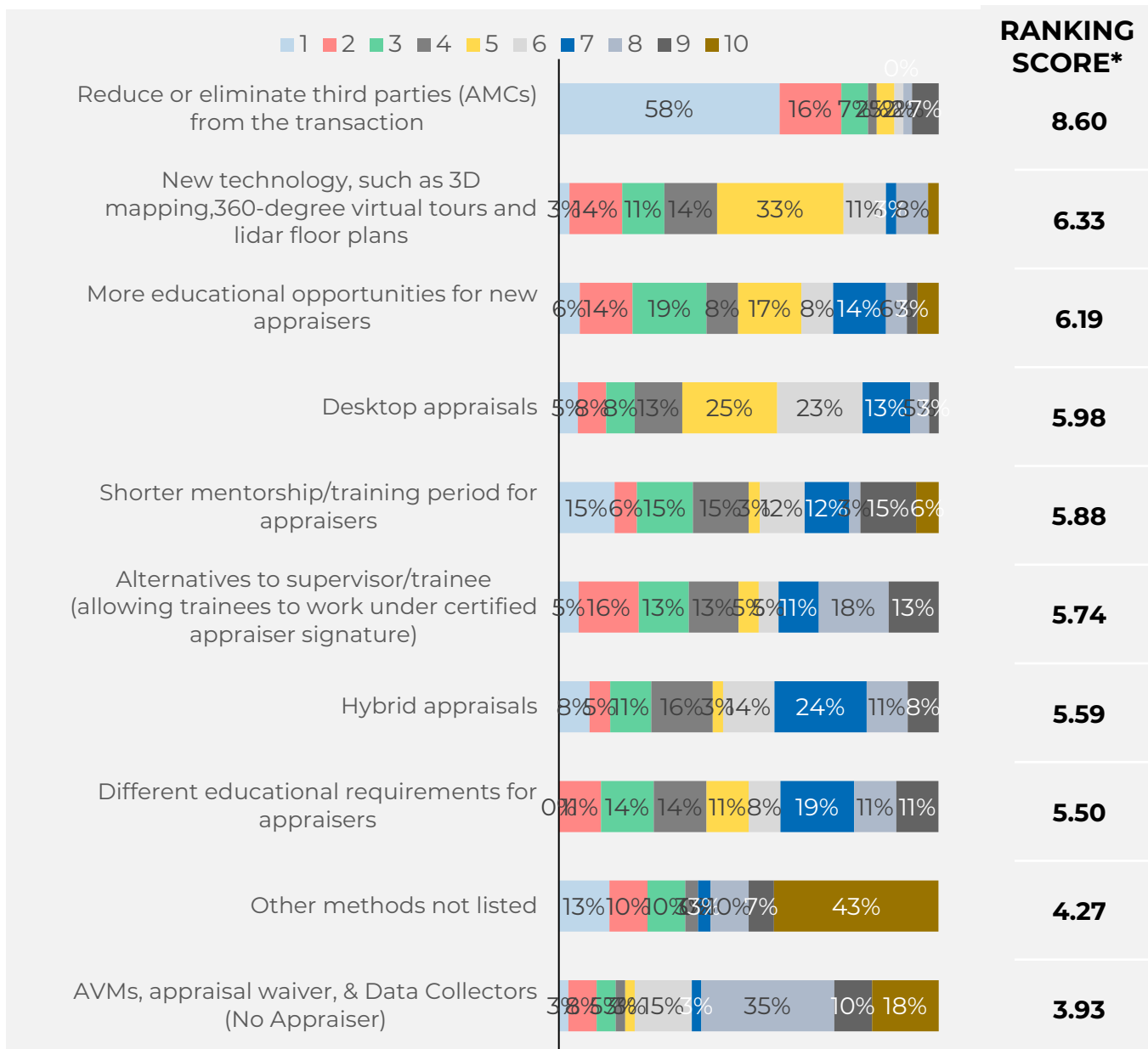
N=272

*\*Please see page 54 for explanation of calculation.*

# Addressing Appraisal Delays – Appraisers

Among the 46 appraisers who report delays in their markets, over half (58 percent) rank reducing or eliminating third parties (AMCs) from the transaction as the Number One method of addressing these. Appraisers rank all other options lower than respondents overall and significantly lower than non-appraiser practitioners: 28 percent or less rank any others in the Top Three methods.

**PLEASE RANK THE FOLLOWING POSSIBLE WAYS OF ADDRESSING THE CURRENT DELAYS IN COMPLETING APPRAISALS FROM 1 TO 8, WHERE 1 IS THE BEST WAY TO ADDRESS THEM AND 8 IS THE WORST WAY TO ADDRESS THEM.**



N=46

\*Please see page 54 for explanation of calculation.

## Other Ways of Addressing Appraisal Delays

Only 79 members (four percent of respondents overall) suggest other ways of addressing delays. Some say the slower market has decreased delays. However, as in 2022, a significant proportion of responses from appraisers are calls to eliminate AMCs, saying that these hold up the process by “shopping” for the lowest bid. A number of appraisers assert that they earn less now than they did ten years ago due to AMCs. Non-Appraisers also suggest this but are more likely than appraisers to point to a lack of appraisers in their area and to requirements for “VA appraisers” holding up the process. Other suggestions, as in 2022, are to improve the quality of the MLS data added by agents and allow trainees to conduct inspections under supervision.

### **IN WHAT OTHER WAYS DO YOU FEEL THAT CURRENT DELAYS IN COMPLETING APPRAISALS COULD BE ADDRESSED? IF YOU DON'T HAVE IDEAS, PLEASE LEAVE THIS BOX BLANK.**

“Eliminate AMC's. Most delays are caused by AMC's shopping around for the cheapest. I regularly see bid requests for the same property 1-2 weeks after I initially quoted it. I could have completed that in that time frame but the AMC doesn't want to pay an extra \$100.” [Appraiser]

“Realtors® need to provide more information on listing sheets, AMC's need to respond to requests for help or direction from underwriters. Fees are down 35% while technology fees and AMC fees are up.” [Appraiser]

“Allow lenders to hire & deal directly with appraisers, eliminating appraisal management companies.” [Non-Appraiser]

“Allow trainees to complete the property inspection once they have been properly trained to do so. Additionally, AMC are taking 30% of the total fee paid by the lenders. In multiple cases, my fees are the same as they were when I started appraising in 2008.” [Appraiser]

“The longest delays are in VA appraisals. Sellers are starting to scrutinize the offers and shying away from VA loans.” [Non-Appraiser]

“More accurate and complete information in MLS.” [Appraiser]

“Need more appraisers.” [Non-Appraiser]

