

2025 Appraisal Issues SURVEY



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Brian Horowitz
Senior Research Analyst, Business Insights

Research and Editorial Assistance:
Lisa Herceg
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Jesse Priddy
Research Analyst, Business Insights

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Methodology

In October 2025, NAR Research conducted a survey of all appraiser members and 73,065 randomly-selected residential-focused non-appraiser members. Of those, 2,711 completed the survey for a response rate of 2.7%. Of the total respondents, 1,329 are appraisers and 1,310 are non-appraisers.

The margin of error for survey results overall is $\pm 1.88\%$. 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 $\pm 2.62\%$, while the margin of error for non-appraiser results is $\pm 2.71\%$.

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 and to measure member experiences with bias and discrimination in the appraisal process.



SURVEY RESULTS

APPRAISERS

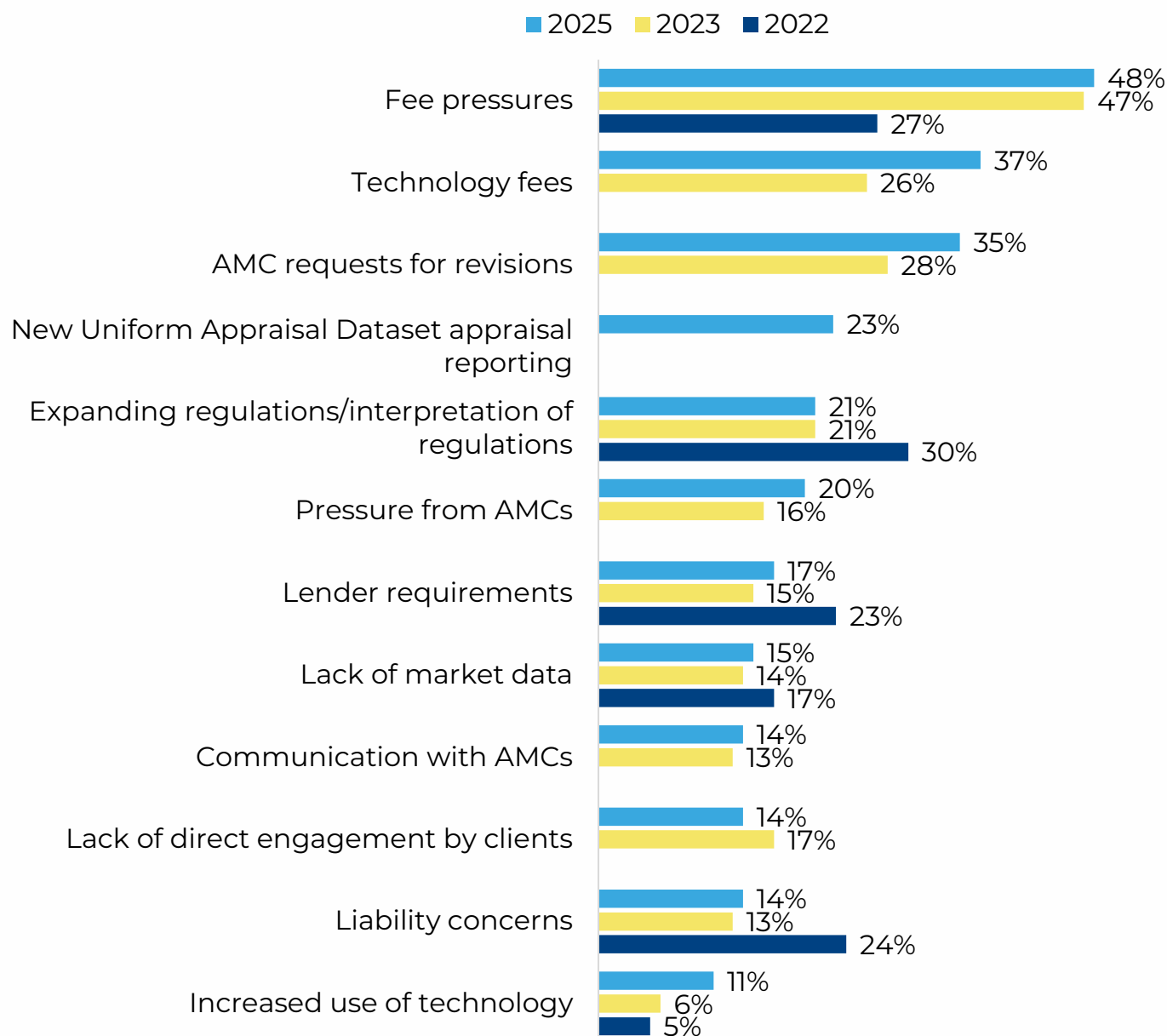


Greatest Challenges In Business - Appraisers

Fee pressures have remained the as most significant concern at 48%. Technology fees increased significantly from 26% in 2023 to 37% this year. Similarly, AMC request for revisions increased from 28% to 35% in 2025. New Uniform Appraisal Dataset appraisal reporting (added as a response option in 2025) was cited as the fourth largest challenge to the business at 23%. Those who cited other (17%) noted that the industry has low work volume and shrinking fees due to AMC practices.

Greatest Challenges in Business

N = 388

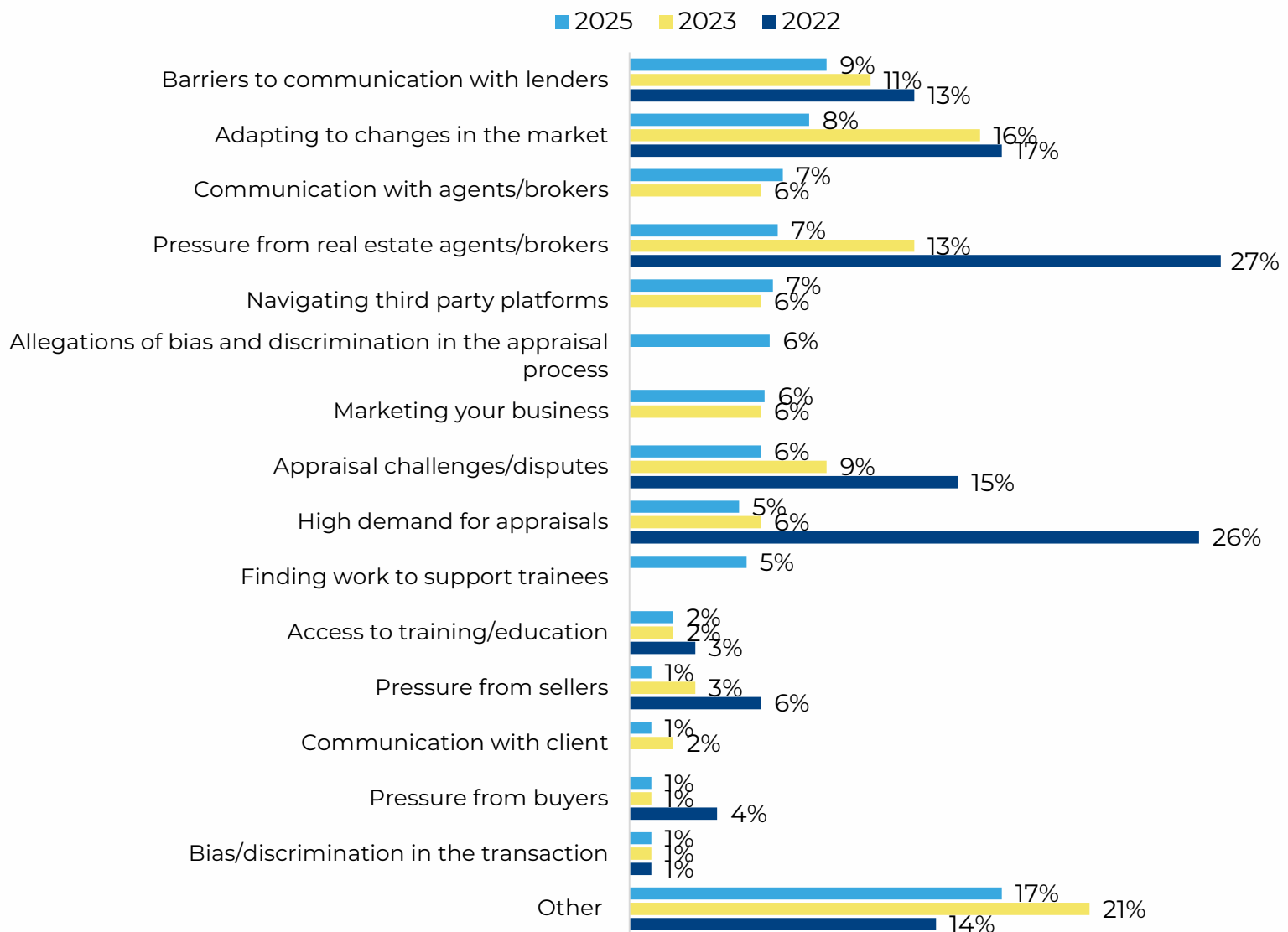


Greatest Challenges In Business – Appraisers (Continued)

Challenges listed by less than 10% are shown below.

Greatest Challenges in Business

N = 1329

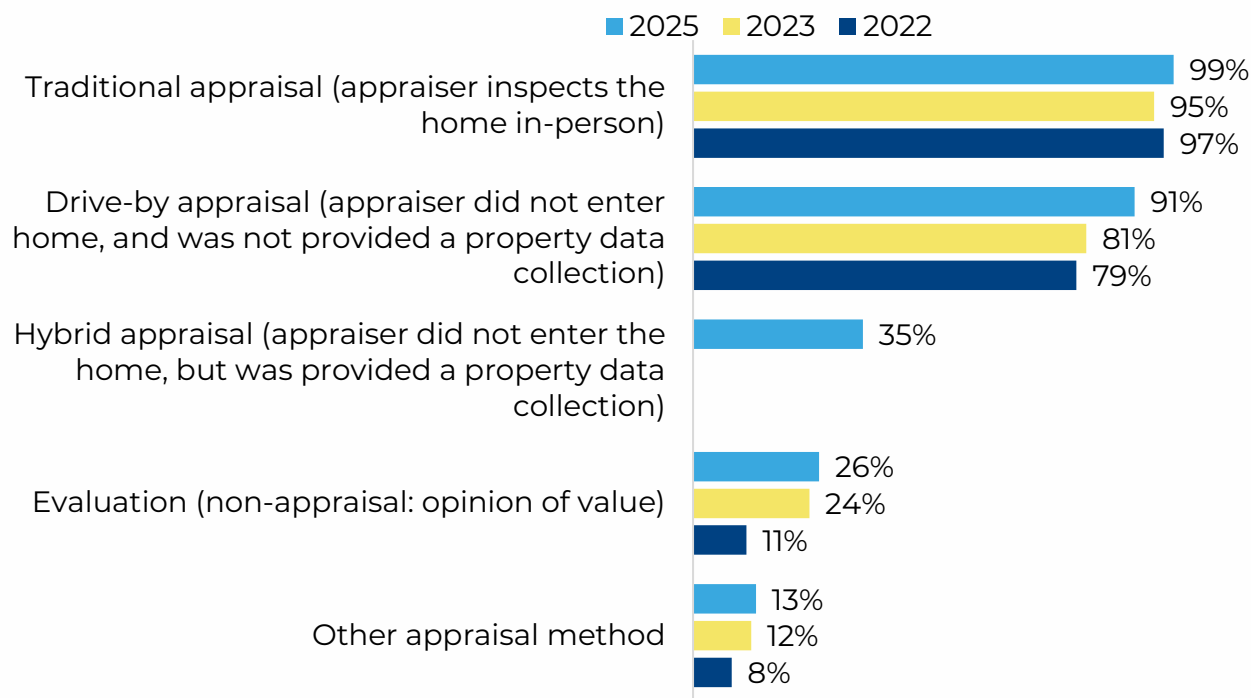


Valuations - Appraisers

As in prior years, virtually all appraiser respondents (99%) have conducted an in-person appraisal, and 91% have done so by drive-by appraisal. Thirty-five percent have experience with a hybrid appraisal and more than one-quarter (26%) cite evaluations. The 12% who cite other valuation methods most often explained that have conducted a desktop appraisal.

Conducted a Valuation of a Home Through

N = 388

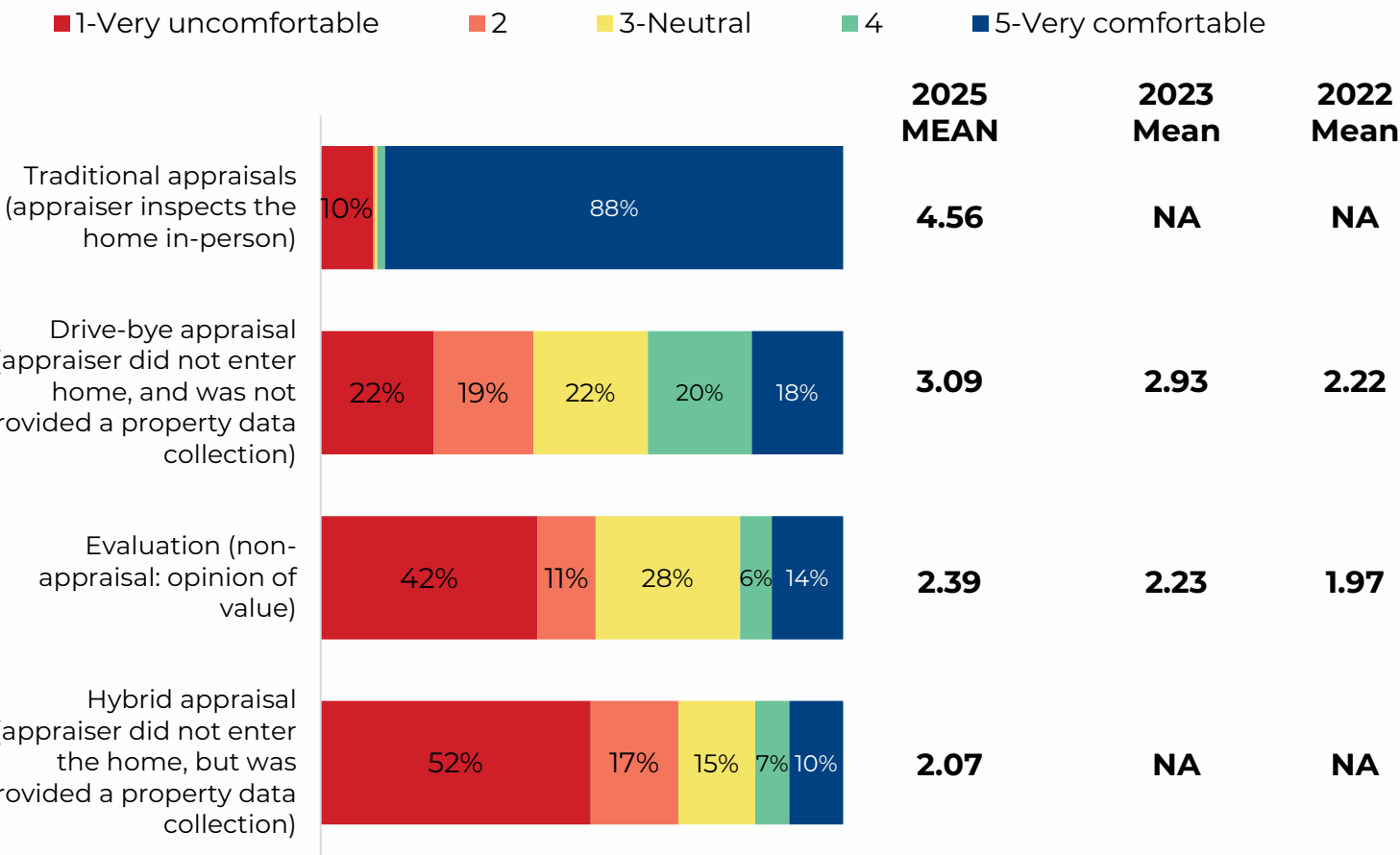


Comfort with Valuation Tools - Appraisers

Appraisers are very comfortable with traditional appraisals (mean of 4.56 or five on a five-point scale). They are neutral about drive-by appraisals and uncomfortable (ratings of two on a five-point scale) with all the other alternative valuation methods tested.

