

KITE & KEY
— PARTNERS —

**Michigan Appraisers Mapped
1990s-2020s**

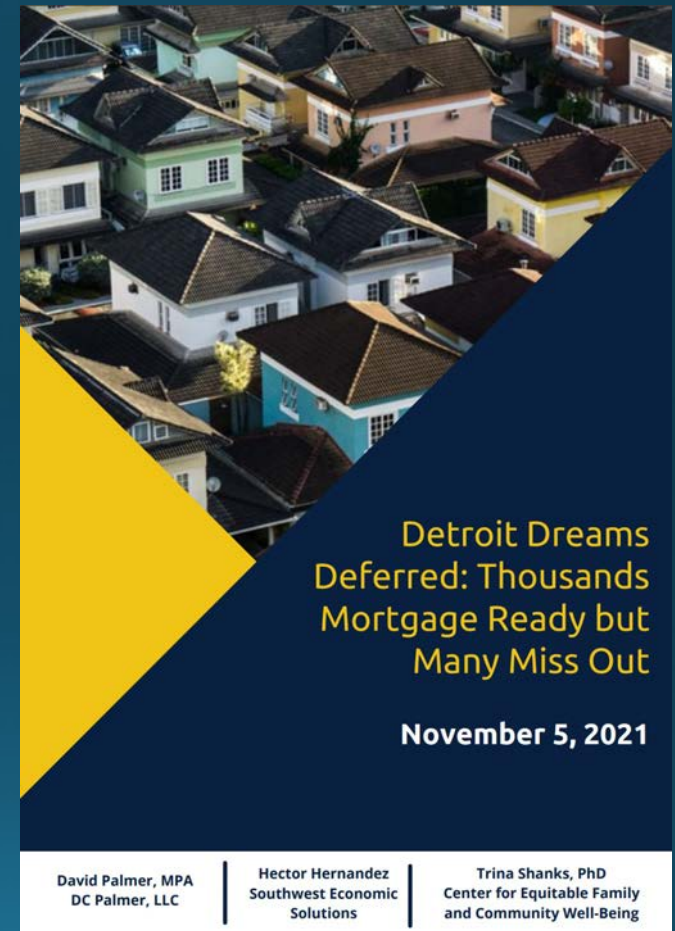
Questions

- Is there an ideal ratio of licensed appraisers to residents in a given area?
- Are there enough residential appraisers to meet demand?
- Should a regulated occupation be representative of the demographics it serves in a given geography?
- How do we diversify opportunities to work in this occupation?



History

- 2021 Detroit Dreams Deferred Publication
- FOIA Request



What is an Appraiser?

- A Real Estate Appraiser is a person who provides valuations of real property
- Appraising is regulated federally & by states
- Appraisers have different education requirements for different levels of licensure

Appraisal Subcommittee (ASC)

The Appraisal Foundation

Michigan State Board of Real Estate Appraisers

Licensing and Regulatory Affairs (LARA)