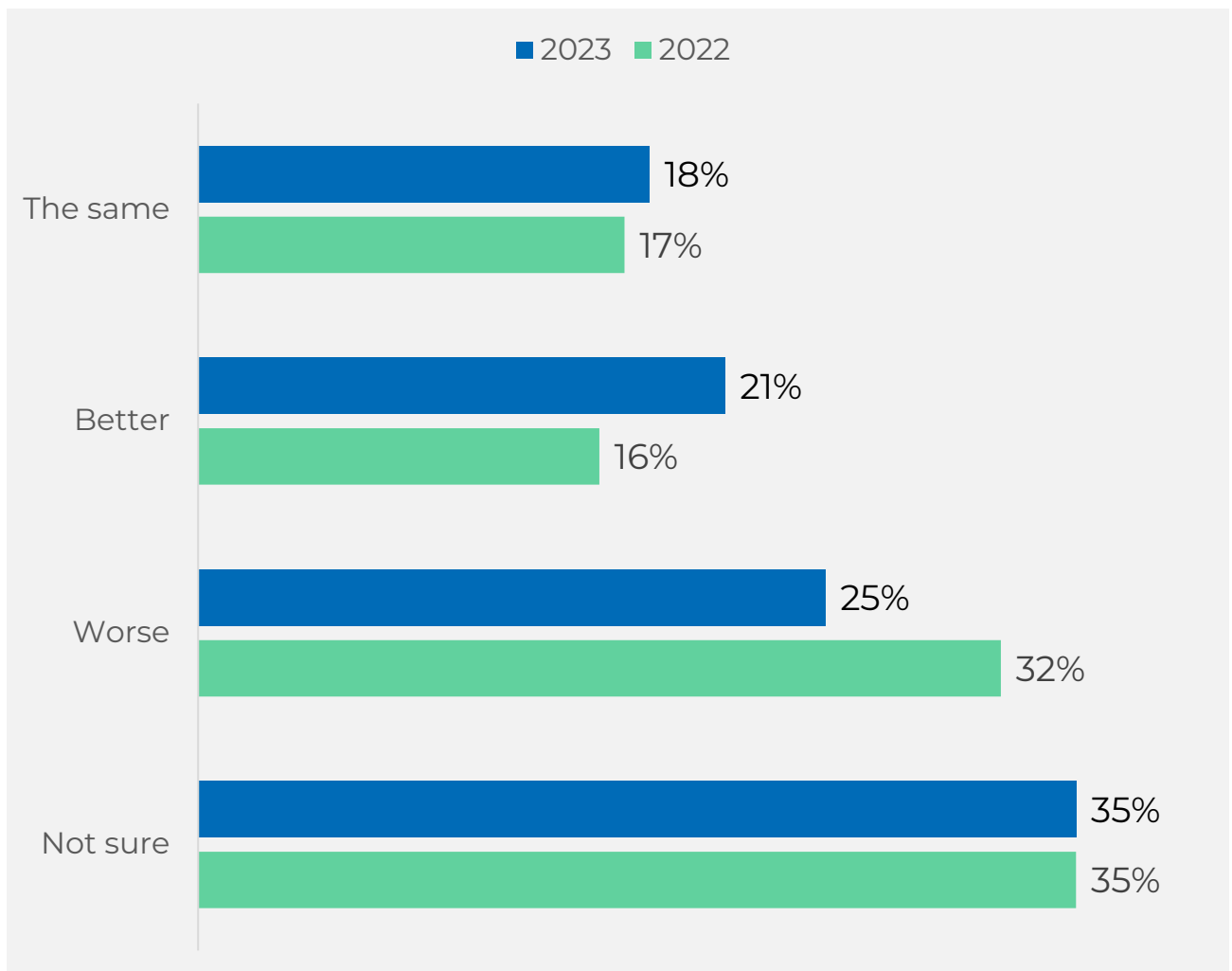
**N = 79**

# Appraisal Process Changes – All Respondents

Thirty percent of respondents were not practicing prior to 2010 and could not answer this question, up from 23 percent in 2022. Among those who were, 25 percent report that the process is worse since Dodd/Frank, down from 32 percent, and 35 percent are not sure (unchanged from 2022). Twenty-one percent now think it is better, up from 16 percent last year.

As in 2022, appraisers are significantly more likely than other members to say the process is worse: 47 percent of appraisers practicing prior to 2010 report this, vs. 19 percent of non-appraiser members practicing as long.

## SOME CHANGES WERE MADE TO THE APPRAISAL PROCESS THROUGH THE HOME VALUATION CODE OF CONDUCT IN 2009 AND THE DODD/FRANK ACT IN 2010. IS THE APPRAISAL PROCESS THE SAME, WORSE OR BETTER SINCE 2010?



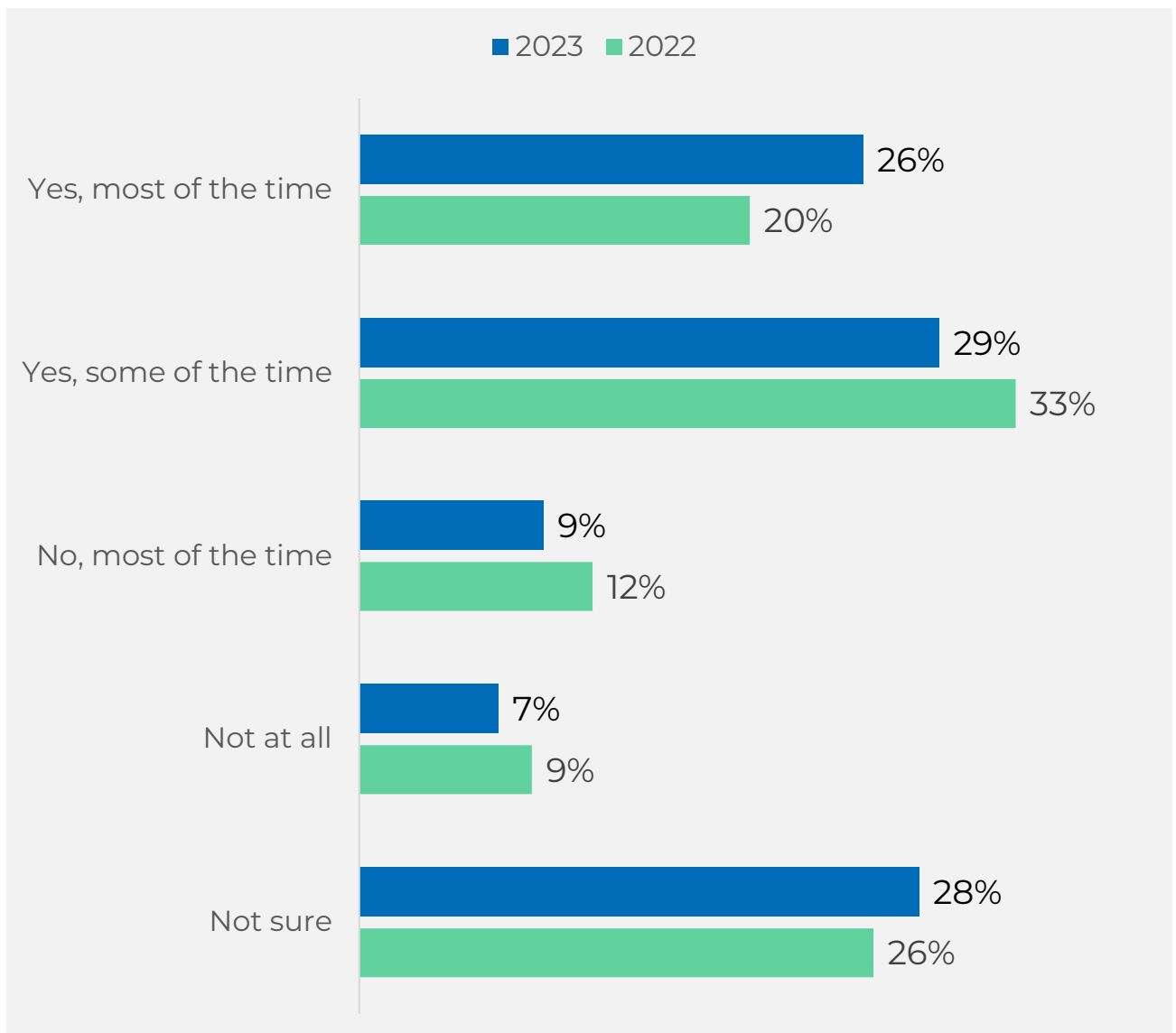
N=2,476

# Appraisal Competency – All Respondents

The largest share of respondents, 29 percent, report that the most competent appraisers are being selected in their markets some of the time, down slightly from 33 percent in 2022. One-quarter (26 percent) say yes, most of the time, up from 20 percent. Similar to 2022, 28 percent are not sure.

As in 2022, appraisers are significantly more likely than other members to say that the most competent are not being selected most of the time (21 percent vs. seven percent) or at all (12 percent vs. six percent) and much less likely to say they are being selected most of the time (16 percent vs. 28 percent).