Comfort With Valuation Tool

N = 1382

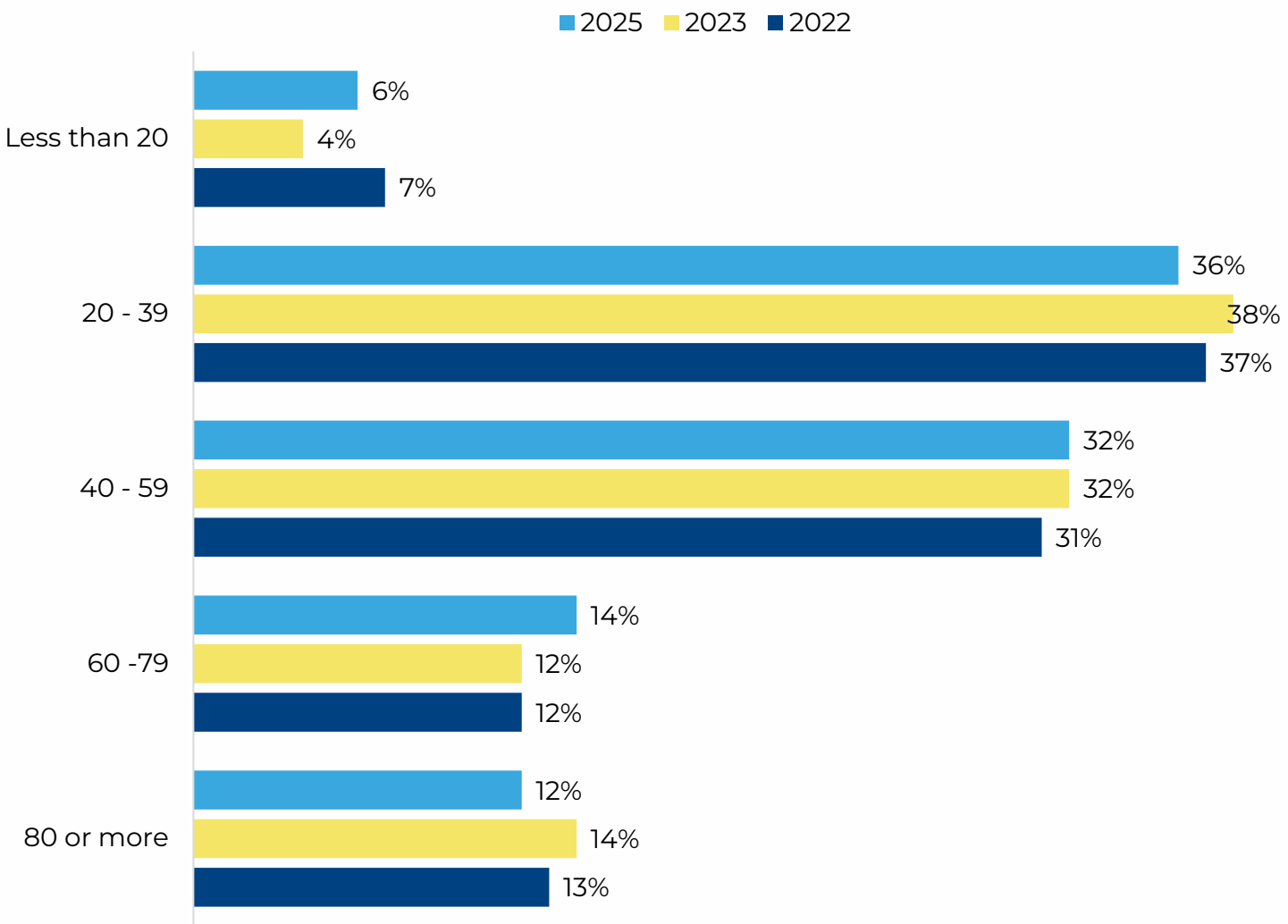


Radius in Which Appraisals Are Conducted - Appraisers

The typical appraiser reports a 40-mile radius in which they conduct appraisals, down slightly from 45 miles in 2023. Over one-third (36%) cite a 20- to 39-mile radius; 32% report 40 – 59 miles. This is consistent with prior iterations of the survey.

Radius in Which Appraisals are Conducted (In Miles)

N = 1382
Median = 40 miles

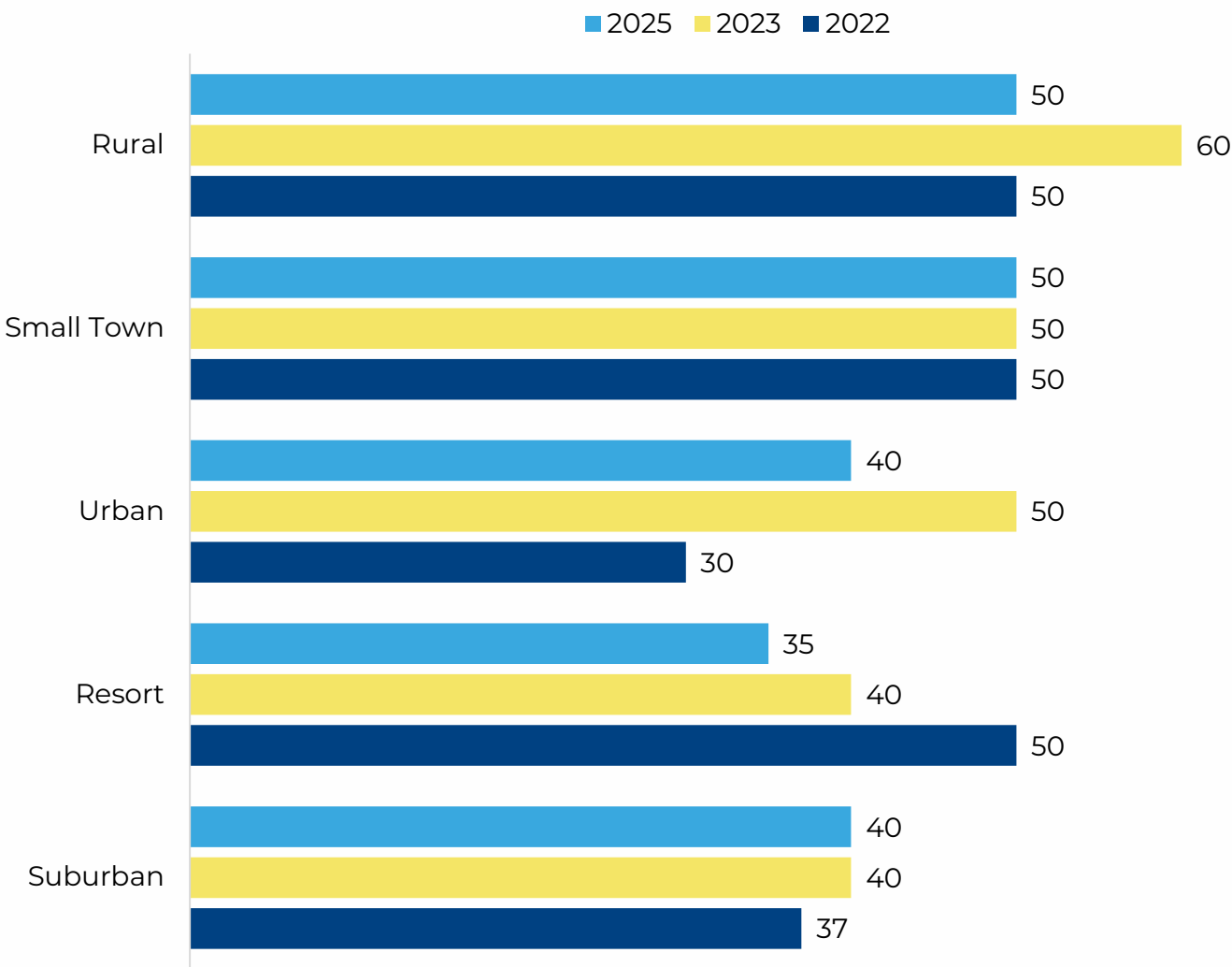


Radius by Area Type - Appraisers

Appraisers in rural areas and small towns each report a radius of 50 miles (down from 60 for those in rural areas). Those in resort areas report 35 miles, down from 40 last year. Those in urban areas report 40 miles, down from 50 miles in 2023, and those in suburban areas again report a radius of 40 miles.

Median Radius in Which Appraisals are Conducted by Area Type (In Miles):

N = 1382

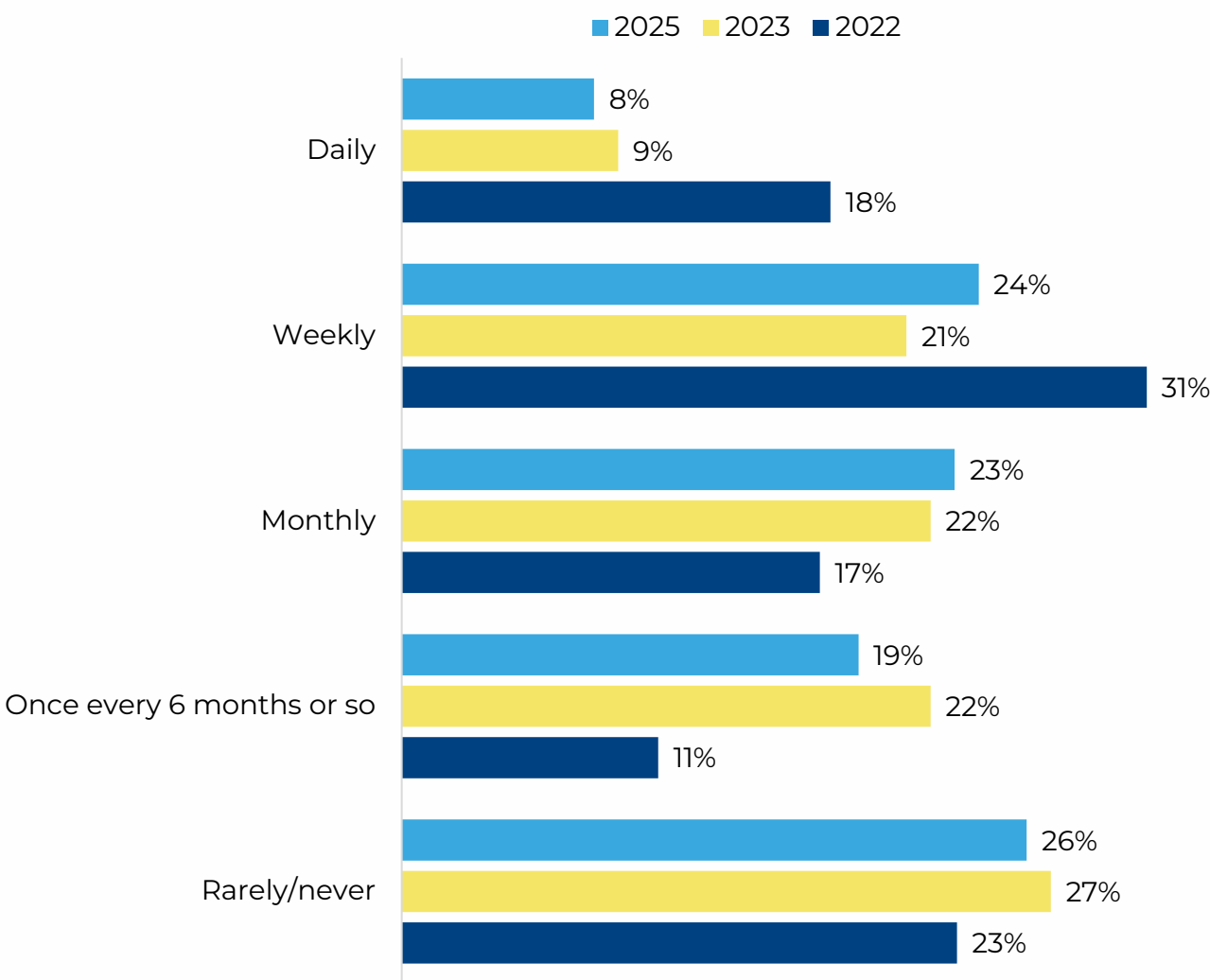


Conduct Appraisals

More than half (55%) of appraisers report being asked at least monthly or more often to conduct appraisals outside the geographic area or property type where they consider themselves experts. This is a significant decrease from 67% in 2022. Despite this decline, the most common frequency remains monthly or more often. Consistent with 2023 findings, about 20% of appraisers say they are asked to step outside their area of expertise roughly once every six months, while approximately 25% indicate they never receive such requests.

Asked to Conduct Appraisals Outside Geographic Area/Property Type

N = 388



SURVEY RESULTS OTHER PRACTITIONERS (NON-APPRAISERS)

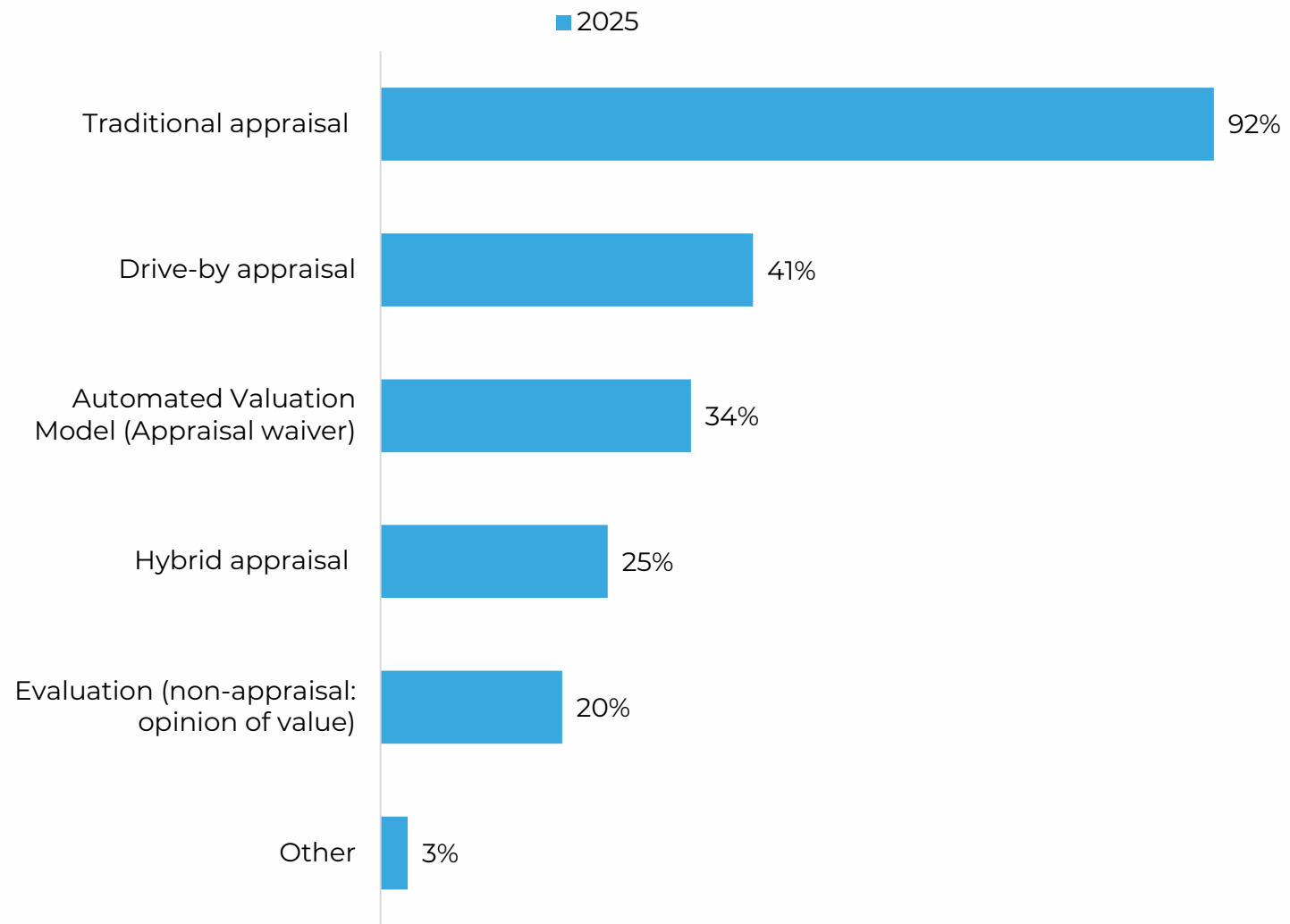


Valuation Types – Non-Appraiser Members

Ninety-two percent of non-appraisers receive valuations of homes through a traditional appraisal. Forty-one percent report drive-by appraisals, and 34% use automated valuation models. One-quarter indicate experience with a hybrid appraisal, and one-fifth reference an evaluation. Those who cited other (3%) mostly mentioned that they have never had a valuation of a property done. This question is modified from 2023, so comparisons are not made.