Active MI Appraiser Count by State

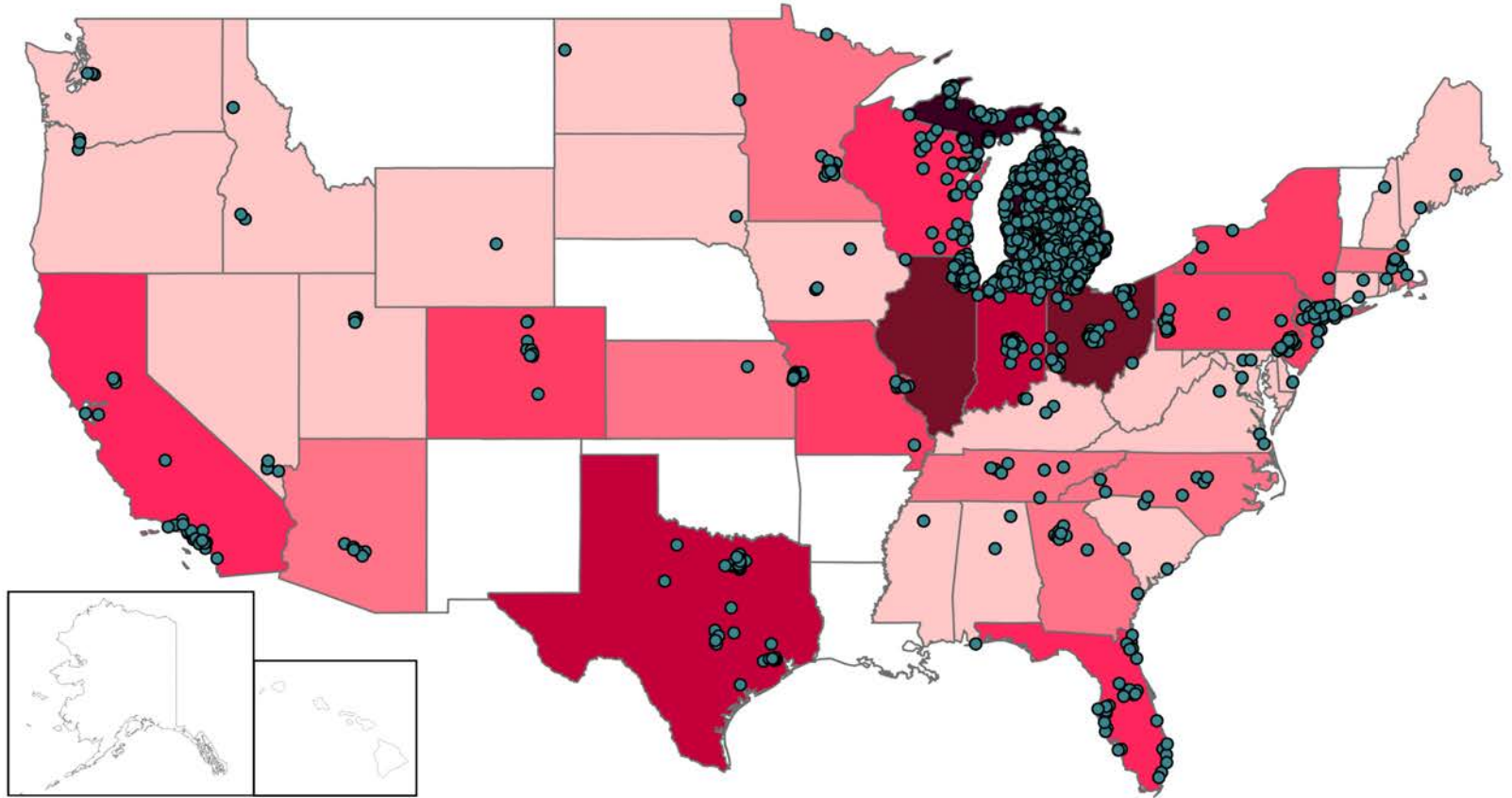
3175 Active Appraisers (As of 2022)

Legend

- Active MI Appraisers - Nationwide (712)
- Active MI Appraisers - Michigan (2462)

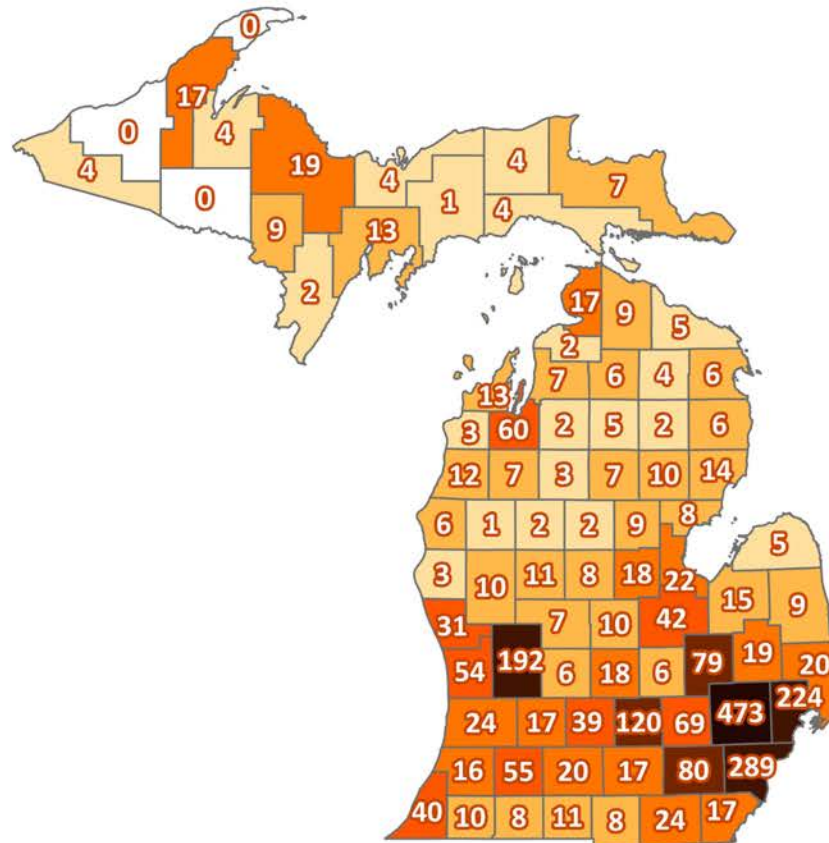
Appraiser Range | State Count

| | |
|-----------|-----------|
| 0 | 8 States |
| 1 - 5 | 21 States |
| 6 - 15 | 7 States |
| 16 - 30 | 5 States |
| 31 - 50 | 3 States |
| 51 - 100 | 2 States |
| 101 - 200 | 2 States |
| 2462 | Michigan |