## DO YOU THINK THE MOST COMPETENT APPRAISERS ARE BEING SELECTED FOR APPRAISALS IN YOUR MARKET?



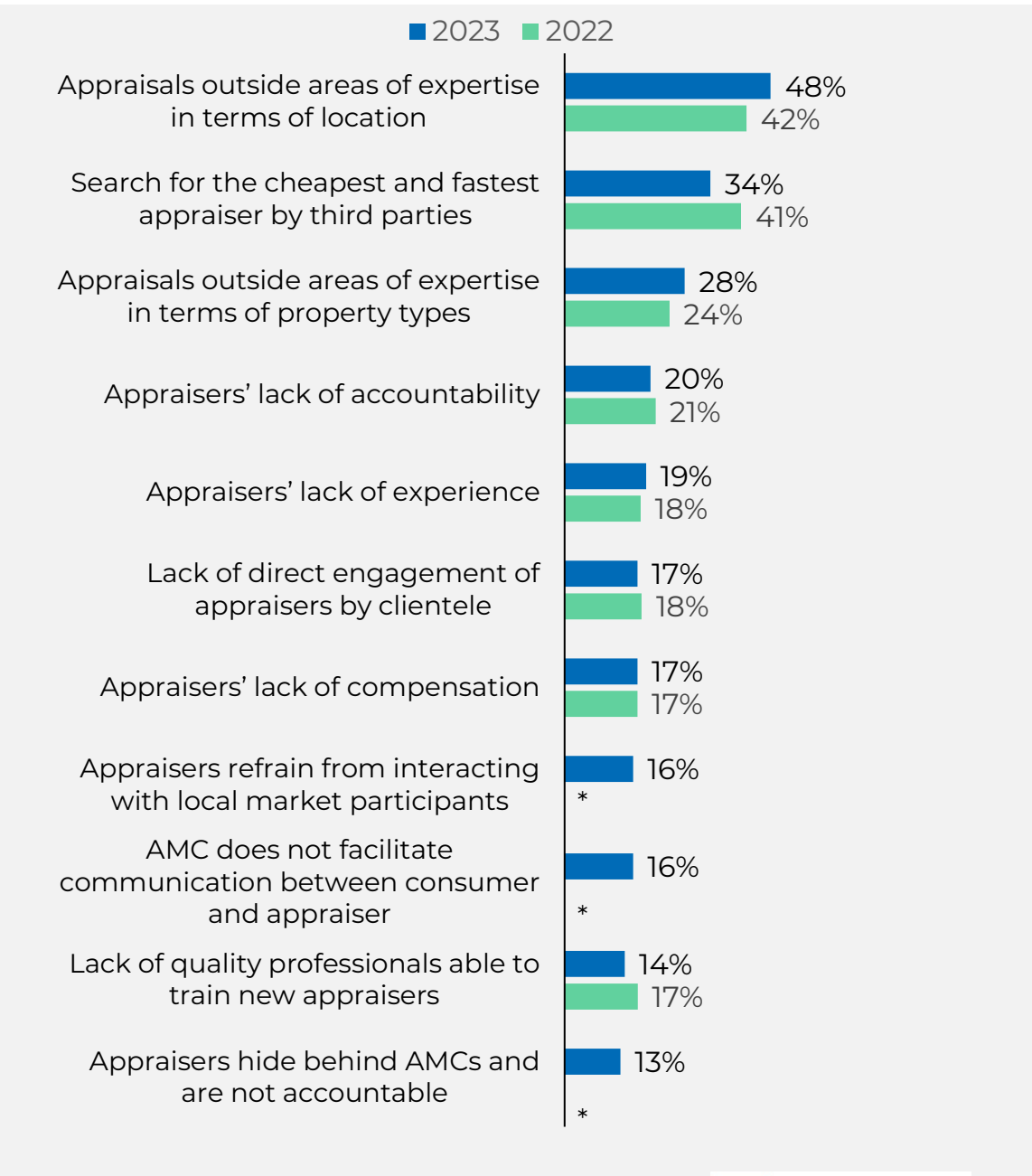
N=2,136

# Greatest Appraisal Competency Issues

Among those who indicated that the most competent appraisers are not being selected at least some of the time, the issues reported most frequently are appraisals outside areas of expertise in terms of location (48 percent), the search for the cheapest and fastest appraisers by third parties (34 percent), and appraisals outside of areas of expertise in terms of property types (28 percent). These were also the top three in 2022. The search for the cheapest and fastest appraisers by third parties was cited by 93 percent of appraisers vs. 17 percent of non-appraiser members; this was also the case in 2022.

## IF LACK OF APPRAISER COMPETENCY IS AN ISSUE IN YOUR MARKET, WHAT ISSUES ARE EVIDENT? SELECT ALL THAT APPLY.

Groups More Likely to Select:
Appraisers
Non-Appraisers
Appraisers
Appraisers
Non-Appraisers
Non-Appraisers



N = 954

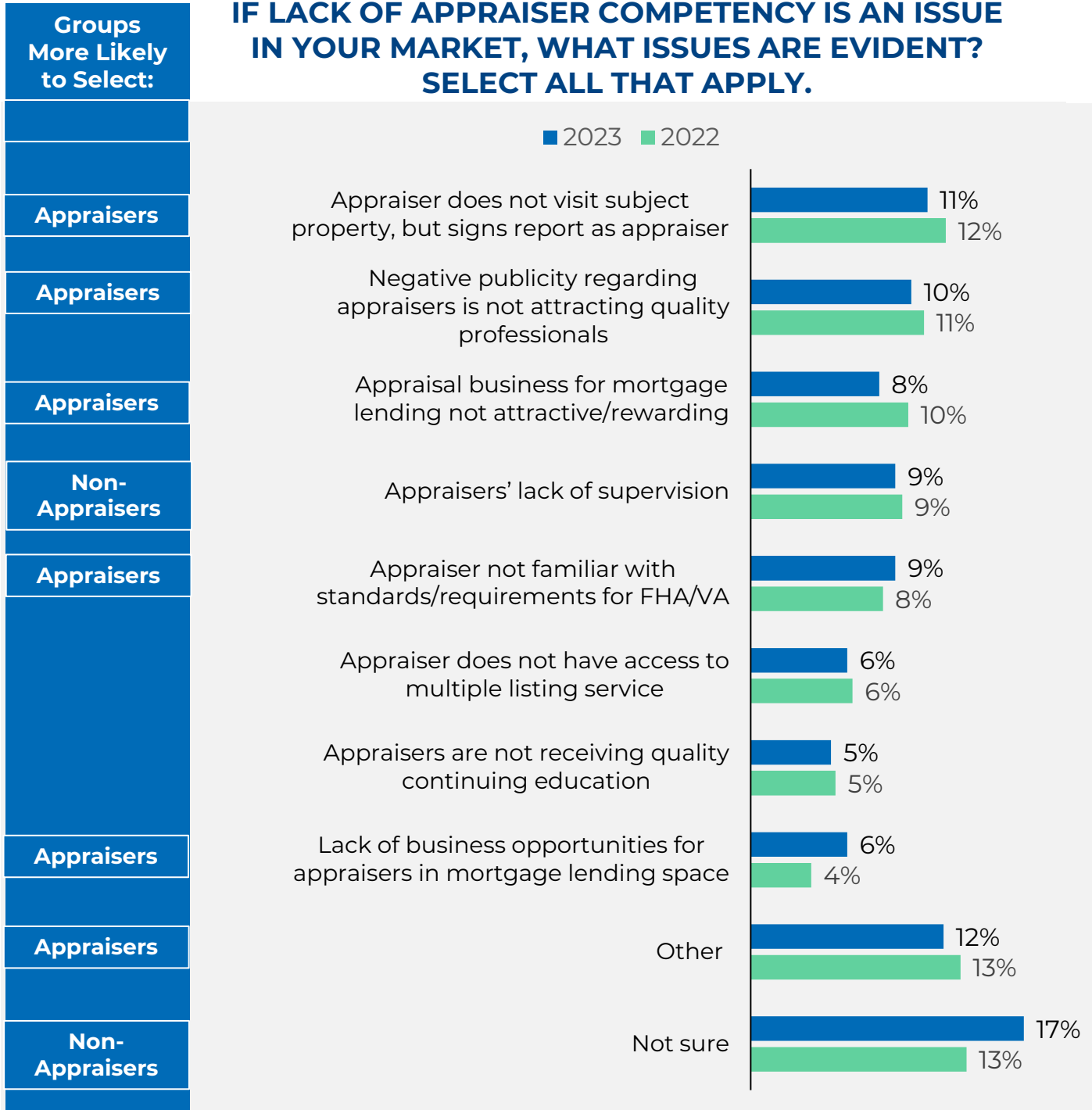
\*Not included in 2022



# Lesser Appraisal Competency Issues

Among those who indicated that the most competent appraisers are not being selected at least some of the time, the issues reported least frequently are below. The “other” issues cited most often are reiterations by appraisers of searches by AMCs for the cheapest and fastest appraisers.