Valuation of a Home or Property Through

N = 1352

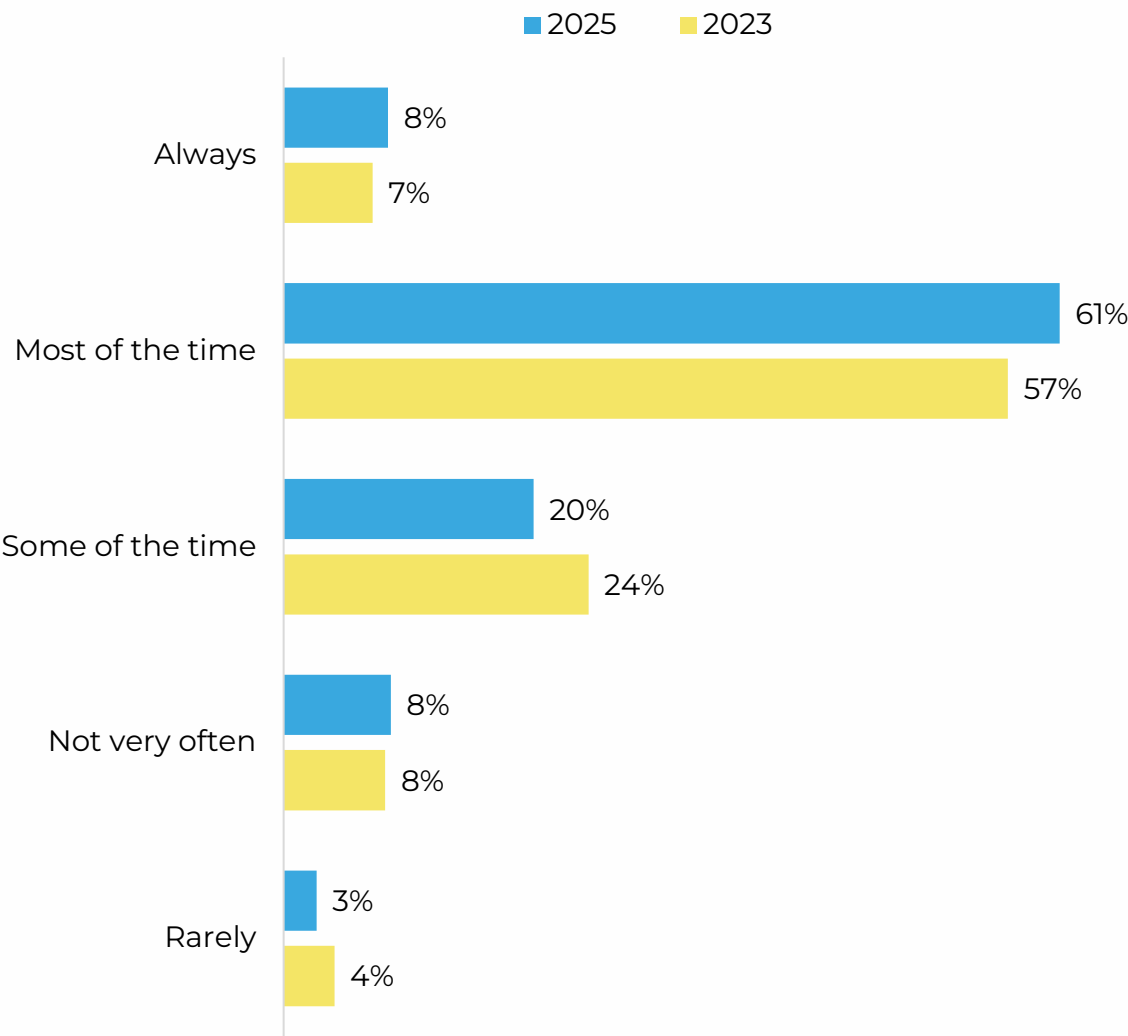


Appraisals Coming In At/Above Contract Price – Non-Appraiser Members

Greater than two-thirds (69%) of non-appraiser members say that appraisals come in at or above the contract price in their transactions most of the time (61%) or always (8%). This is an increase from 64% in 2023. Twenty percent say this happens some of the time; only 11% report this to be not very often (8%) or rarely (3%). This question was not asked in 2022.

Appraisals Come In or Above Contract Price

N = 1352

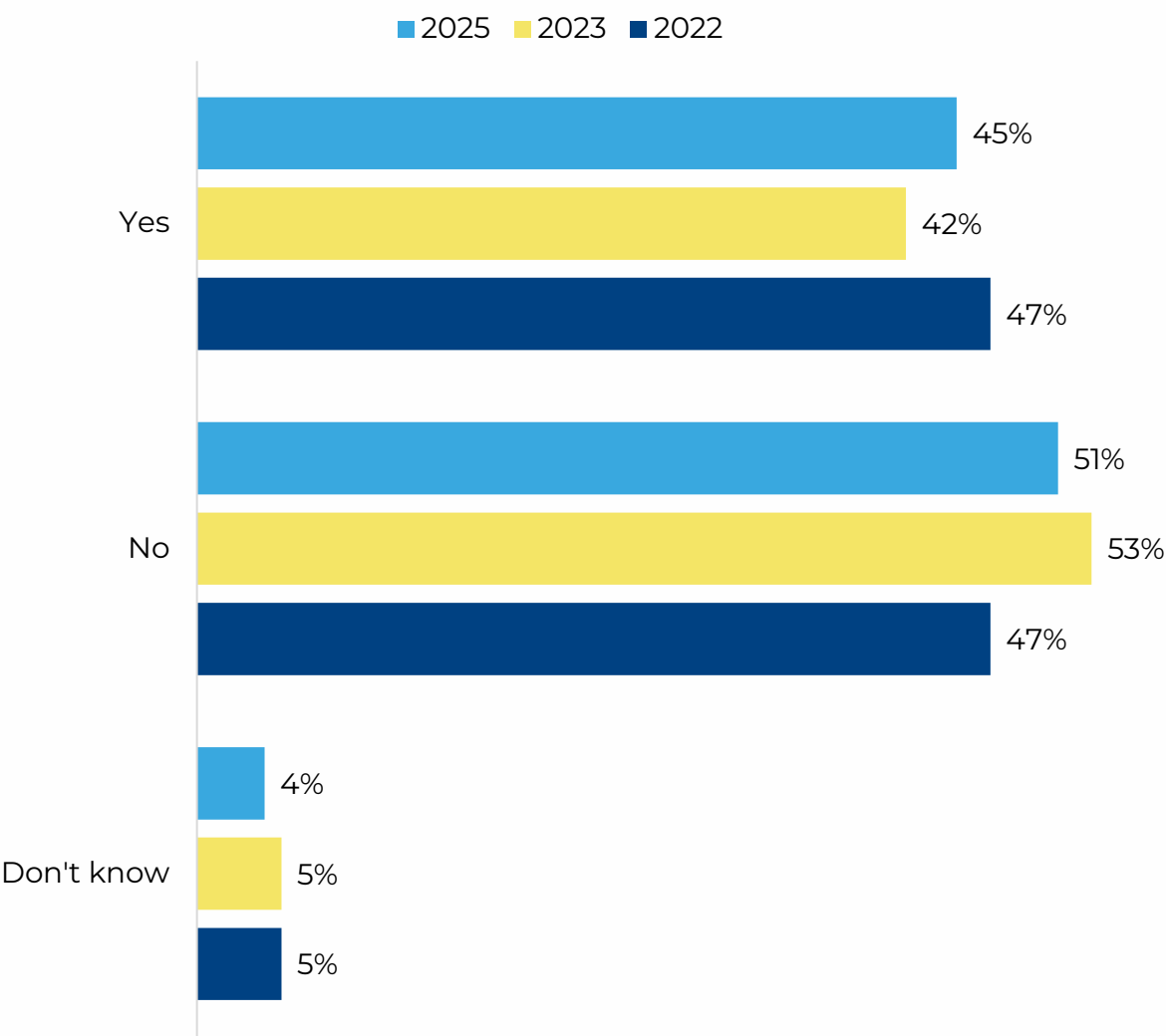


Transactions Falling Through Due To Appraisal – Non-Appraiser Members

Forty-five percent of non-appraisers have had a transaction fall through because of an appraisal and more than half (51%) have never had this happen. This was consistent with previous years.

Transaction Falling Through Due to Appraisal

N = 1352

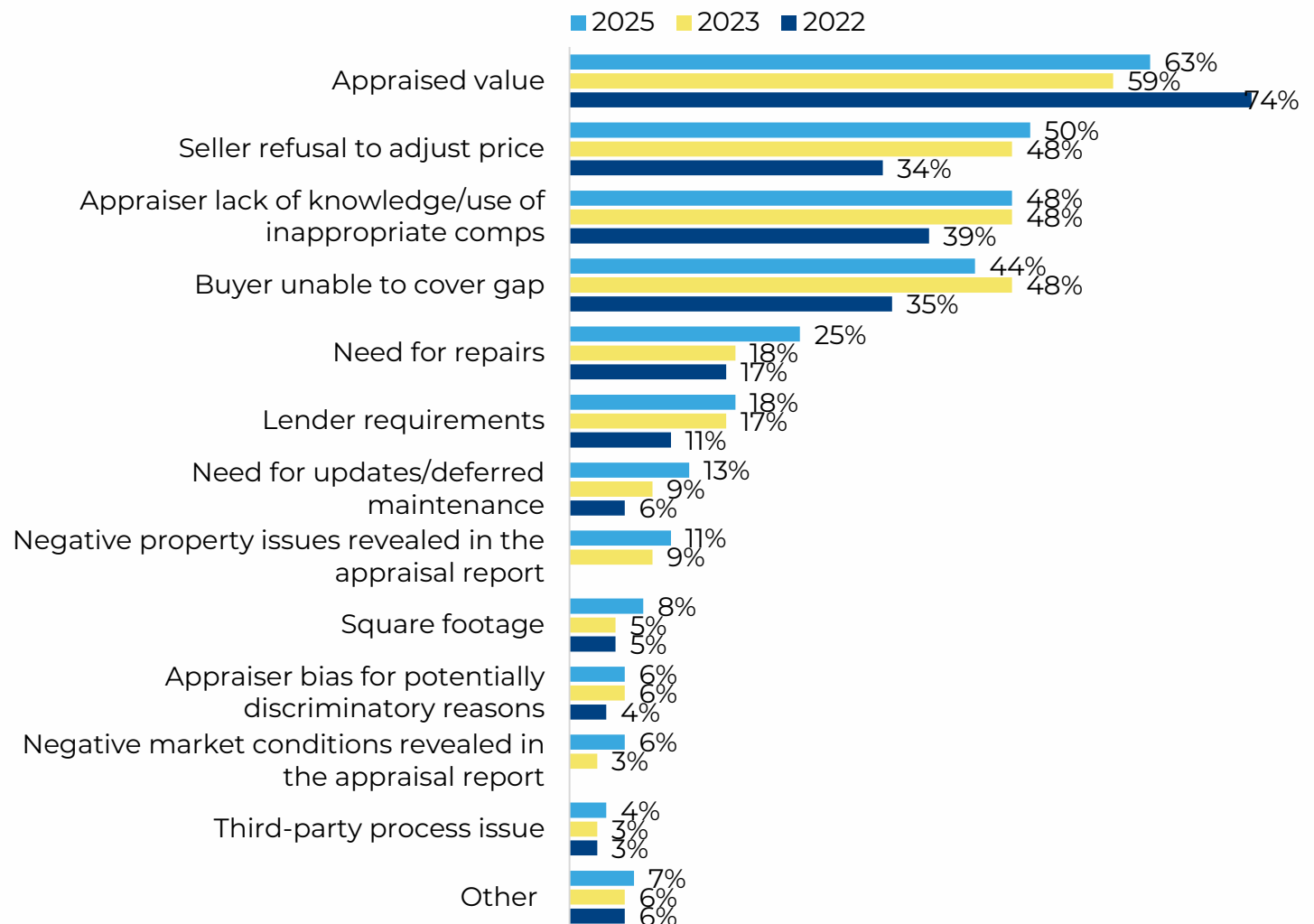


Reasons Transaction Fell Through – Non-Appraiser Members

As in prior years, the most common reason a transaction fell through as a result of an appraisal is appraised value (63%); however, this is down from 74% in 2022. This is followed by 50% who cite that the seller refused to adjust the price and 48% who report that the appraiser lacked the knowledge or used inappropriate comps. Most of the other reasons specified were related to the appraiser using inappropriate comps or the buyer backing out.

Reasons Transaction Fell Through

N = 613

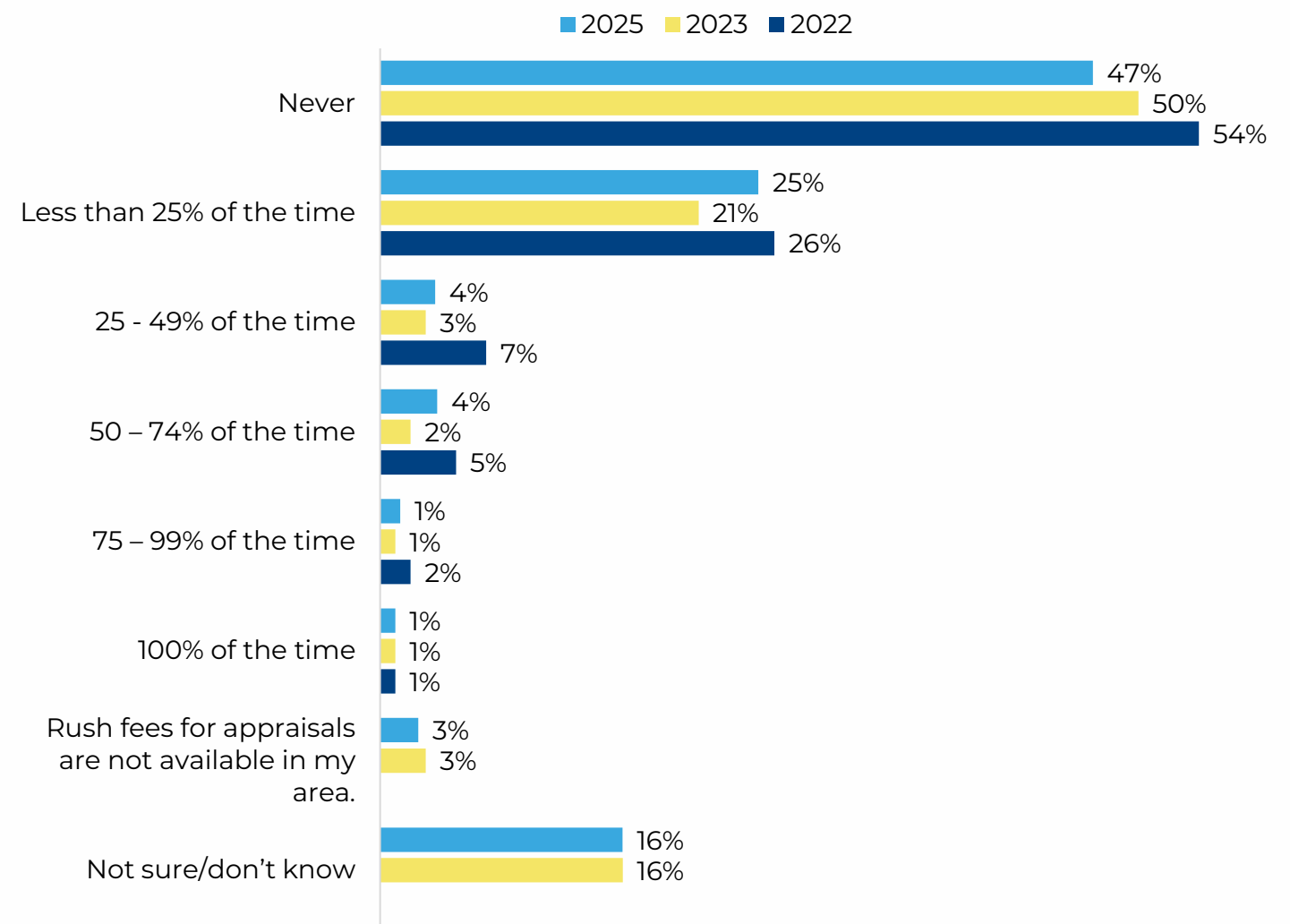


Rush Fees – Non-Appraiser Members

The largest share of non-appraiser members have never paid a rush fee for an appraisal (47%). One-quarter have paid a rush fee less than 25% of the time.

