



# Practical Applications of Real Estate Appraisal (PAREA)

Nevada Commission of Appraisers of Real Estate  
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# Becoming an Appraiser

- Current supervisor/trainee mentorship model in place since the 1930s
- Until 1990s, banks and S&Ls had large appraiser staffs, training new appraisers and mentoring them
- Banking mergers and other factors all but eliminated the staff model
- The burden of training new appraisers was placed on the backs of independent fee appraisers



# What is PAREA?

**An *alternative* experience model using simulated training by leveraging today's technology**

- Adopted by AQB effective January 1, 2021
- Similar to training used by pilots, doctors, firefighters
- Allows multiple iterations and variations of properties, market conditions and assignment types
- Participants must be guided by qualified mentors and must produce USPAP-compliant appraisals

# Why PAREA?

## The current supervisory appraiser/trainee mentorship model is ineffective

- Largely, supervisory appraisers are only willing to train friends or relatives as new appraisers
- This represents a significant **barrier to entry** for otherwise qualified individuals wishing to become appraisers
- Profession is predominantly white males, which can serve to perpetuate a lack of diversity

# Why PAREA?

Traditional Method	PAREA
Trainee must work under direct control and supervision, and cannot perform any appraisals unless they are co-signed by supervisory appraiser. This often requires supervisor to physically accompany the trainee	Participant can acquire required experience independently via simulated training, with progress monitored by dedicated PAREA monitors (certified appraisers who meet supervisory appraiser requirements)
Required minimum training time is 1,000 hours in no less than six months for a license; and 1,500 hours in no less than 12 months for certification	PAREA is self-paced with no established minimum time frames. Dedicated PAREA participants could potentially be ready to take state exam in just a few months
Trainees must typically first complete a minimum of 79 hours of Qualifying Education (QE) to obtain a Trainee License prior to obtaining any experience	Participants must first complete the required 150 hours of QE for a license, or 200 hours of QE for certification. No Trainee License is required.
Trainee learns only the supervisor's practice and market conditions in the time frame the training occurs	Participants will learn how to appraise a wide variety of property types in differing market conditions

# PAREA Benefits

## Full Adoption Can Help Provide:

- An adequate supply of new appraisers
- A pathway to help diversify the appraiser population
  - Younger people embrace technology
  - Veterans transitioning into civilian life
  - Historically Black Colleges & Universities
  - Minority-based appraiser groups (e.g., National Society of Real Estate Appraisers, National Association of Hispanic Real Estate Professionals)

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# PAREA Adoption by States

*Why allow 100% credit for PAREA?*

Adopting anything less than the AQB-allowed 100% of experience credit simply **does not solve** the current trainee/supervisor problem

Some states have considered **not** allowing 100% credit, putting PAREA in jeopardy



# Technology Simulation: Market, Neighborhood and Subject Property Research

[Enter](#)





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