## IF LACK OF APPRAISER COMPETENCY IS AN ISSUE IN YOUR MARKET, WHAT ISSUES ARE EVIDENT? SELECT ALL THAT APPLY.



N = 954

NAR 2023 Appraisal Survey

# **Bias & Discrimination**

A modern office interior with large windows and black chairs. The scene is brightly lit, with natural light streaming in from the windows. The chairs are arranged in a row, and the floor is made of light-colored wood. A blue triangle is visible in the bottom-left corner of the image.

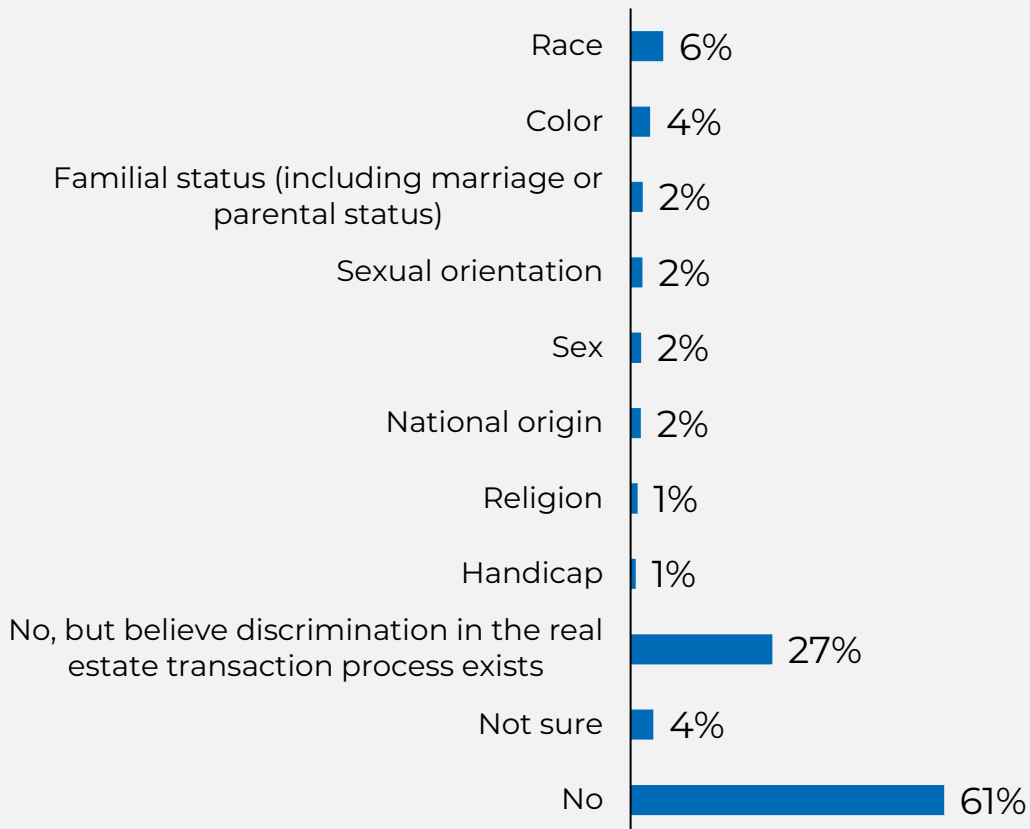
# Discrimination in the Real Estate Transaction Process – All Respondents

Eight percent of respondents have either witnessed or experienced discrimination in the real estate transaction process overall, most likely based on race (six percent) or color (four percent). An additional 27 percent say they have not witnessed or experienced it but believe that it exists.

Appraisers are slightly more likely than others to say they have witnessed this based on religion (two vs. one percent) and to simply say they have not witnessed/experienced it (71 vs. 58 percent), while non-appraiser members are more likely to say that they have not witnessed or experienced it but believe it exists (29 vs. 19 percent).

Respondents who identify as persons of color are more likely to say they have experienced or witnessed discrimination based on race (12 vs. four percent) and color (seven vs. three percent). Women are slightly more likely than others to say they have not witnessed or experienced it but believe it exists (30 vs. 25 percent).

## THE FOLLOWING CLASSES ARE PROTECTED UNDER NAR'S CODE OF ETHICS. HAVE YOU EVER WITNESSED OR EXPERIENCED DISCRIMINATION IN THE REAL ESTATE TRANSACTION PROCESS BASED ON ANY OF THE FOLLOWING? CHECK ALL THAT APPLY:



N=2,136

# Descriptions of Bias or Discrimination in the Real Estate Transaction Process

Eight percent of respondents (166 individuals) describe the bias or discrimination they have encountered in the real estate process. Many of the incidences cited are perpetrated by consumers: sellers selecting their buyers for discriminatory reasons or refusing to sell to particular classes, buyers selecting neighborhoods based on racial demographics, and landlords refusing renters based on protected classes. Others are examples of agents making discriminatory comments, properties being appraised low for potentially discriminatory reasons, and discrimination by lenders.

## PLEASE DESCRIBE THE BIAS OR DISCRIMINATION IN THE REAL ESTATE TRANSACTION PROCESS THAT YOU HAVE ENCOUNTERED:

“A friend who was selling her house (not with me) told me she chose the offer with ‘the best terms and the right family for their neighborhood.’ This shouldn't be allowed to happen. Sellers shouldn't be allowed to see the names of buyers. It allows for so much discrimination and I see it all the time.”

“Agents telling me the seller accepted an offer because of race. The appraisal giving a very low value because of race.”

“An agent a couple of years ago warned me against representing “those kind of people” that prefer to work with “their own kind.”

“Appraiser reduced the value due to same sex couple purchasing property. Appealed, and denied a second time. Appealed again, with comps, and property appraised.”

“Clients wanting to accept offers based on who will live there... Mostly families.”

“Have seen agents and lenders give short shrift to females participating in a transaction without a male spouse or partner.”

“I currently have an African American family who was approved for a loan with 10% down. The last final underwriting step they had to submit their drivers licenses. They were then told they needed 20% down... the reason they were told is because of the forecasted downturn of the economy!”

“If there are persons of color it is automatically considered of less value, even if the community has curb appeal, good location, and safety facts.”

“Sellers who are opposed to having a different race or color in neighborhood, and buyers who complain if they can only afford to buy in a neighborhood that is compromised of a certain race or color.”

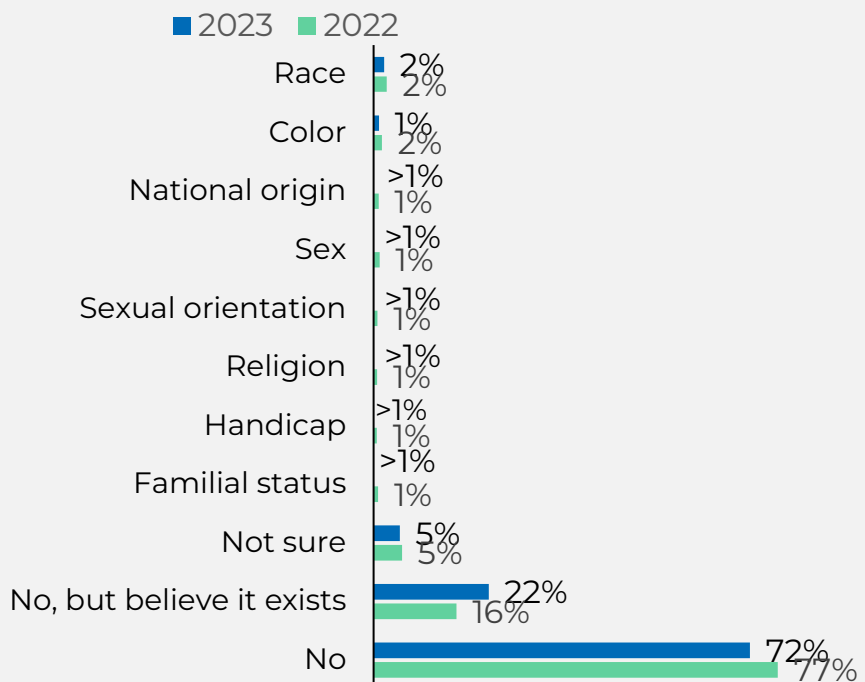
# Appraisal Discrimination – All Respondents

Only two percent of members overall report witnessing or experiencing discrimination in an appraisal, similar to three percent in 2022. As in 2022, this is most likely based on race (two percent) or color (one percent). Ninety-four percent of all respondents have never witnessed or experienced discrimination in an appraisal, up slightly from ninety-two percent last year. Twenty-two percent say they have not witnessed or experienced it but believe discrimination in appraisals exists; this is up from 16 percent last year. Again, five percent are not sure.