Percentage of Time Non-Appraiser Member or Clients Pay Rush Fees

N = 1351

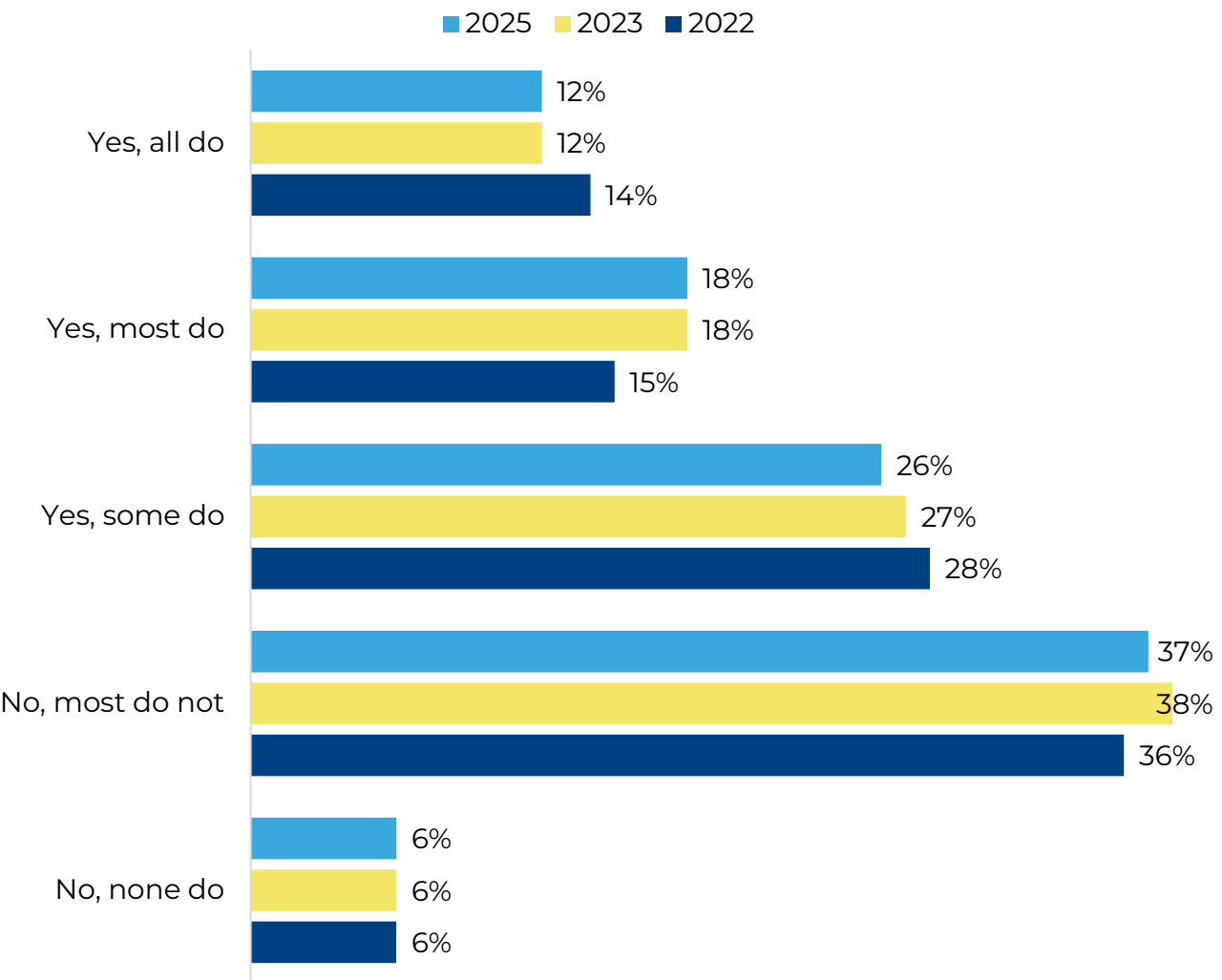


Appraisal Gap – Non-Appraiser Members

Similar to prior years, 44% 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 (26%) report that some of their clients understand what an appraisal gap is. Thirty percent report that most or all do.

Clients' Understanding of Appraisal Gap

N = 1351

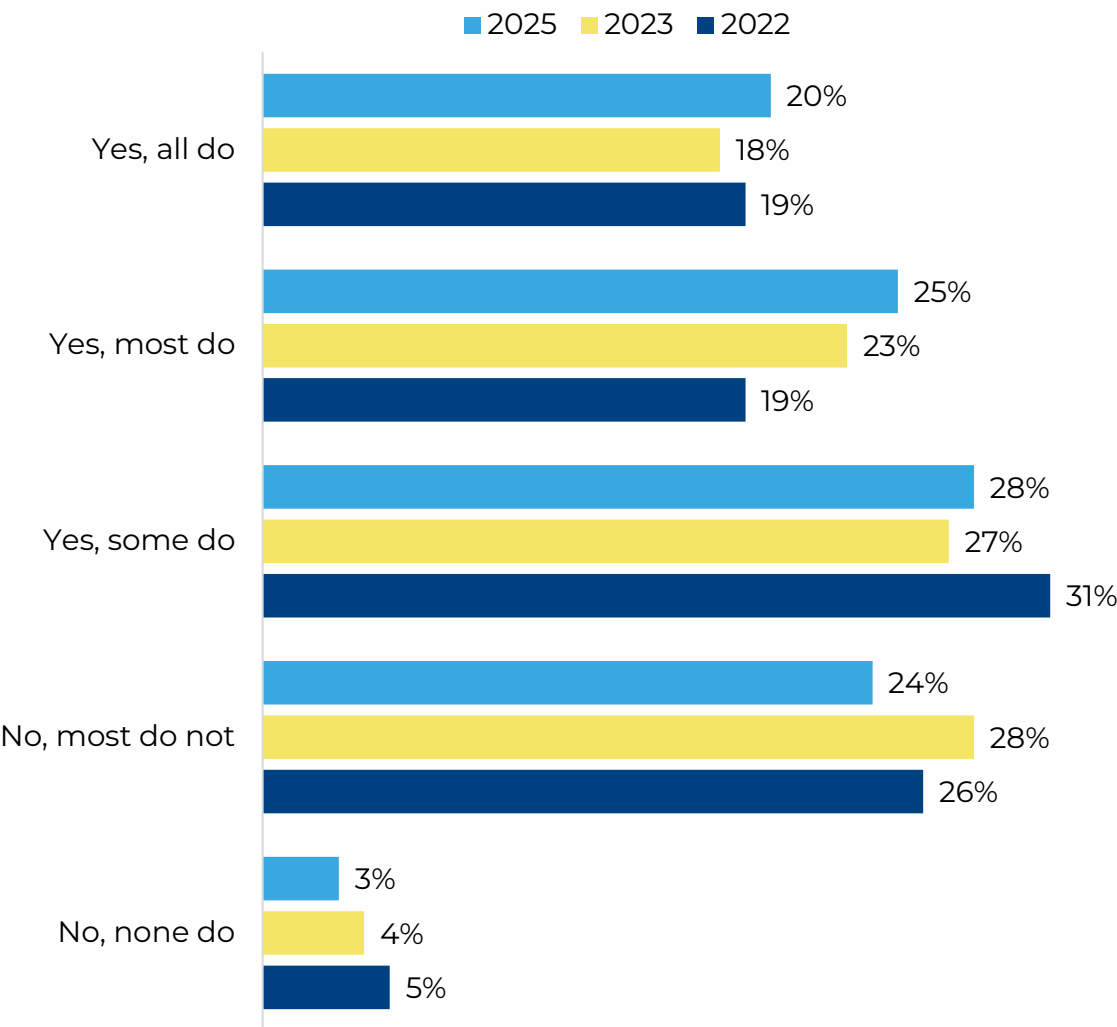


Appraisal Contingency – Non-Appraiser Members

As in prior years, non-appraiser members are more likely to report that their clients understand what an appraisal contingency is than to understand an appraisal gap: 73% say that some, most, or all do. Twenty-four percent say most do not. These proportions are similar to previous years.

Clients' Understanding of Appraisal Contingency

N = 1351

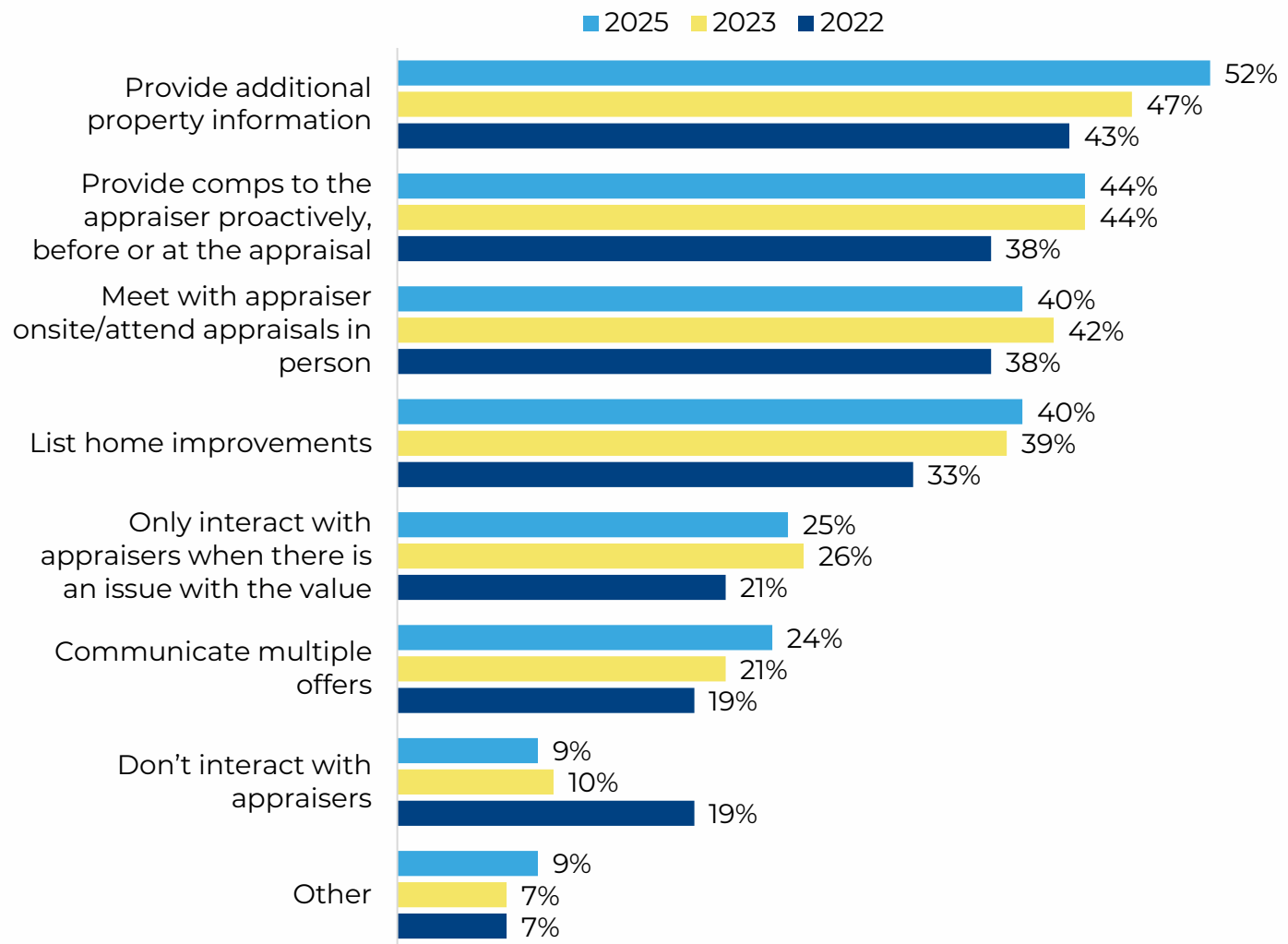


Interaction with Appraisers

Ninety-one percent interact with appraisers in some way, consistent with 2023. More than half (52) say that they interact with appraisers by providing additional property information. Forty-four percent provide comps proactively, before or at the appraisal, and 40% 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 or that they interact with an appraiser per the appraiser's request.

Interaction with Appraisers

N = 1351

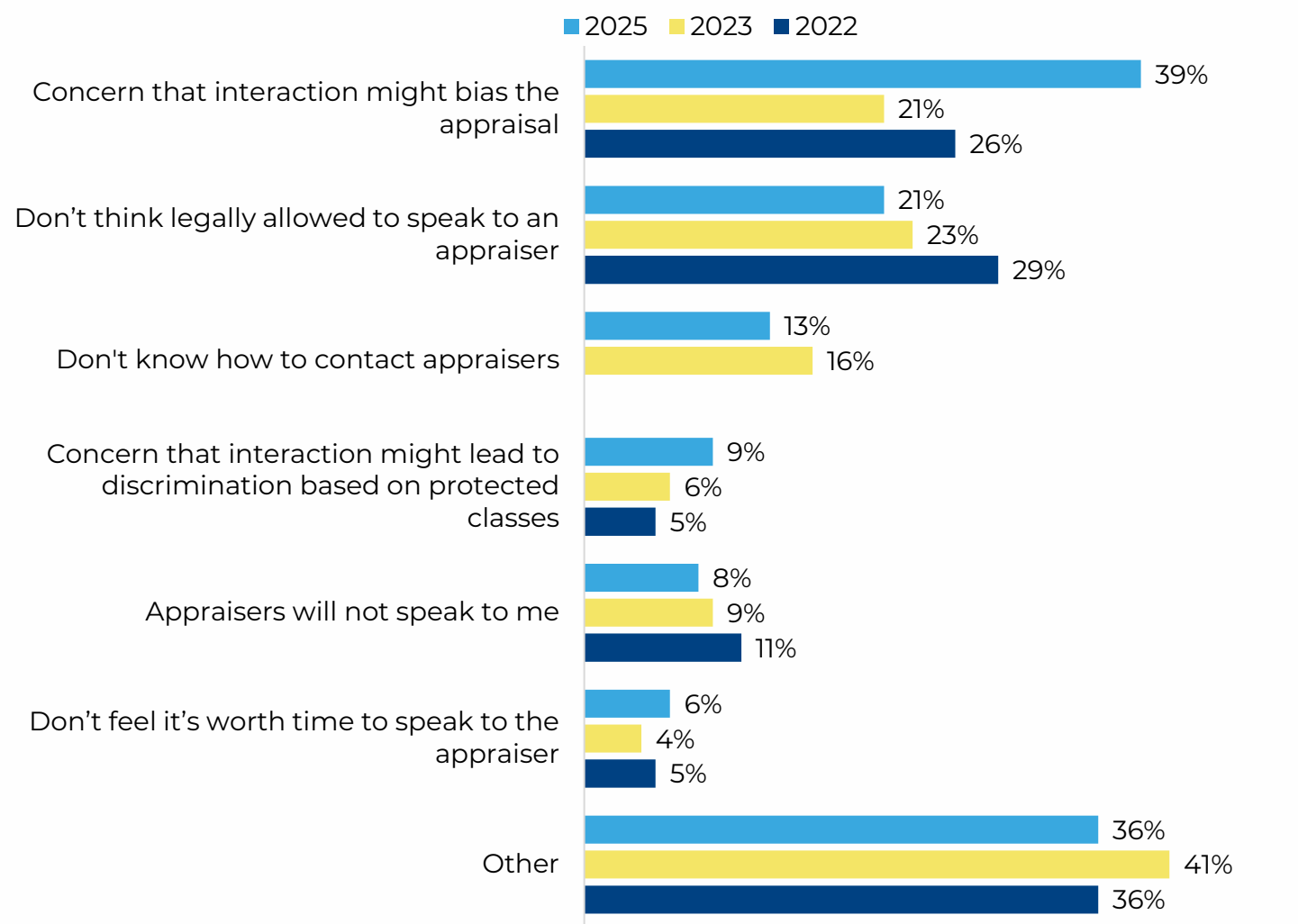


Reasons for Not Interacting with Appraiser – Non-Appraiser Members

Of the nine percent of non-appraiser members who report not interacting with appraisers, 39% are concern that interaction might bias the appraisal, a significant shift from 21% in 2023. One fifth (21%) believe they are not legally allowed to speak to an appraiser (similar to previous years). Most of the 41% who cite ‘other’ reasons have never needed to interact with an appraiser.

