
Preparing for the Appraisal Exam

The Appraisal Institute's *Practice Examination Questions for Real Estate Appraisers* has been developed to help students and trainees prepare for various examinations presented by educational providers, state appraiser boards, or other presenters of qualification examinations. This publication is not a collection of questions that will appear on specific examinations. Instead it is a training manual to help examinees develop a background for subjects that may be encountered on the various exams. This publication is intended to provide examinees with practice before entering a testing center or taking the final exam at the end of a course.

Each state uses its own testing materials. There is no way to know what is on a particular real estate appraisal examination today or in the future. Neither the Appraisal Institute nor the author of this book claim to have inside knowledge as to what is on a particular examination. However, this book can help appraisers take examinations with a greater understanding of the important appraisal concepts, which will lead to a greater potential for success. Reading this book will not magically transform a student with no understanding of the concepts into an expert and guarantee success, but it should help students reach the level of understanding required to pass appraisal exams. Taking the practice exam questions will also highlight specific areas of weakness for examinees so that they can focus their study time on strengthening their skills in those areas.

Students can learn by answering questions about a subject and then figuring out why the different answer options are correct or incorrect. Answering test questions—or practice questions—is one way to gain and retain knowledge. More than 1,000 practice questions and detailed answers are provided in this publication, and students should learn from the process of answering the questions. Because the contents of the various real estate appraisal tests are unknown, the author of this book is not “teaching to the test,” but has instead developed a series of practice questions based on the body of appraisal knowledge.

Modern real estate exams are focused on application rather than theoretical knowledge. The testing procedures in place today are designed to discourage rote learning and testing and to replace them with application-based learning and testing. Test questions are designed to replace the simple memorization of concepts, phrases, and definitions with challenging scenarios and application-based problems. Application questions require a greater understanding of the concepts. While not all exam questions require application, it is important to remember that the emphasis in recent years has been moving away from questions that can be answered by memorizing words or phrases. This new emphasis also makes last-minute cramming for the exam less successful.

Content Areas of the Examination

The 2008 Appraisal Qualifications Board National Uniform Examination Content Outlines are the basis for the content of the National Uniform Real Property Appraiser Examinations. The content of the National Uniform Examinations has been revised to coincide with the Uniform Real Property Appraiser Qualification Criteria

revisions that became effective in 2008. The National Uniform Examination Content Outlines are shown in the following chart.

National Uniform Examination Content Outlines			
Domain	Licensed Residential	Certified Residential	Certified General
I Influence on Real Estate Value Governmental Economic Social Environmental, geographic and physical	5%	5%	5%
II Legal Considerations Forms of ownership Public and private controls Real estate contracts Leases	5%	5%	4%
III Types of Value Market value Other value types	5%	5%	6%
IV Economic Principles Classical economic principles Application/illustrations of economic principles	5%	5%	6%
V Real Estate Markets and Analysis Market fundamentals, characteristics, definitions Supply analysis Demand analysis Use of market analysis	4%	4%	5%
VI Property Description Geographic characteristics of the land/site Geologic characteristics of the land/site Location and neighborhood characteristics Land/site considerations for highest and best use Improvements—architectural styles/types of construction	11%	11%	10%
VII Highest and Best Use Analysis Test constraints: legal, physical, financially feasible and maximally productive Application of highest and best use Market analysis	9%	9%	9%
VIII Appraisal Math and Statistics Statistics Valuation models (AVMs and mass appraisal) Real estate finance	3%	3%	4%
IX Sales Comparison Approach Valuation principles Finance and cash equivalency Procedures: Identification, derivation and measurement of adjustments Partial interests Reconciliation	15%	15%	10%
X Site Value Methods	5%	5%	4%
XI Cost Approach Concepts and definitions Replacement/reproduction cost new Methods of estimating accrued depreciation	9%	9%	6%
XII Income Approach Valuation principles Valuation procedures: Direct capitalization	7%	7%	15%
XIII Valuation of Partial Interest	1%	1%	1%
XIV Appraisal Standards and Ethics Preamble and rules Standards 1–6 Statements and advisory opinions	16%	16%	15%

Source: *Examination Administration Manual: National Uniform Examinations for Real Property Licensing and Certification of Licensed Residential Appraiser/Certified Residential Appraiser/Certified General Appraiser* (Washington, D.C.: The Appraisal Foundation, 2007) 7.

It is important to review this content outline because much of the testing material is organized around these headings. If a student fails a state licensing examination, it is likely that he or she will receive a list of strengths and weaknesses that references these sections and topics.

Many people have the intellectual ability to pass examinations like the tests used by state appraisal boards for licensed or certified appraisers. The difference between passing and failing an exam is often not intelligence, but the amount of focused effort the student devotes to preparing for the exam. Students who spend a great deal of time preparing for questions that will not appear on the exam are wasting their time and energy. This is why the National Uniform Examination Content Outlines are so important. One of the best strategies for preparing for an exam is to focus on studying the topics that will form the bulk of the exam.

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You now know a little bit about test preparation and how to best use the practice questions in this book. Using this book correctly and diligently will help you feel confident and prepared on exam day. Finally, don't forget to relax and do your best. Good luck on your examination.

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