Appraisers are slightly more likely than others to cite sex discrimination (one vs. less than one percent) and to simply say they have not witnessed or experienced it (79 vs. 70 percent). Non-appraiser members are more likely to say that they are not sure (five vs. three percent) or that they have not witnessed or experienced it but believe it exists (23 vs. 16 percent).

Persons of color are more likely than others to report witnessing or experiencing discrimination by race (five vs. one percent) and color (three vs. less than one percent) and to say no, but they believe it exists (28 vs. 20 percent). Women are slightly more likely than others to say that they have not witnessed or experienced this but believe it exists (24 vs 20 percent).

## THE FOLLOWING CLASSES ARE PROTECTED UNDER NAR'S CODE OF ETHICS. HAVE YOU EVER WITNESSED OR EXPERIENCED DISCRIMINATION IN AN APPRAISAL BASED ON ANY OF THE FOLLOWING? CHECK ALL THAT APPLY:



N=2,136

# Descriptions of Bias or Discrimination in the Appraisal Process

Forty-two members (two percent of all respondents) describe the bias or discrimination they witnessed or experienced in the appraisal process. As in 2022, the vast majority of the situations described were discrimination by an appraiser based on the race or ethnicity of the seller or the residents of the seller's neighborhood. However, multiple appraisers describe being discriminated against themselves by sellers or agents specifically for their gender (female).

## PLEASE DESCRIBE THE BIAS OR DISCRIMINATION IN THE APPRAISAL PROCESS THAT YOU HAVE ENCOUNTERED:

"Value was different when the appraiser thought the owner was of a certain race." (Non-Appraiser)

"Appraiser unknowingly made a comment that was overheard by the seller." (Non-Appraiser)

"I had an appraiser make note that if the buyer had driven up and down the street, they would have seen what type of neighborhood it was. It was primarily a black neighborhood. We had a 2nd appraisal done and it came in \$20,000 higher." (Non-Appraiser)

"Realtors® doubting my competence due to the fact that I am a female." (Appraiser)

"Essentially redlining - neighborhoods of predominately people of color are given lower market value." (Non-Appraiser)

"I've had homeowners question my competency in appraising because I am female. 'Oh, I thought they would send a man' and 'Women are appraisers?' It's getting better now, and in the 1980's and 1990's, it was really bad." (Appraiser)

"I have seen unacceptable words and phrases used in appraisals." (Non-Appraiser)

"A previous client moved to a different state, loved their home. During refinancing, the appraisal was extremely low, but when their white neighbors posed in the house the appraisal was higher."

**N = 42**

# Final Comments

Fifteen percent of respondents (328 individuals) left final comments. Sentiments repeated more than once are reflected in the comments below.

## **IF YOU HAVE ANY FINAL COMMENTS ON ANYTHING IN THIS SURVEY PLEASE SHARE THOSE BELOW. IF NOT, PLEASE SKIP THIS QUESTION.**

“AMC’s are out of control. Lack of knowledge. Offering appraisals at 1/2 the fee and rush deadlines for complex rural reports. I counter about 6 a day and end up with 0-1 accepted. Revisions are 99% data already in the reports. Issues with purchase agreements not being completed/sent from AMCs and mainly fees. They are pushing appraisers out of the profession. No issues with direct lenders. Only issues with AMCs.” (Appraiser)

“AMCs do more harm to the appraisal process than good. The best thing in order to improve the appraisal process and stream line it would be to completely eliminate AMCs.” (Appraiser)

“Appraisers have too much power. They can kill a good deal. There should be a process to challenge a bad/low appraisal that does NOT include the original appraiser (who could be biased/incompetent/egotistical/etc.)” (Non-Appraiser)

“Appraisers should be able to admit they’ve made a mistake or to re-evaluate an appraisal finding without repercussion from the AMC. AMC should encourage members to take permit history into account when selecting a comp as well as location.” (Non-Appraiser)

“As an appraiser, we have a 72-hour turnaround from date of inspection to delivery of the report. Realtors® need to take some additional classes and be able to understand what the lenders and underwriters require through the process. It is complete ignorance for a REALTOR® to put a listing price number on a property and then accept bids for thousands more. Appraisers are in place to protect the client and to let the lender know that they are clear to take a collateral position on a property and that is done with sales history.” (Appraiser)

“Biggest issue I have encountered with appraisers is choosing different comps, usually much larger than property and located a mile away from property then making huge adjustments instead of choosing ones located near to property and making smaller adjustments.” (Non-Appraiser)

“Hard to make a living appraising if you have AMC as clients and they own most of the business. Many appraiser want to leave the profession. Many propaganda [sic] is going on in the news stating bias. 99.99% of appraisers do not have bias bone. Yes, lots of white men but many are married to other races. Wish they would incorporate the diversity that way. Myself praying and hoping to get out of appraising asap. Done. I am not alone in that thought.” (Appraiser)

“I think your race and gender questions are inappropriate. We aren’t going to end racism until we stop asking.” (Non-Appraiser)

“The time for an appraisal after contract acceptance depends on whether the buyer wants to complete inspection before ordering AND on the market conditions and activity. Not a good question as it is way to simplistic. ALSO, most appraisers have no idea of who the buyer or seller is and what gender, religion or sexual orientation. It seems you are trying to create a problem where one does not exist.” (Appraiser)