Reasons for Not Interacting with Appraisers

N = 127

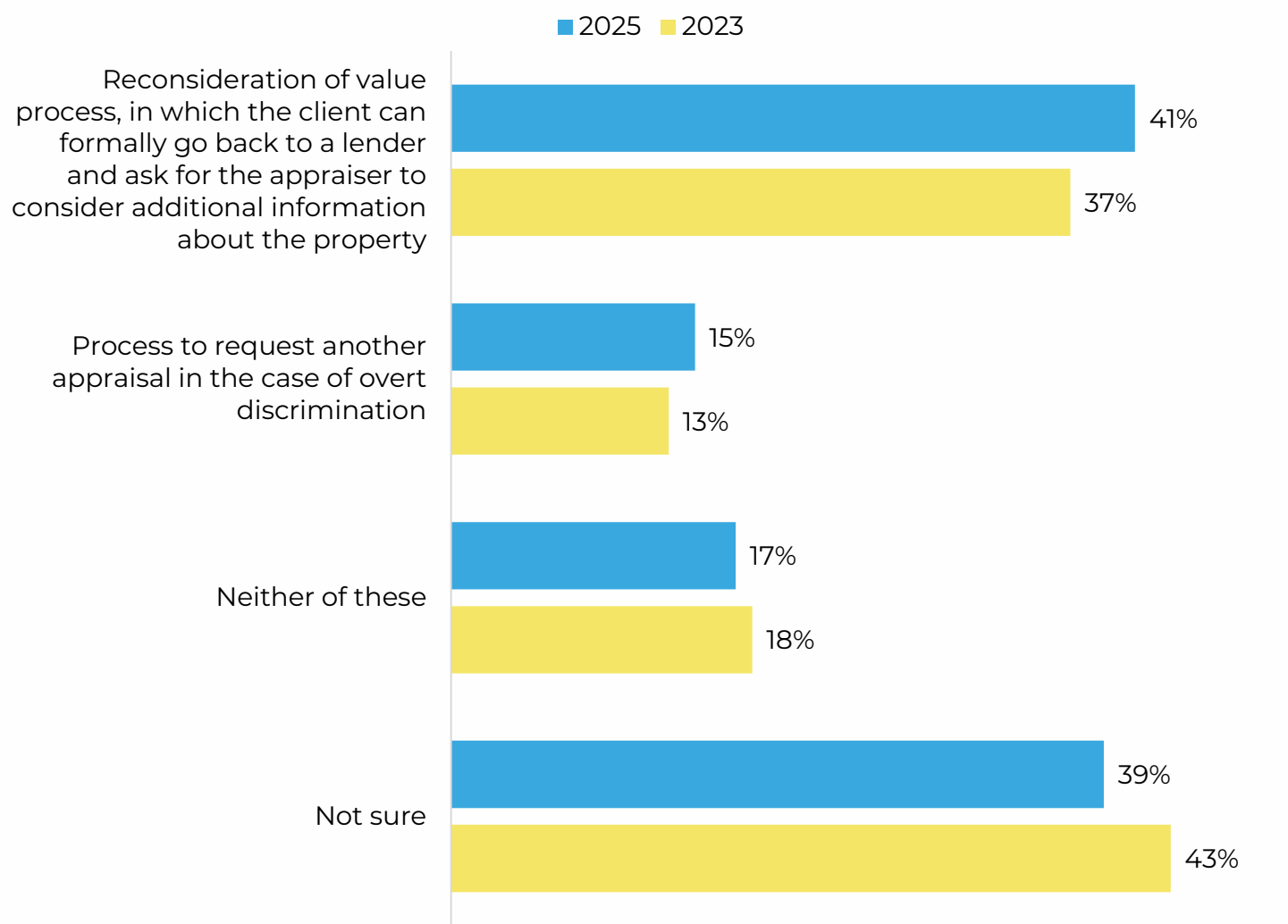


Reconsideration of Value – Non-Appraiser Members

Forty-one 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 37% who reported that their local areas had reconsideration of value processes in 2023. Fifteen percent report a process to request another appraisal in case of overt discrimination. Seventeen percent cite neither of these; 39% are not sure.

Lenders Clients Work With Typically Have...

N = 1351



Survey Results- All Respondents



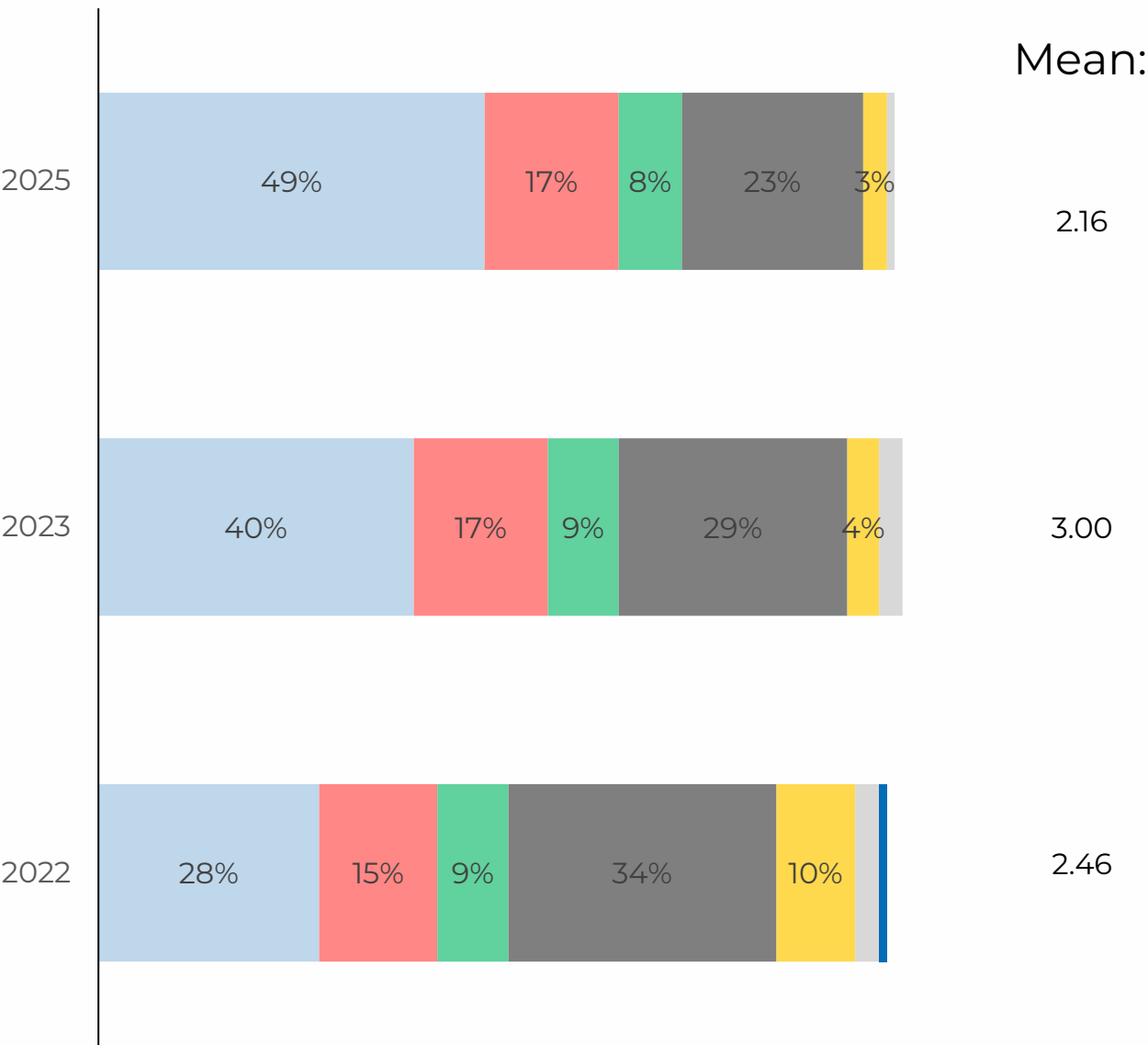
Difficulty Obtaining a Home Appraisal- All Respondents

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 2023 (mean of three, or “fairly easy.”) Sixty-six percent now report it is “easy” or “very easy,” up from 57% in 2023. Non-appraiser members rate this as more difficult than appraisers (mean of 2.03 vs. 2.3).

Ease of Obtaining a Home Appraisal

N = 2262

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



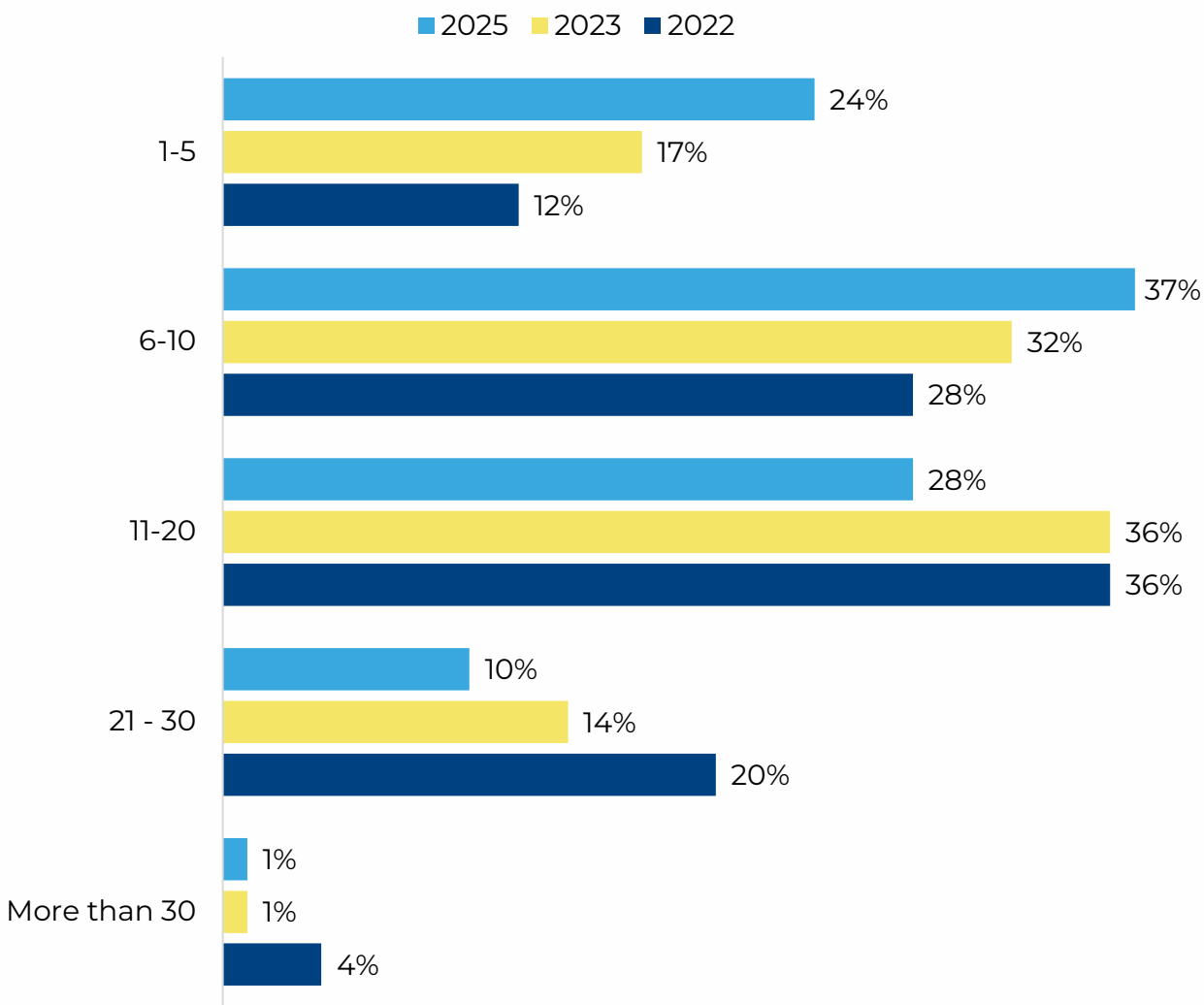
Appraisal Time – All Respondents

The typical respondent reports that it takes 10 calendar days after acceptance of the contract to receive a completed appraisal report from the lender, down slightly from 11 days in 2023. Close to one-quarter (24%) now report five days or less. It should be noted that appraisers report this time to be significantly lower than non-appraisers: seven days vs. 14.

2025 MEDIAN = 10 DAYS
2023 MEDIAN = 11 DAYS
2022 MEDIAN = 14 DAYS

Typical Wait Time in Calendar Days from Contract Acceptance to Receiving a Complete Appraisal Report from Lender

N = 2680

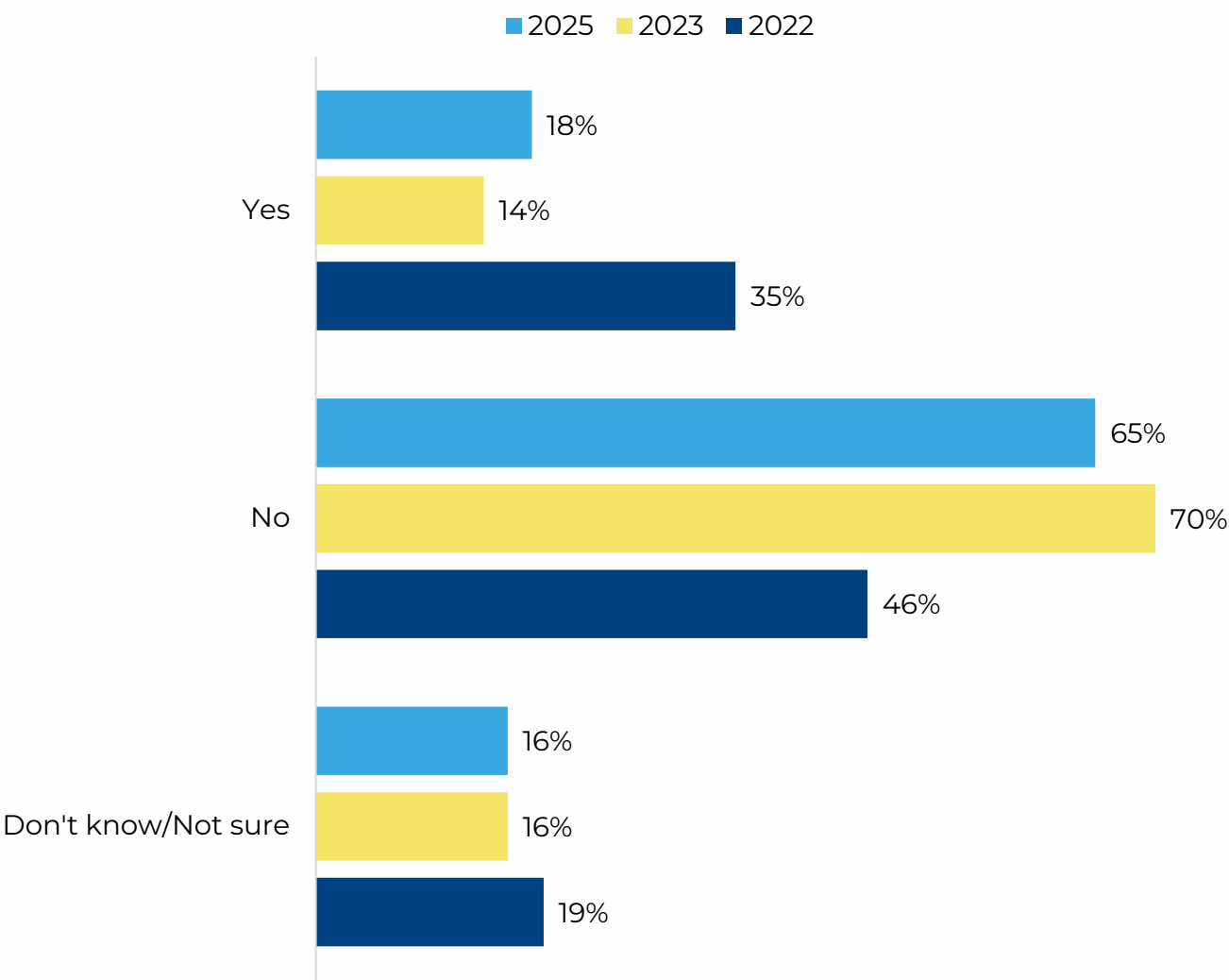


Delays in Market in Completing Appraisals – All Respondents

Only 18% of respondents overall feel there are delays in their market in completing appraisals, up slightly from 2023 but down sharply from 2022. Sixty-five percent say no, a slight increase from 2023. Appraisers are no more or less likely than other members to cite delays.

