

## AI PAREA for Licensed Residential Readiness Exam

An important component of the AI PAREA Licensed Residential readiness checklist is an online readiness exam. The exam is designed to prepare you for success in the program, enhance your experience, and ensure the integrity of the AI PAREA experience. Successfully passing this exam is required prior to enrollment in the program.

- After you create an [AI PAREA Licensed Residential readiness checklist](#) and all education requirements have been verified, you will have access to register for the exam.
- There is no cost to register for or complete the exam.
- The exam content consists of concepts and procedures from your qualifying education courses, with an emphasis on material usually covered in the *Basic Appraisal Procedures* course. In addition, basic Excel formulas are included.
- The exam has 40 multiple choice questions concentrated by topic.
  - General Appraisal Terms and Microsoft Excel Formulas (7.5%)
  - The Valuation Process (5.0%)
  - Property Description (7.5%)
  - Basics of Construction (5.0%)
  - Estimating Depreciation (7.5%)
  - Sales Comparison Approach Terms and Definitions (7.5%)
  - Highest and Best Use (7.5%)
  - Land or Site Valuation (7.5%)
  - Cost Approach Terms and Definitions (7.5%)
  - Estimating Costs (7.5%)
  - Income Capitalization Approach Terms and Definitions (7.5%)
  - Income Capitalization Approach Procedures (7.5%)
  - Appraisal Reports (7.5%)
  - Reconciliation (7.5%)
- The exam must be passed with a score of at least 80%.
- You will have access to the exam for 60 days.
- During the 60-day access period, you will have 2 attempts to pass the exam.
- You will have (90 minutes) for each attempt. Once you start an attempt, you must submit the exam within the 90 minutes. If you have not yet submitted the exam when the time limit is reached, the exam will be auto-submitted. The exam will be scored based on your current progress and counted as one attempt.
- Exam questions are randomly selected from a pool of questions for each separate attempt.
- Upon successful passing of the exam, your AI PAREA Licensed Residential readiness checklist will be automatically updated within 24 hours. After completing the exam, you must click the final “Next” button to advance to the required last page and record your score.

### Study Materials

- An excellent method to prepare for the readiness exam is to review the material from your qualifying education courses, especially *Basic Appraisal Procedures*, focusing on the learning objectives.
- Additional free study materials are available after you register for the exam and include a topic study guide and a practice exam.
- [Appraisal Institute publications](#) may also be purchased including *The Appraisal of Real Estate*, *The Dictionary of Real Estate Appraisal*, and *Residential Property Appraisal*.

### Questions

- If you have any questions or need further clarification, we are here to assist you. Please reach out to us at [aiparea@appraisalinstitute.org](mailto:aiparea@appraisalinstitute.org) or call us at (312) 335-4493.