# Demographics



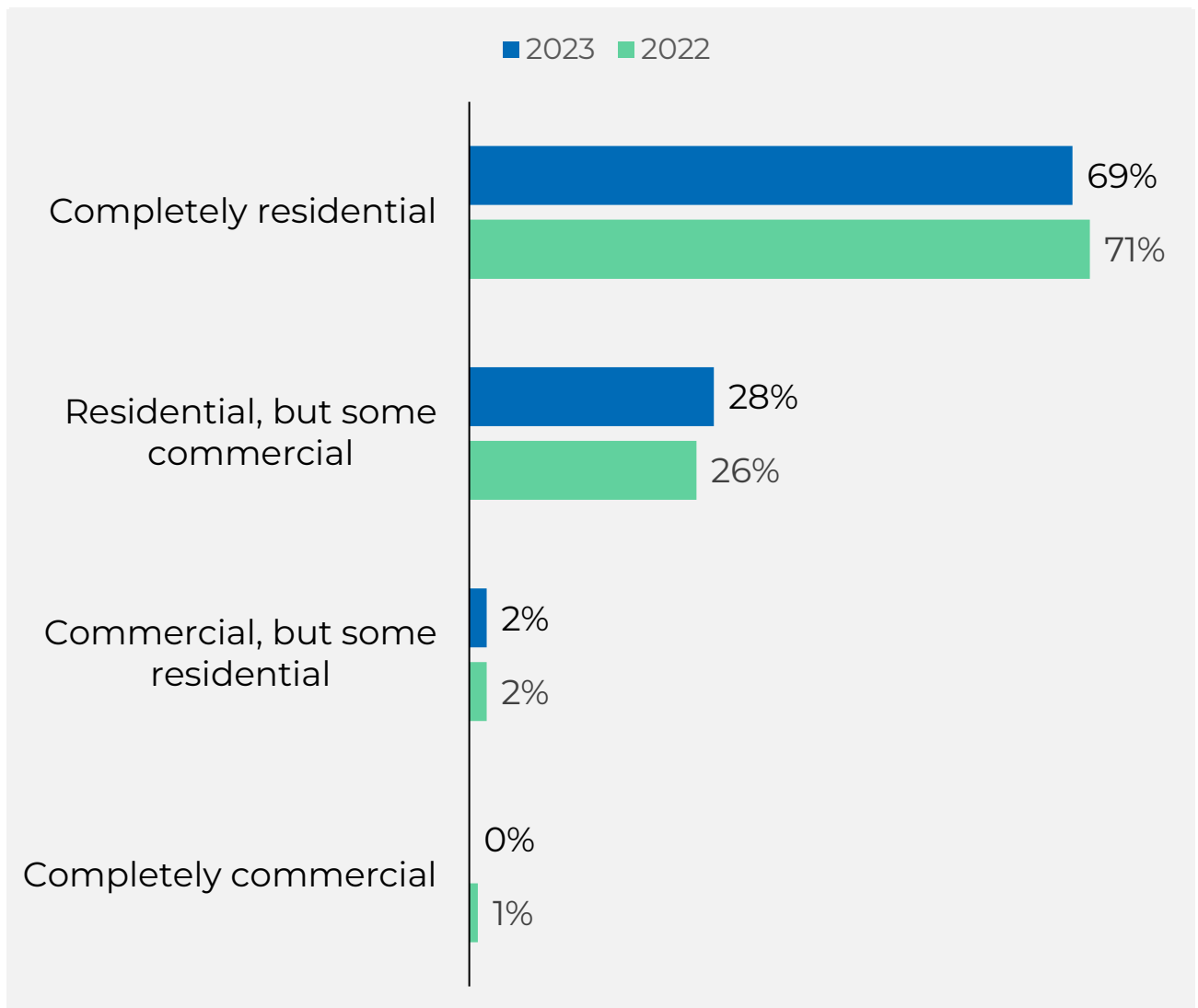


# Business Type

As in 2022, the typical respondent is completely residential (69 percent). *The one percent who were completely commercial in 2022 were screened out of the survey; no completely commercial members responded in 2023.*

Appraisers are significantly more likely to be completely residential than other members (81 vs. 67 percent), who are more likely than appraisers to be residential but practice some commercial (32 vs. 12 percent).

## HOW WOULD YOU DESCRIBE YOUR BUSINESS?



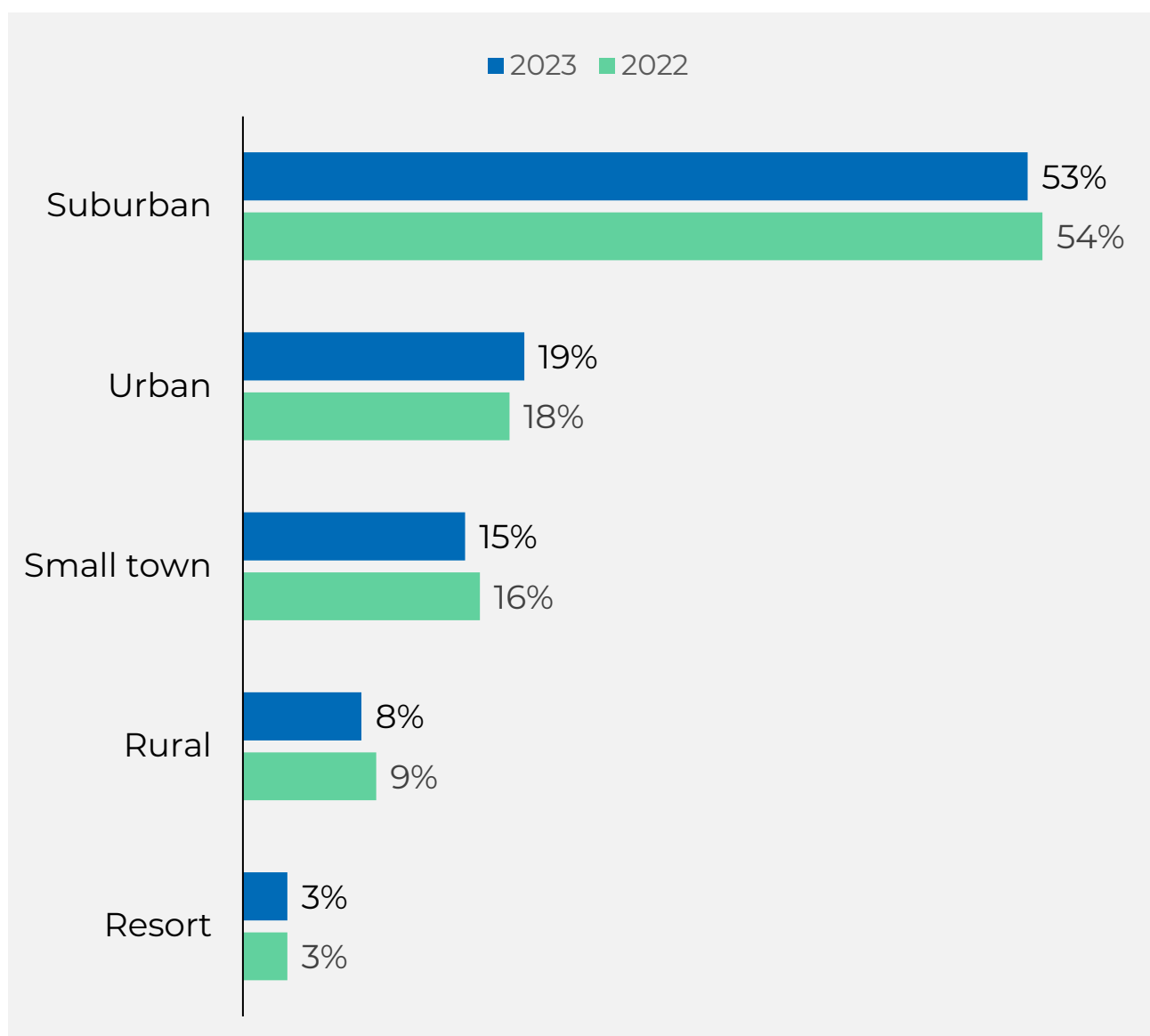
N = 2,174

# Location of Business

As in 2022, the typical respondent practices primarily in a suburban area (53 percent).

Appraisers are somewhat more likely to cite suburban (62 vs. 51 percent) and rural areas (12 vs. eight percent), while others are somewhat more likely than appraisers to cite urban (21 vs. 15 percent) and small town areas (17 vs. 10 percent).