Delays in Market in Completing Appraisals

N = 2680



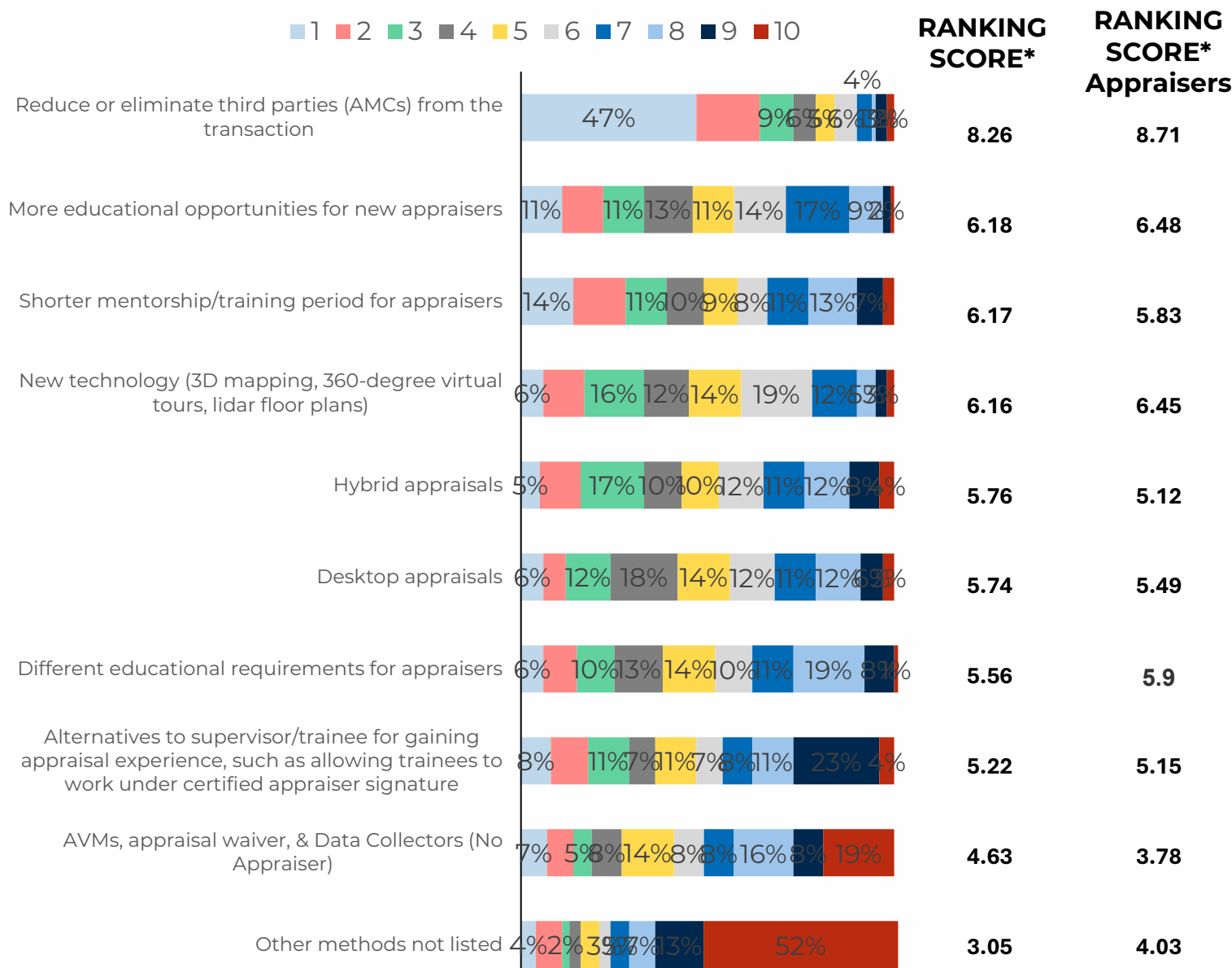
Delays in the Real Estate Transaction Process – All Respondents

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. Close to half of these respondents rank this the Number One method; 73% place it in their Top Three. This was rated even higher by appraisers. The other top-ranked methods are more educational opportunities for new appraisals (33% place in the Top three) and shorter membership training period for appraiser (39% place in Top Three). Other most suggested responses to address delays include eliminating the AMC bidding model, allowing direct communication between lenders and appraiser, and improving the accuracy of the MLS data.

Possible Ways of Addressing Delays in Completing Appraisals

1 is the BEST way to address them and 8 is the WORST way to address them.

N = 2262

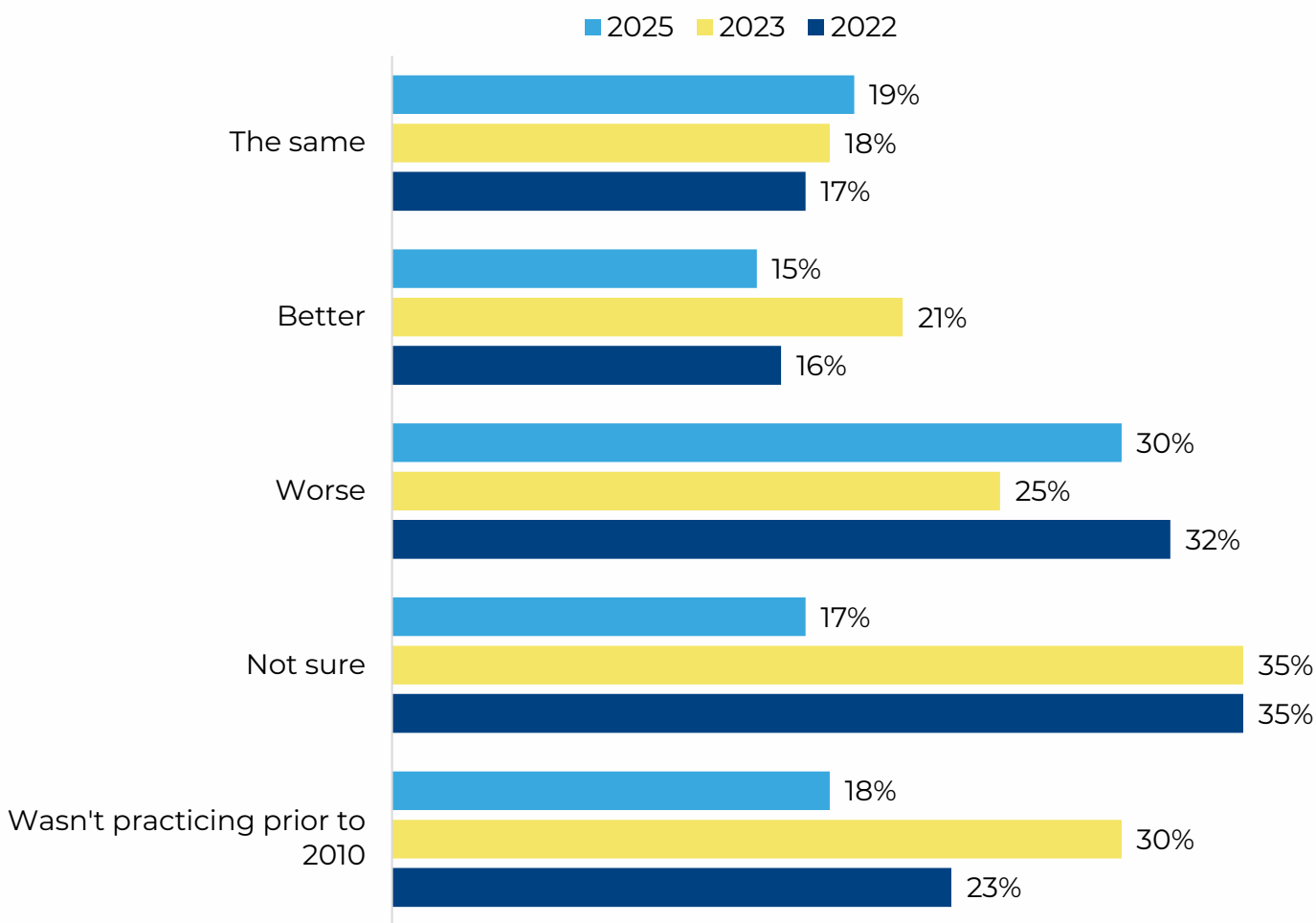


Appraisal Process Changes – All Respondents

Eighteen percent of respondents were not practicing prior to 2010 and could not answer this question, down from 30% in 2023. Among those who were, 30% report that the process is worse since Dodd/Frank, up from 25%, and 17% are not sure (up from previous iterations of the survey). Fifteen percent now think it is better, down from 21% last year. As in previous years, appraisers are significantly more likely than other members to say the process is worse: 46% of appraisers practicing prior to 2010 report this, vs. 15% of non-appraiser members practicing as long.

Appraisal Process Changes Since the Home Valuation Code of Conduct in 2009 and the Dodd/Frank Act in 2010.

N = 2680

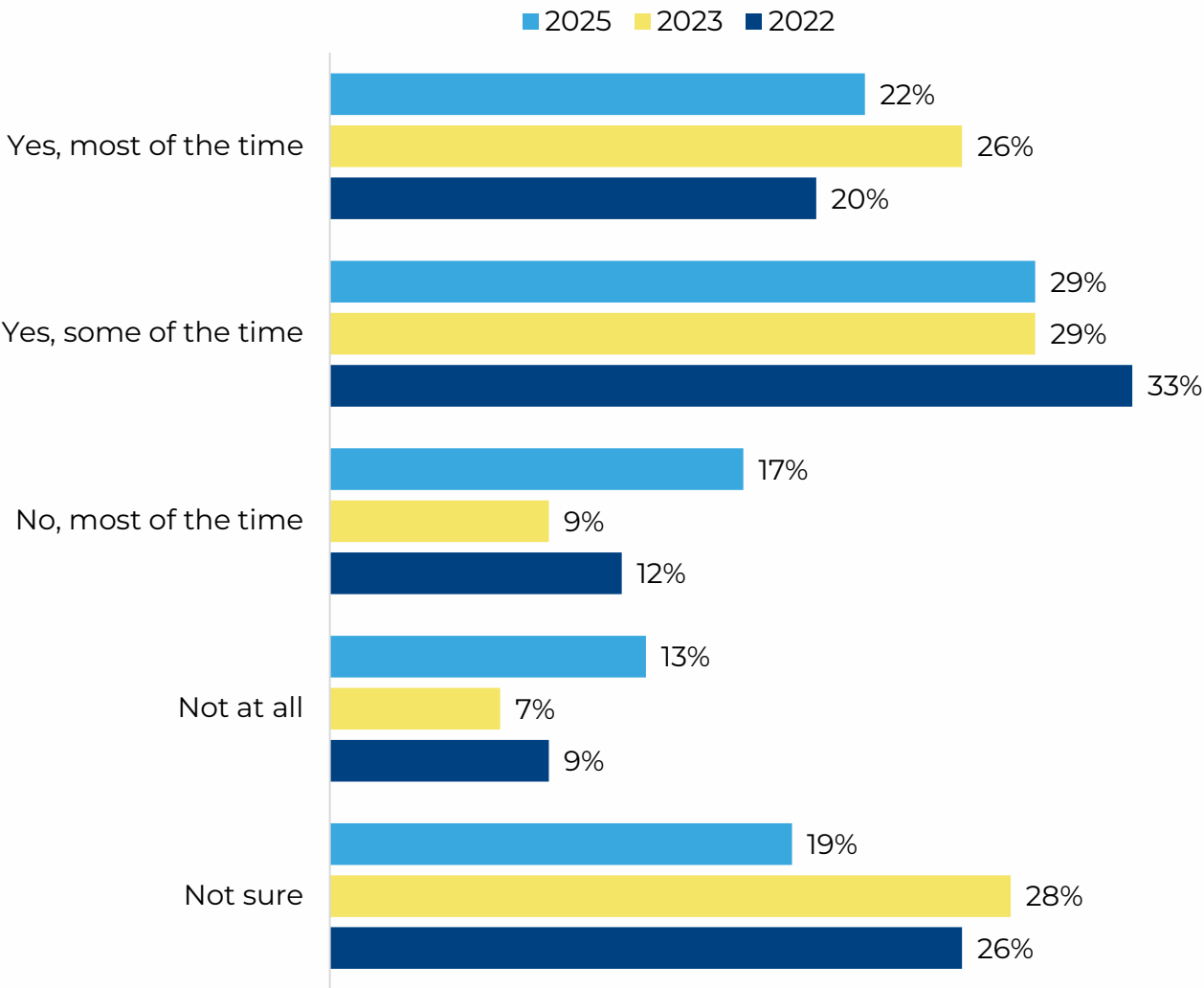


Appraisal Competency– All Respondents

The largest share of respondents, 29%, report that the most competent appraisers are being selected in their markets some of the time consistent with 2023. One-fifth (22%) say yes, most of the time, down from 26%. 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% vs. 7%) or at all (12% vs. 6%) and much less likely to say they are being selected most of the time (16% vs. 28%).

Competent Appraisers Selected

N = 2680

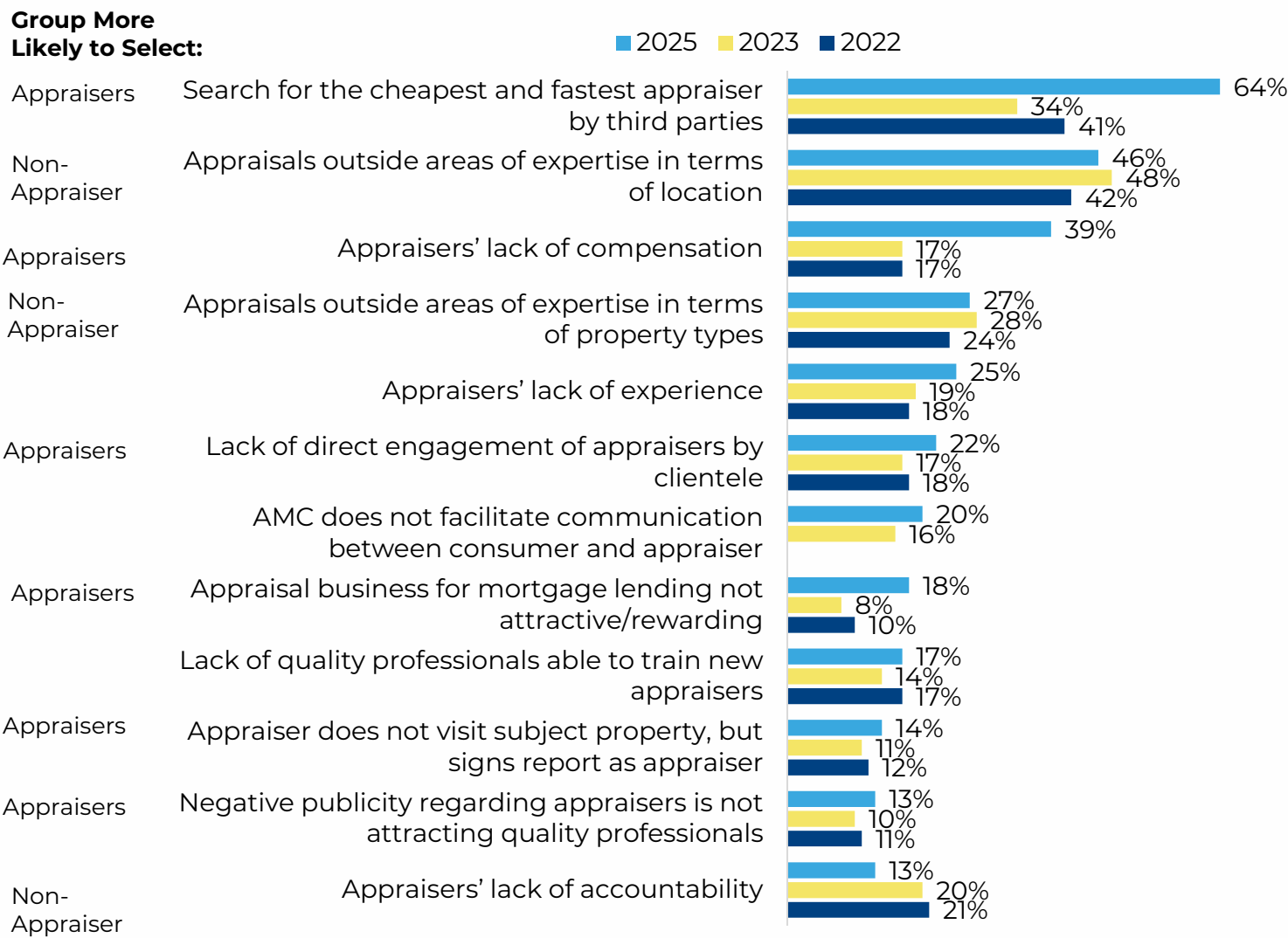


Appraisal Competency – All Respondents

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 search for the cheapest and fastest appraiser by third parties (64% in 2025 vs. 34% in 2023), appraisals outside areas of expertise in terms of location (46%, consistent with 2023), and appraisers' lack compensation (39% in 2025 vs. 17% in previous years). The search for the cheapest and fastest appraisers by third parties was cited by 88% of appraisers vs. 17% of non-appraiser members.

