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Real Estate Solutions*

APPRAISER OPINIONS ON DEPARTMENT OF VETERANS AFFAIRS APPRAISAL & INSPECTION FEES

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VA APPRAISAL FEES

- ⊙ Study Population:
 - ⊙ 11,466 randomly-selected real estate appraisers including:
 - ⊙ 2,057 SRA members
 - ⊙ 2,409 Residential Associate members
 - ⊙ 7,000 nonmember appraisers.
- ⊙ Survey Instrument:
 - ⊙ Online, self-administered questionnaire with security features.
- ⊙ Communication method:
 - ⊙ Survey invitation was sent via email on September 28, 2010.
- ⊙ Respondent Cooperation Rate (response rate):
 - ⊙ 5.6 percent.
- ⊙ Survey Sample Size:
 - ⊙ 614 (416 AI members and 198 nonmember appraisers).
 - ⊙ Responses are broadly distributed geographically.
- ⊙ Margin of Error (at the 95 percent Confidence Level):
 - ⊙ +/- 3.9 percentage points (based on a U.S. appraiser population of 93,750).

VA APPRAISAL FEES

- ⊙ Research Objective
 - ⊙ Determine whether Department of Veterans Affairs appraisal and inspection fees are comparable to customary and reasonable appraisal fees for similar non-VA appraisals and inspections.

VA APPRAISAL FEES

Are you a VA-approved appraiser?

	All Responses n = 614	Do VA Appraisals n = 421	Do not Do VA Appraisals n = 193
Yes	66.1%	95.7%	1.6%
No	33.9%	4.3%	98.4%

“Do VA Appraisals” is the proportion of the total survey sample that does VA appraisals.

“Do Not Do VA Appraisals” is the proportion of the total survey sample that does not do VA appraisals.

VA APPRAISAL FEES

How long have you been doing VA appraisals and/or inspections?

	All Responses n = 614	Do VA Appraisals n = 421
Not applicable (do not do VA appraisals)	31.4%	0.0%
Less than 1 year	0.8%	1.2%
1 to 3 years	5.0%	7.4%
4 to 5 years	6.5%	9.5%
5 to 10 years	19.1%	27.8%
More than 10 years	36.6%	53.4%
Not sure	0.5%	0.7%

“Do VA Appraisals” is the proportion of the total survey sample that does VA appraisals.

VA APPRAISAL FEES

How many VA residential appraisals or inspections have you done in the past 24 months?

	All Responses n = 614	Do VA Appraisals n = 421
None	32.9%	2.4%
1 to 5	2.8%	4.0%
6 to 10	3.3%	4.8%
11 to 15	2.1%	3.1%
16 to 20	4.2%	6.2%
21 to 25	3.6%	5.2%
26 or more	51.1%	74.3%

“Do VA Appraisals” is the proportion of the total survey sample that does VA appraisals.

VA APPRAISAL FEES

Overall, how reasonable are the VA appraisal and inspection fees for your local area?

	All Responses n = 614	Do VA Appraisals n = 421	Do not Do VA Appraisals n = 193
Very reasonable	23.9%	25.7%	20.2%
Reasonable	47.2%	53.9%	32.6%
Somewhat unreasonable	12.5%	15.7%	5.7%
Not reasonable at all	3.9%	4.0%	3.6%
Not sure	12.4%	0.7%	37.8%

Slight to strong majorities of respondents said VA appraisal and inspection fees are “Reasonable” or “Very reasonable.”

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“Do Not Do VA Appraisals” is the proportion of the total survey sample that does not do VA appraisals.

VA APPRAISAL FEES

Do the VA appraisal fee levels for your area encourage you to do, or discourage you from doing, VA appraisals or inspections?

	All Responses n = 614	Do VA Appraisals n = 421	Do not Do VA Appraisals n = 193
Encourages	38.9%	44.2%	27.5%
Neither encourages nor discourages	41.7%	46.8%	30.6%
Discourages	7.5%	7.6%	7.3%
Not sure	11.9%	1.4%	34.7%

Though a plurality of respondents selected “Neither encourages nor discourages,” nearly comparable proportions of respondents selected “Encourages.” This affirms the overall opinion of respondents that VA appraisal fees are on par with fees for similar non-VA appraisal and inspection assignments.

“Do VA Appraisals” is the proportion of the total survey sample that does VA appraisals.

“Do Not Do VA Appraisals” is the proportion of the total survey sample that does not do VA appraisals.

VA APPRAISAL FEES

Are VA appraisal fees for the following types of properties or circumstances above, below, or on par with typical non-VA appraisal fees in your area?

n = 614	Above Par	On Par	Below Par	Not Sure
Single family residence	13.7%	60.1%	13.7%	12.5%
Multi-family residence (2 to 4 units)	5.9%	41.0%	29.2%	23.9%
Individual condominium units	10.9%	54.9%	15.3%	18.9%
Repair/compliance inspections	7.0%	56.2%	18.9%	17.9%
Liquidation appraisals	8.3%	44.8%	26.4%	20.5%
Partial releases of security	2.6%	30.5%	7.8%	59.1%
Abbreviated reports	3.1%	27.9%	9.0%	60.1%

Significant majorities or pluralities of respondents rated VA appraisal fees “On Par” with comparable non-VA appraisal fees. However, for all categories of VA appraisal fees the pluralities of responses for “Below Par” were equal to or greater than the pluralities of responses for “Above Par.” This suggests that when VA appraisal fees are not on par, the fees apparently tend to be below par more often than above par.

VA APPRAISAL FEES

Appraisal Institute Member Respondent Composition

	All Responses n = 416
Designated member	52.4%
General Associate member	5.3%
Residential Associate member	31.7%
Affiliate member	8.7%
Student Affiliate member	0.0%
Trainee member	1.9%

VA APPRAISAL FEES

End of Report