## IN WHAT AREA DO YOU PRIMARILY PRACTICE YOUR BUSINESS?

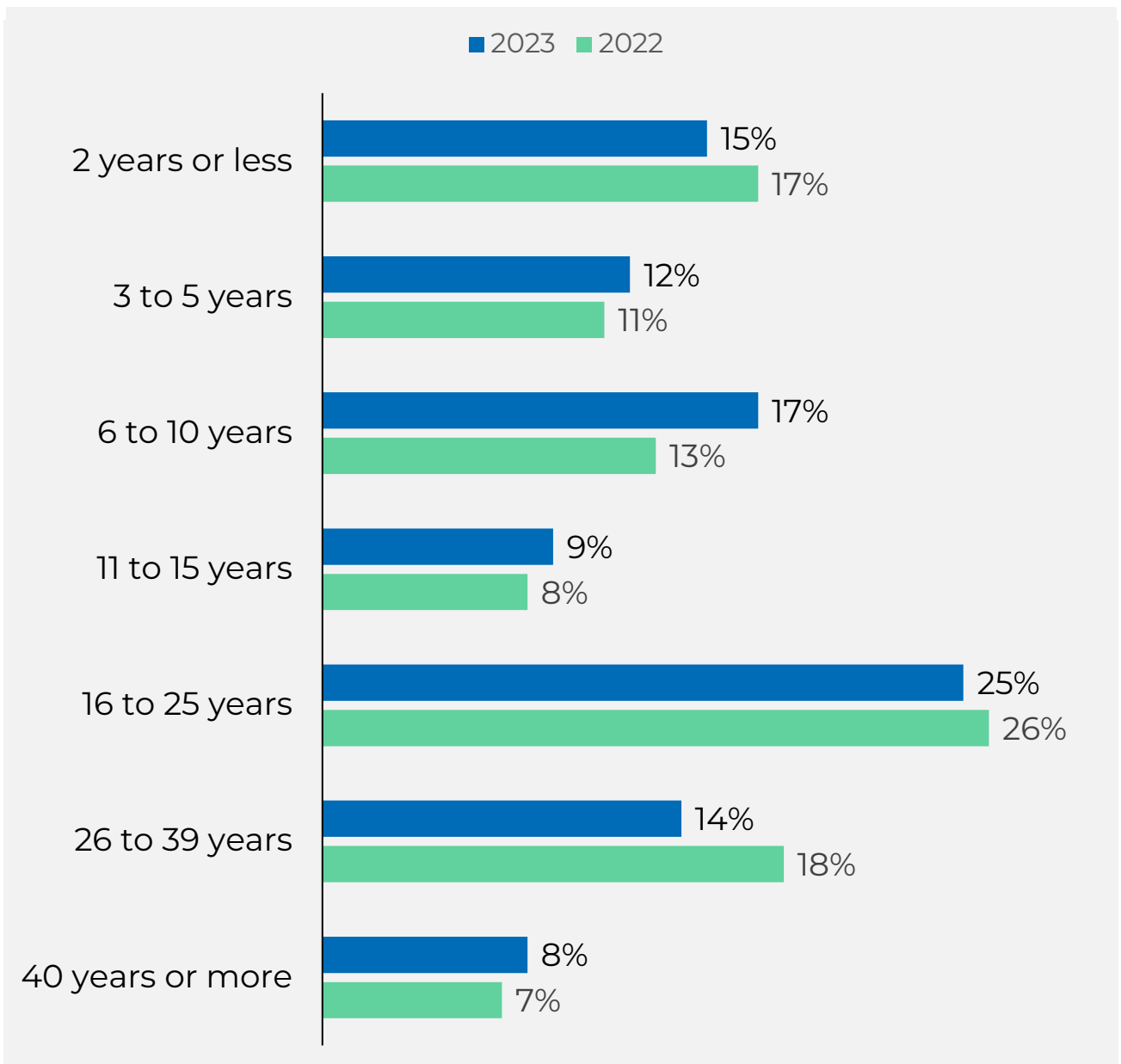


N = 2,174

# Years of Experience

The typical respondent has 15 years of experience in real estate; this is unchanged from 2022. The typical appraiser is significantly more experienced than the typical non-appraiser member: 23 years vs. 11 years.

**HOW MANY YEARS HAVE YOU BEEN ACTIVE IN REAL ESTATE IN ANY CAPACITY? PLEASE USE NUMERIC DIGITS ONLY. IF YOU HAVE BEEN ACTIVE FOR LESS THAN ONE YEAR, PLEASE ENTER 0.**  
**MEDIAN = 15 YEARS**



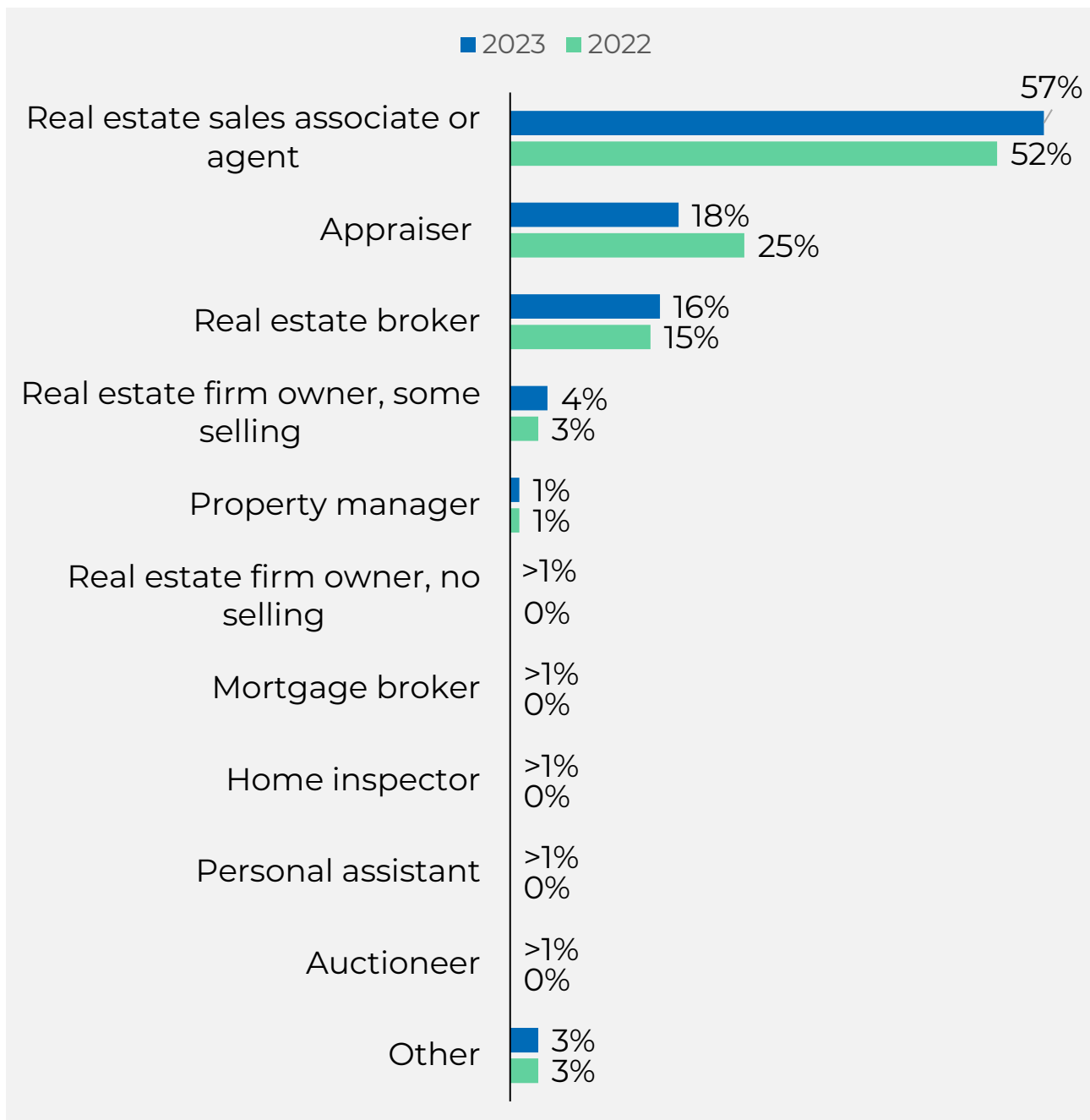
N = 2,174

NAR 2023 Appraisal Survey

# Main Function

The typical respondent is a real estate sales associate or agent. Those who selected other (3 percent) are mostly broker associates and associate brokers and so function as sales agents. Respondents are slightly more likely this year to be sales agents and somewhat less likely to be appraisers.