Issues Evident in Lack of Appraiser Competency

N = 1561

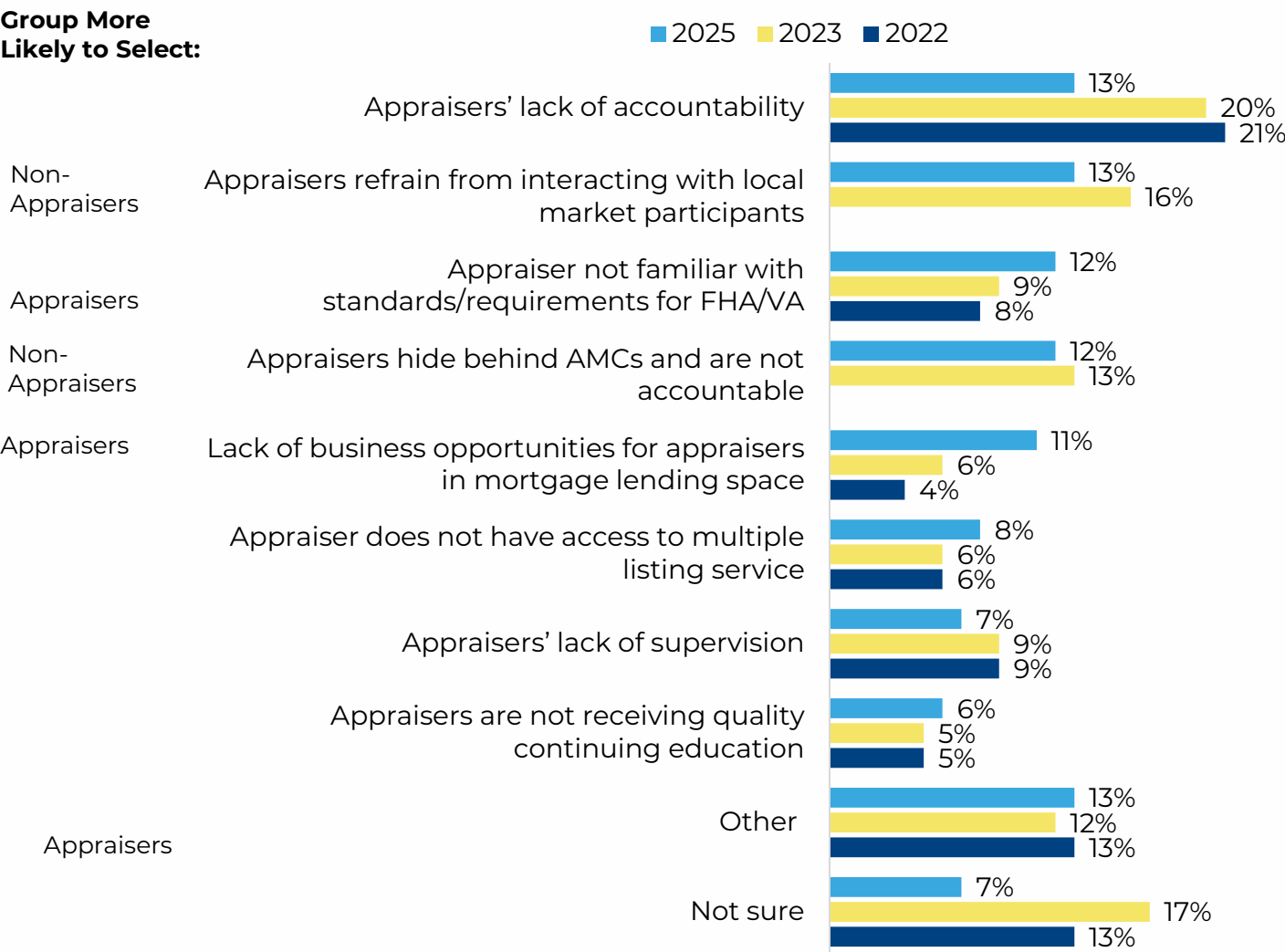


Appraisal Competency – All Respondents

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 AMC’s for the cheapest and fastest appraisers.

Issues Evident in Lack of Appraiser Competency

N = 1561



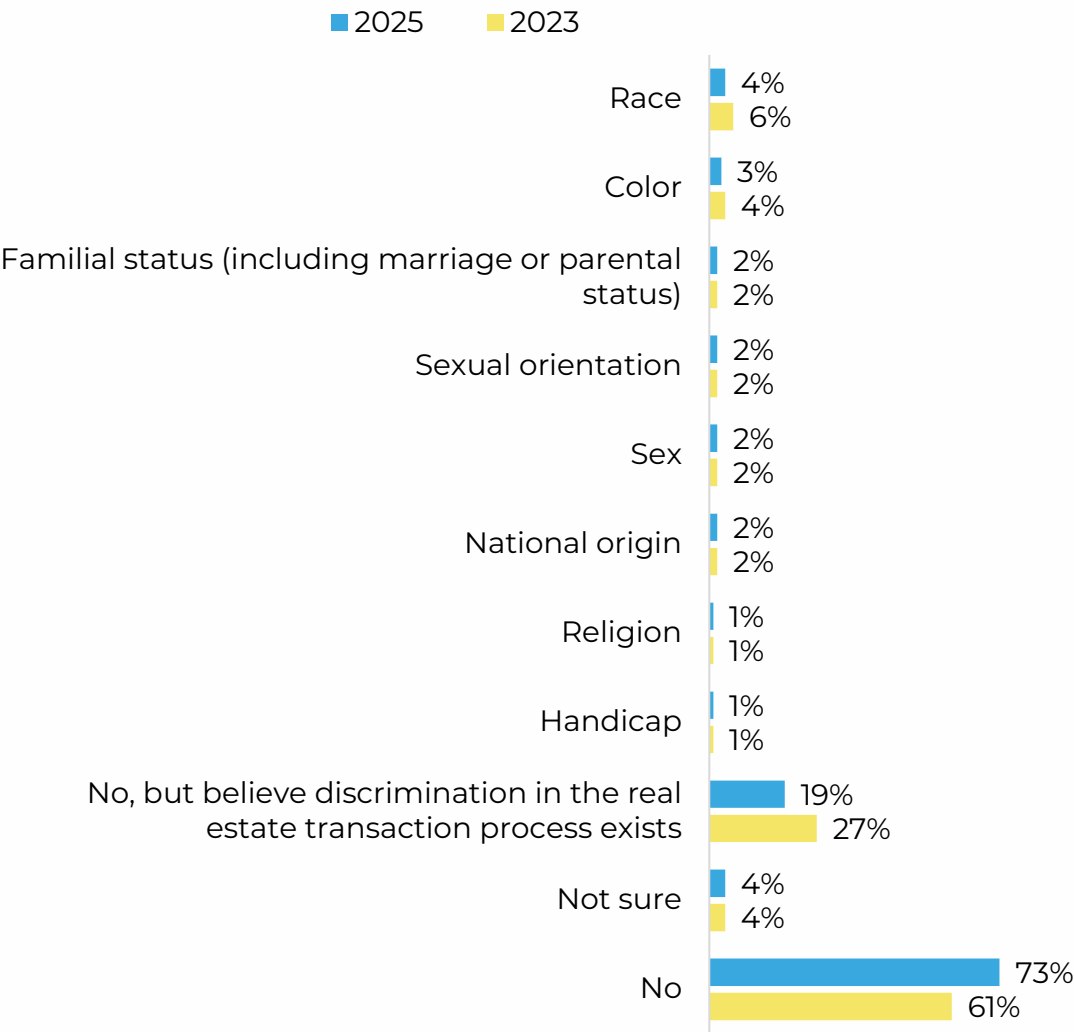
Bias and Discrimination



Discrimination in the Real Estate Transaction Process – All Respondents

Four percent of respondents have either witnessed or experienced discrimination in the real estate transaction process overall, most likely based on race (4%) or color (3%). An additional 19% say they have not witnessed or experienced it but believe that it exists, down from 27% in 2023. Appraisers are slightly more likely than others to say they not witnessed it but believe it exists, while non-appraiser members are more likely to say that they have witnessed it. Respondents who identify as persons of color are more likely to say they have experienced or witnessed discrimination in a transaction based on race (12% vs. 3%) and color (3% vs. 2%).

Witnessed or Experienced Discrimination in the Real Estate Transaction



Description of Bias or Discrimination in the Real Estate Transaction Process

See open-ended comments below. Most of the open-ended comments mentioned race or color as reason of bias or discrimination.

Description of Bias or Discrimination in Real Estate Transaction Process

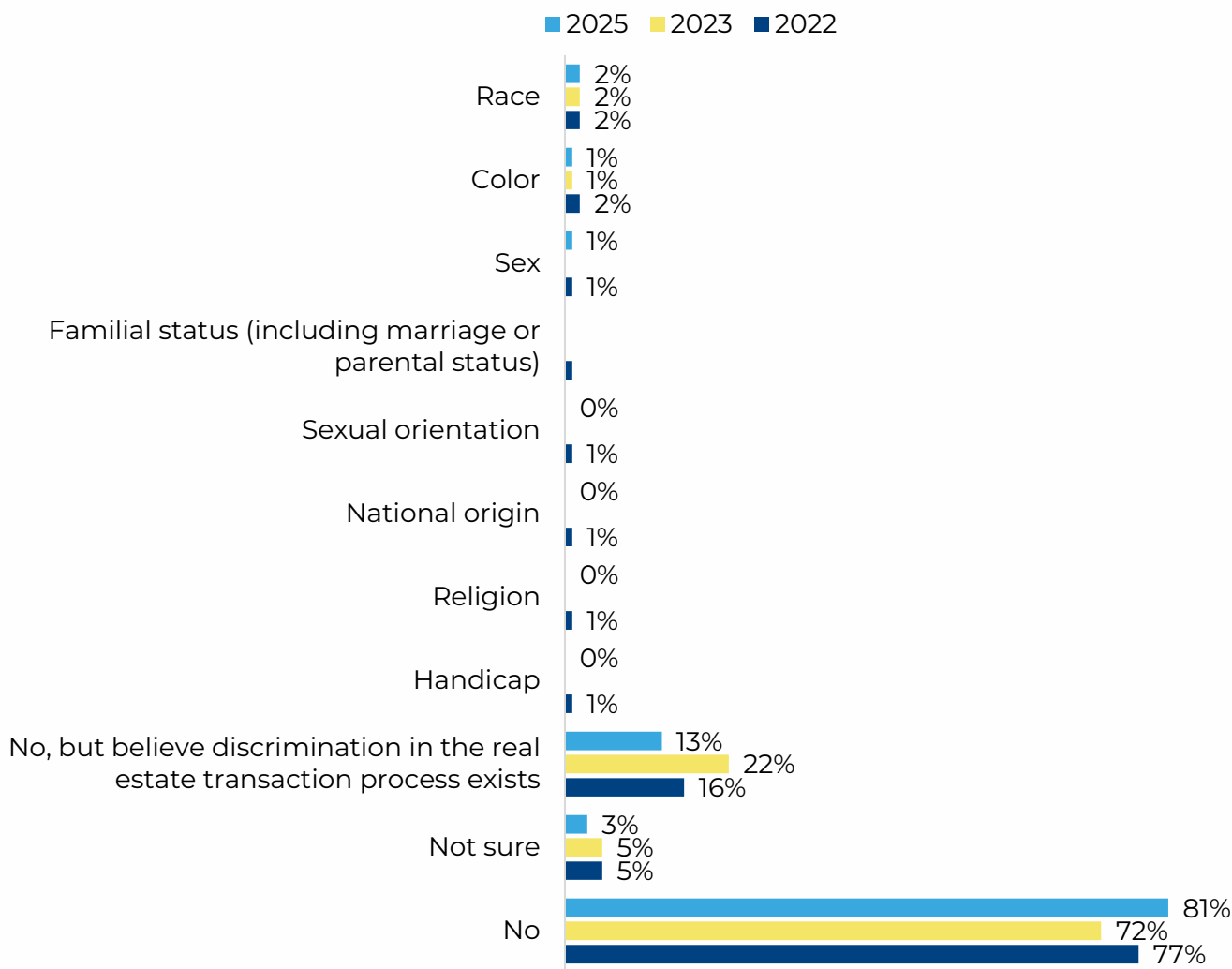
- Discrimination from buyer's agent viewing the home of a minority person.
- Clients making statements while at showings about bias or discriminatory observations or preferences of theirs.
- An appraiser in Mineral Wells, TX (according to my client who is Hispanic) was talked down by an older appraiser and said his side of town was not worth that much. Rocket Mortgage refused to acknowledge or send anyone else out there. I told my client to file a report to both state appraisal board and to this lender, but he was scared to. I didn't know if I could or not.
- Homes being appraised lower for being in a "black neighborhood." Homes being appraised lower because the buyer is black. Homes being appraised low due to homosexual sellers/buyers.

Appraisal Discrimination – All Respondents

Only three percent of members overall report witnessing or experiencing discrimination in an appraisal, similar to previous years. As in 2023, this is most likely based on race (2%), color (1%), or sex (1%). Ninety-four percent of all respondents have never witnessed or experienced discrimination in an appraisal, consistent with last year. Thirteen percent say they have not witnessed or experienced it but believe discrimination in appraisals exists; this is down from 22 % in 2023. Three percent are not sure. Non-appraisers are more likely than appraisers to mention that they have witnessed or experienced race and color discrimination in an appraisal. Respondents who identify as persons of color are more likely to say they have experienced or witnessed discrimination in an appraisal based on race (6% vs. 1%).

Witnessed or Experienced Discrimination in an Appraisal

N = 2680



Description of Bias or Discrimination in the Appraisal Process

See open-ended comments below. Most of the open-ended comments mentioned race or color of seller or gender of appraiser.

Description of Bias or Discrimination in the Appraisal Process

- Client wouldn't use me because I'm a female.
- A homeowner would not allow me to do the appraisal because I was a woman.
- Sex, I'm told this is a male-dominated career.
- Appraisers used inappropriate comps on the basis of the seller's religion and national origin identifiable in the home as well as one based on race
- Minority neighborhoods are appraised lower.
- I've experienced a white appraiser undervalue a home in a well-documented high-valued predominately African-American neighborhood.

Demographics

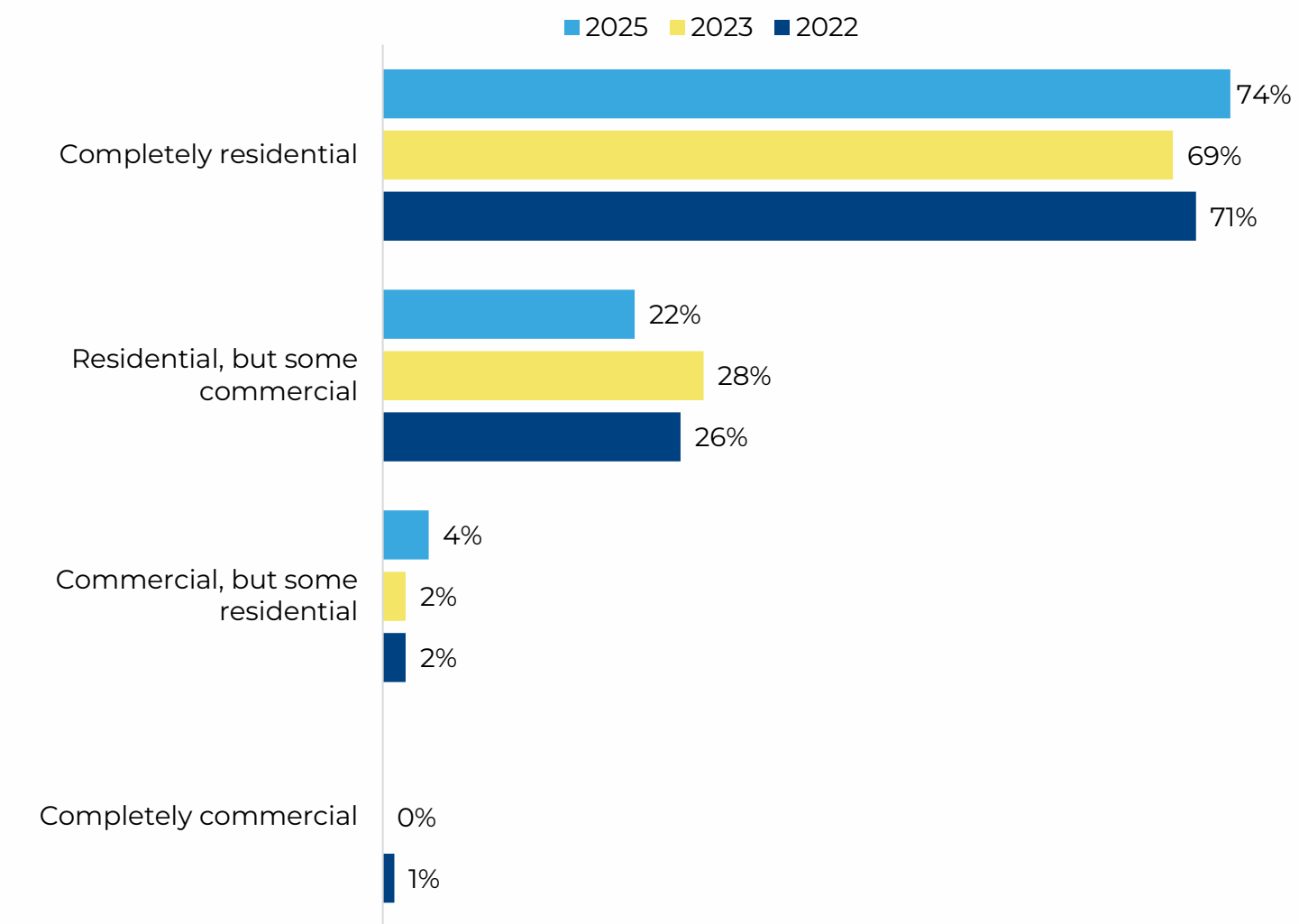


Business Type

As in 2023, the typical respondent is completely residential (74%). The 1% who were completely commercial in 2022 were screened out of the survey in 2025; no completely commercial members responded in 2025. Appraisers are significantly more likely to be completely residential than other members (80% vs. 67%).

Business Type

N = 2680

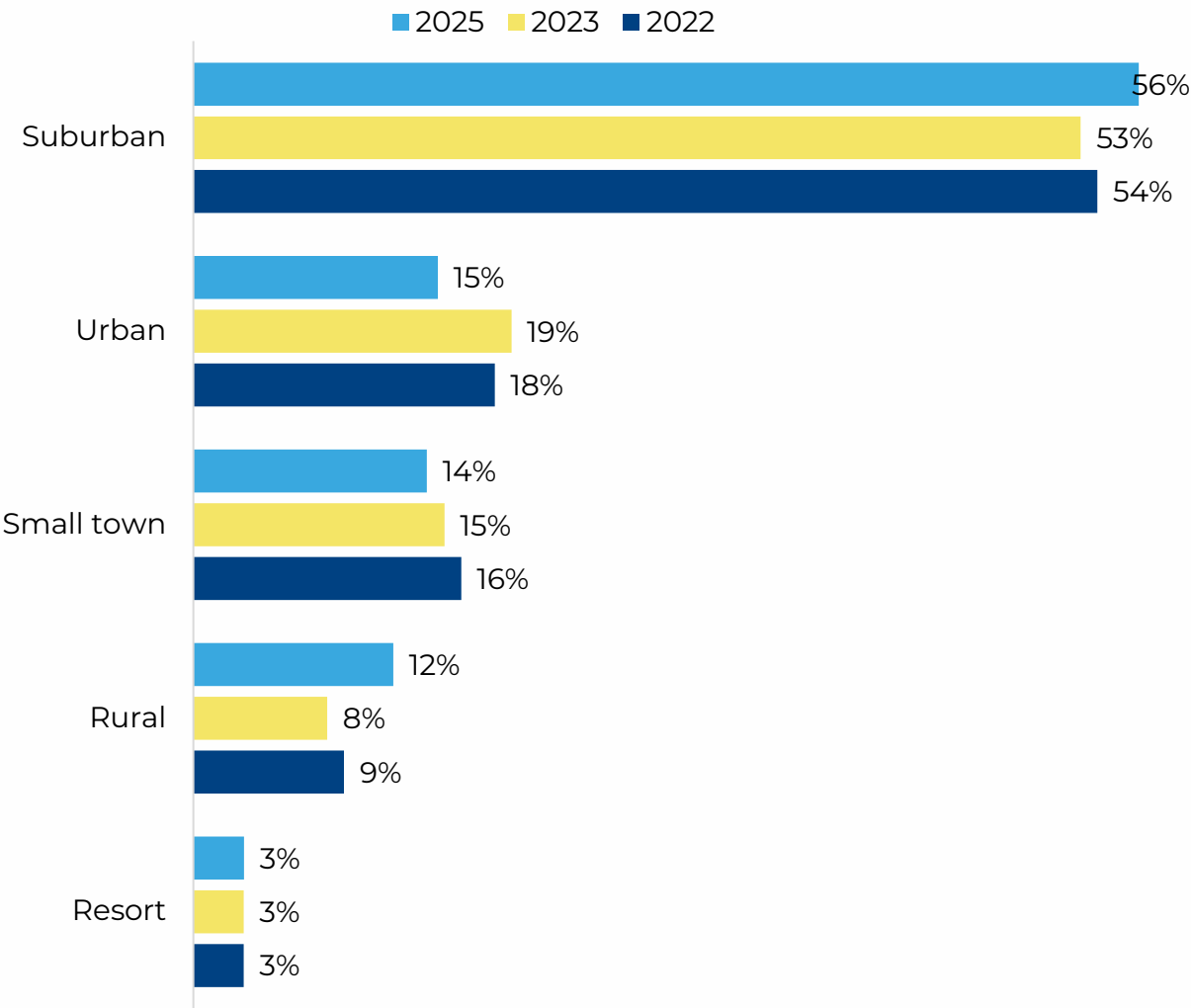


Location of Business

As in previous iterations, the typical respondent practices primarily in a suburban area (56%). Appraisers are somewhat more likely to cite suburban (63% vs. 50%) and rural areas (15% vs. 9%), while others are somewhat more likely than appraisers to cite urban (18% vs. 11%) and small-town areas (19% vs. 9%).

Location of Business

N = 2680

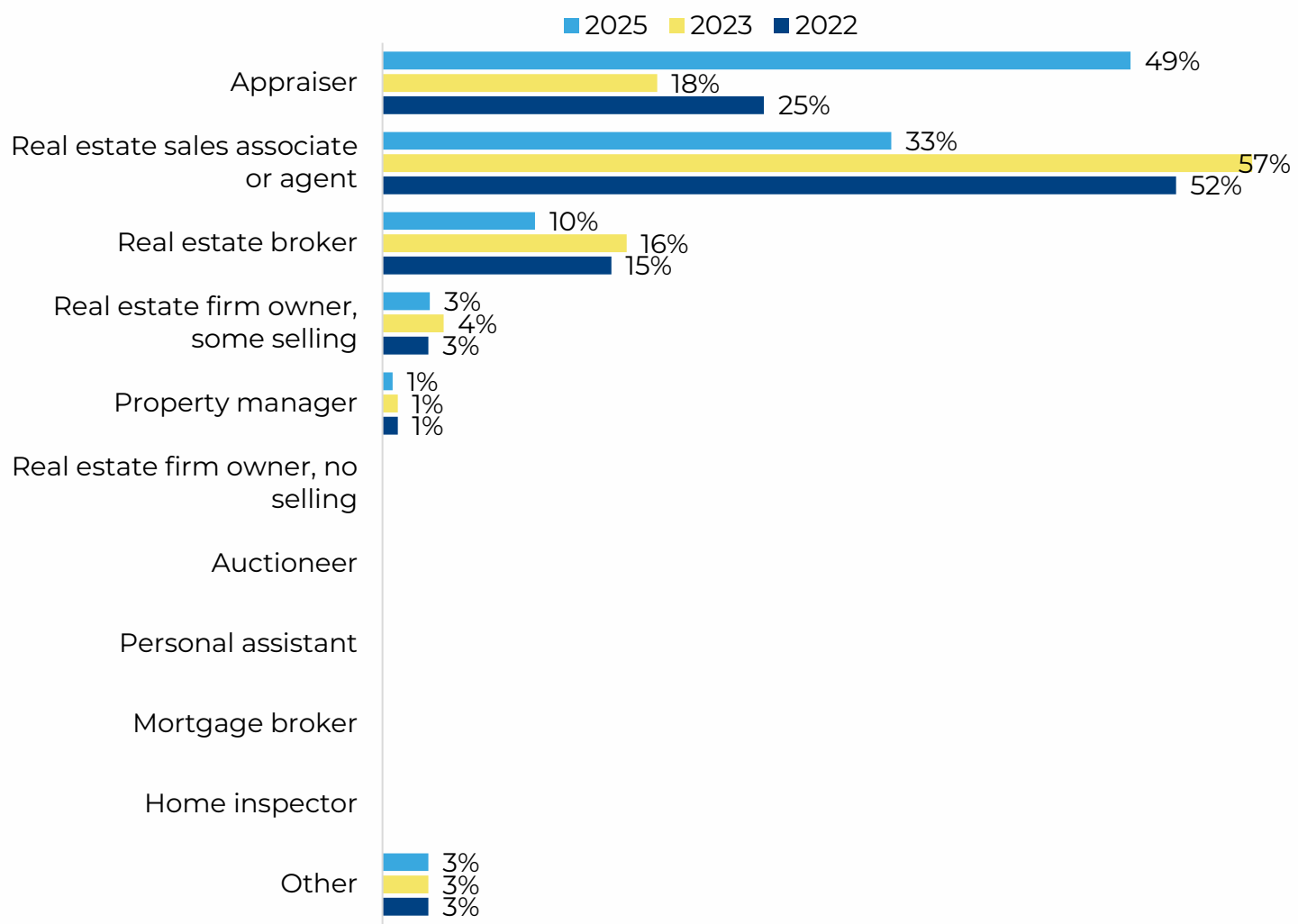


Main Function

Close to half of respondents (49%) are appraisers, a significant increase from 18% in 2023. Those who selected other (3%) are broker associates and associate brokers, as well as appraisers. Respondents are less likely this year to be sales agents (33% vs. 57%).

Main Function

N = 2711

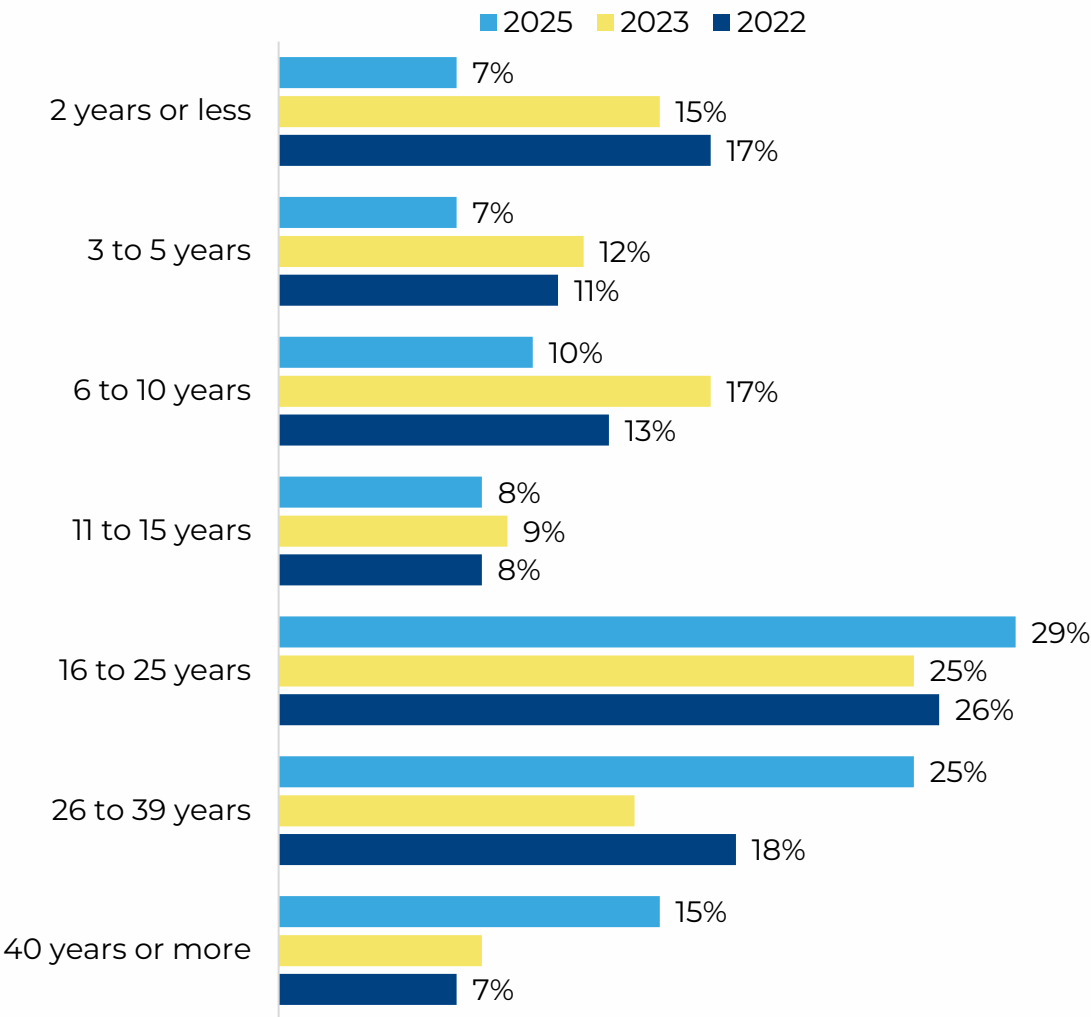


Years of Experience

The typical respondent has 23 years of experience in real estate, with significant more experience than in previous years (15 years in previous iterations of the survey). The typical appraiser is significantly more experienced than the typical non-appraiser member: 27 years vs. 17 years.

Years of Experience

N = 2711

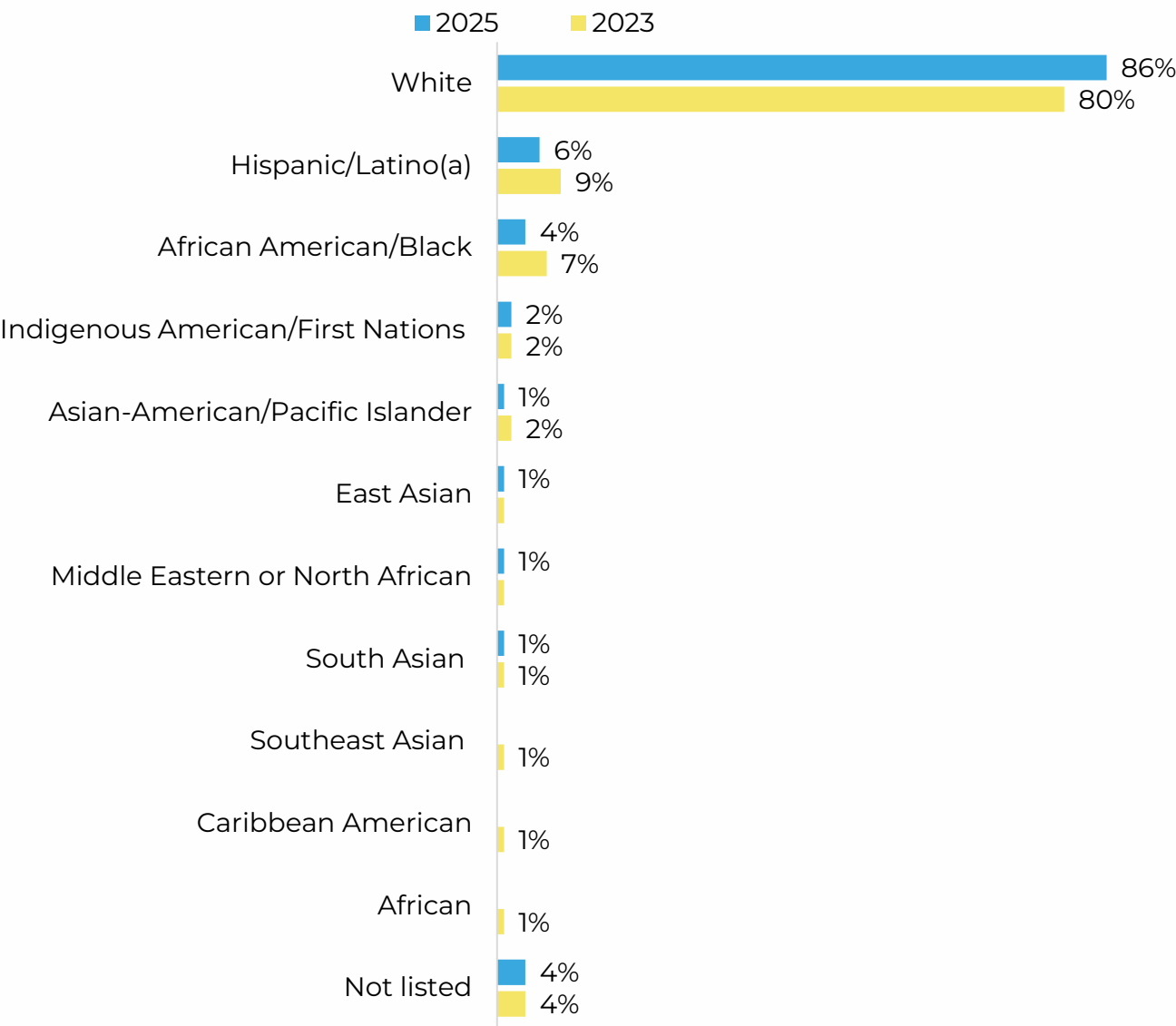


Race/Ethnicity

Eighty-six percent of respondents are White. Six percent are Hispanic/Latino(a); 4% are African-American, Black, or African. Five percent are Asian, Asian-American, or Pacific Islander, with 2% identifying as Indigenous American (Native American/American Indian or Alaska Native). Most of the 4% who selected “not listed” took exception to the question. Appraisers are more likely to identify as White than other members (95% vs. 83%) and less likely than others to identify as any other races/ethnicities listed. This question was not asked in 2022.

Race/Ethnicity

N = 2462



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: Survey Monkey



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500 New Jersey Avenue NW

Washington, DC 20001

202-383-1000

data@nar.realtor

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