## WHAT IS YOUR MAIN FUNCTION IN THE REAL ESTATE INDUSTRY?

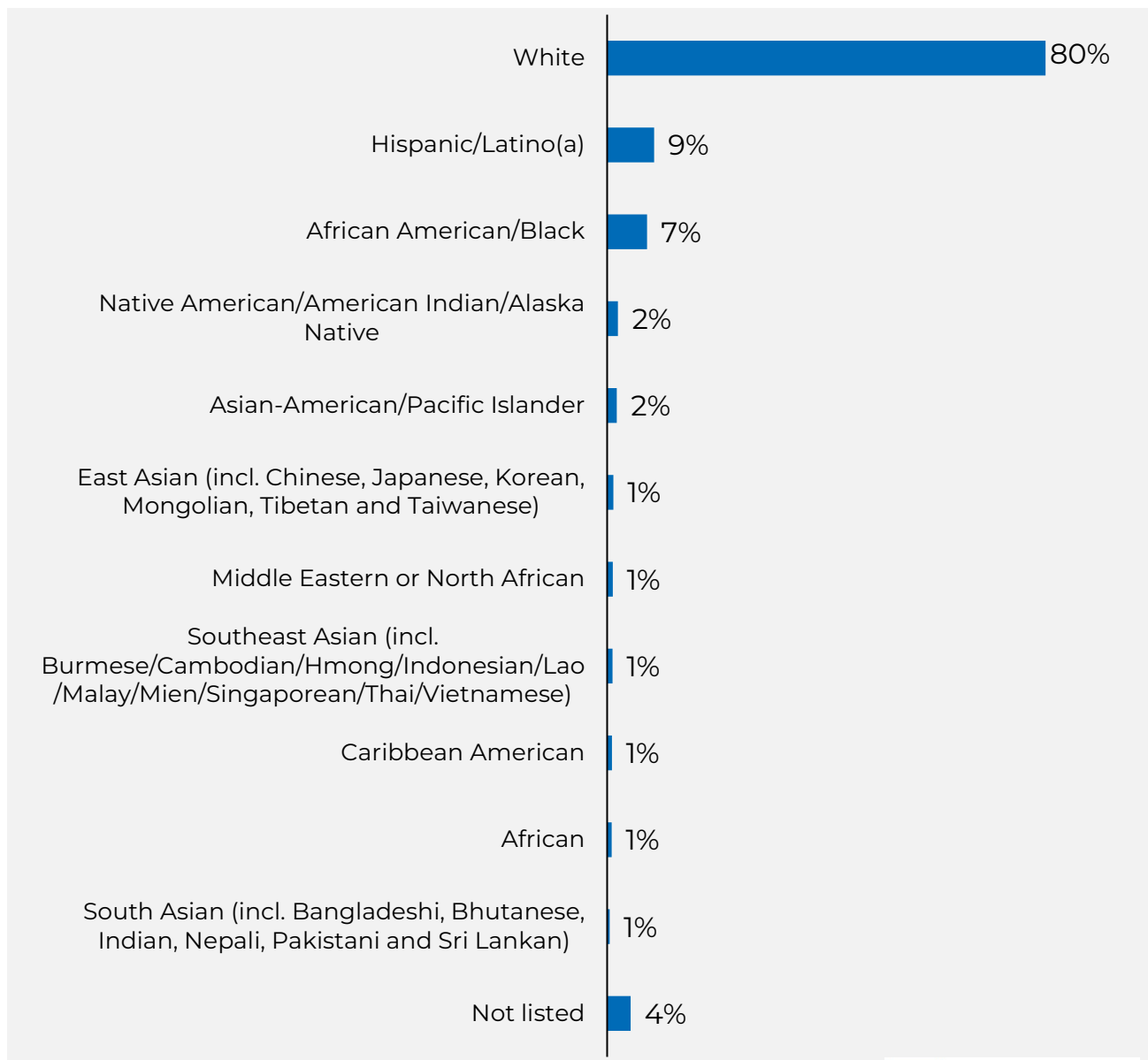


N = 2,174

# Race/Ethnicity

Eighty percent of respondents are White. Nine percent are Hispanic/Latino(a); eight percent are African-American, Black, or African. Five percent are Asian, Asian-American, or Pacific Islander, with two percent identifying as Indigenous American (Native American/American Indian or Alaska Native). Most of the four percent who selected “not listed” took exception to the question, and an additional eight percent of respondents refused to answer. Appraisers are more likely to identify as White than other members (88 vs. 78 percent) and significantly less likely than others to identify as any other races/ethnicities listed. *This question was not asked in 2022.*

**PLEASE DESCRIBE YOUR RACE/ETHNICITY. PLEASE SELECT ALL THAT APPLY. (YOU MAY CHOOSE MORE THAN ONE RACE /ETHNICITY.)**

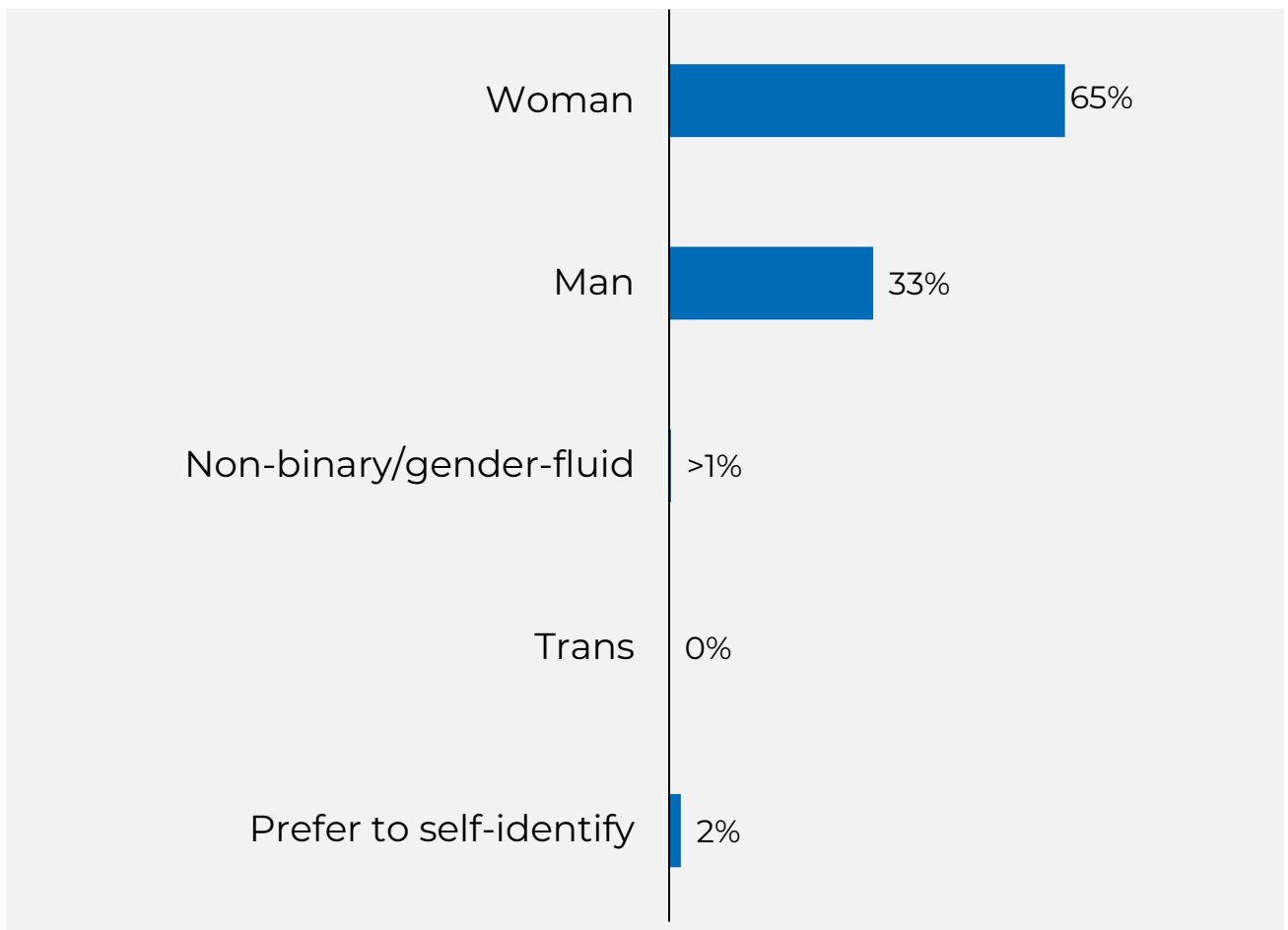


# Gender

Two-thirds (65 percent) of respondents are women; one-third (33 percent) are men. Less than one percent identify as non-binary or gender fluid; no respondents identify as trans. All of the two percent who “self-identified” simply complained about the question.

Over half (58 percent) of appraisers are men, vs. 28 percent of other practitioners.

## HOW DO YOU IDENTIFY? PLEASE CHOOSE ANY THAT APPLY.



N = 2,025

# Ranking Score Calculation\*

Ranking questions calculate the average ranking for each answer choice to determine the order of preference. The answer choice with the largest average ranking is the most preferred choice.

The average ranking is calculated as follows, where:

w = weight of ranked position

x = response count for answer choice

$$\frac{x_1w_1 + x_2w_2 + x_3w_3 \dots x_nw_n}{\text{Total response count}}$$

Weights are applied in reverse so that the respondent's most preferred choice (which they rank as #1) has the largest weight, and their least preferred choice (which they rank in the last position) has a weight of 1.

*\*Source: SurveyMonkey*



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