Active MI Appraiser Count by County

24,622 Active Appraisers



Legend

Appraiser Range | County Count

| | |
|-----------|----------------|
| 0 | 3 Counties |
| 1 - 5 | 20 Counties |
| 6 - 15 | 30 Counties |
| 16 - 30 | 15 Counties |
| 31 - 75 | 8 Counties |
| 76 - 150 | 3 Counties |
| 151 - 300 | 3 Counties |
| 473 | Oakland County |



Active Appraisers in Metro Detroit (Tri-County Area)

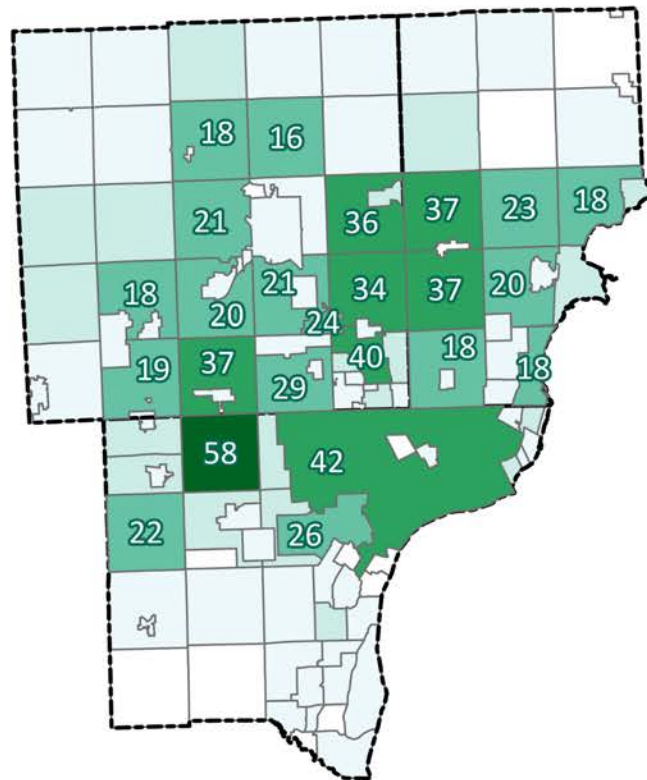
986 Active Appraisers

Legend

City and Civil Divisions (Detroit Metro)

Appraiser Range | City Count

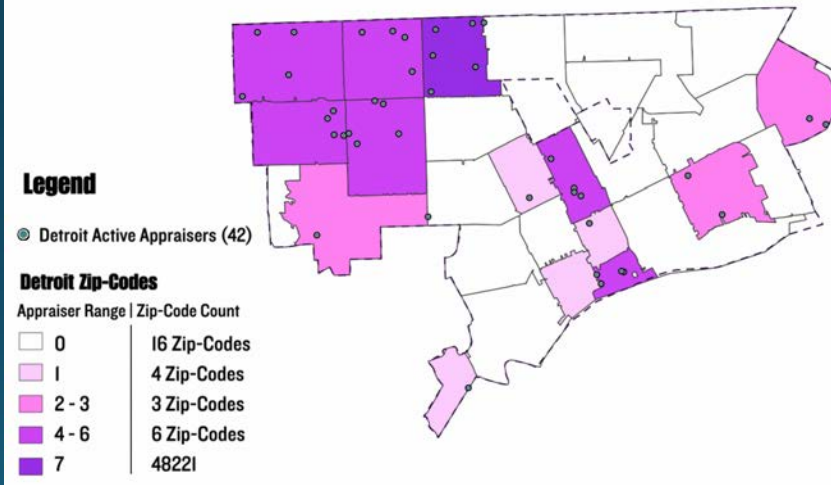
| | |
|---------|--------------------------|
| 0 | 19 Cities |
| 1 - 5 | 56 Cities |
| 6 - 15 | 19 Cities |
| 16 - 30 | 16 Cities |
| 31 - 50 | 7 Cities |
| 58 | Livonia (Oakland County) |



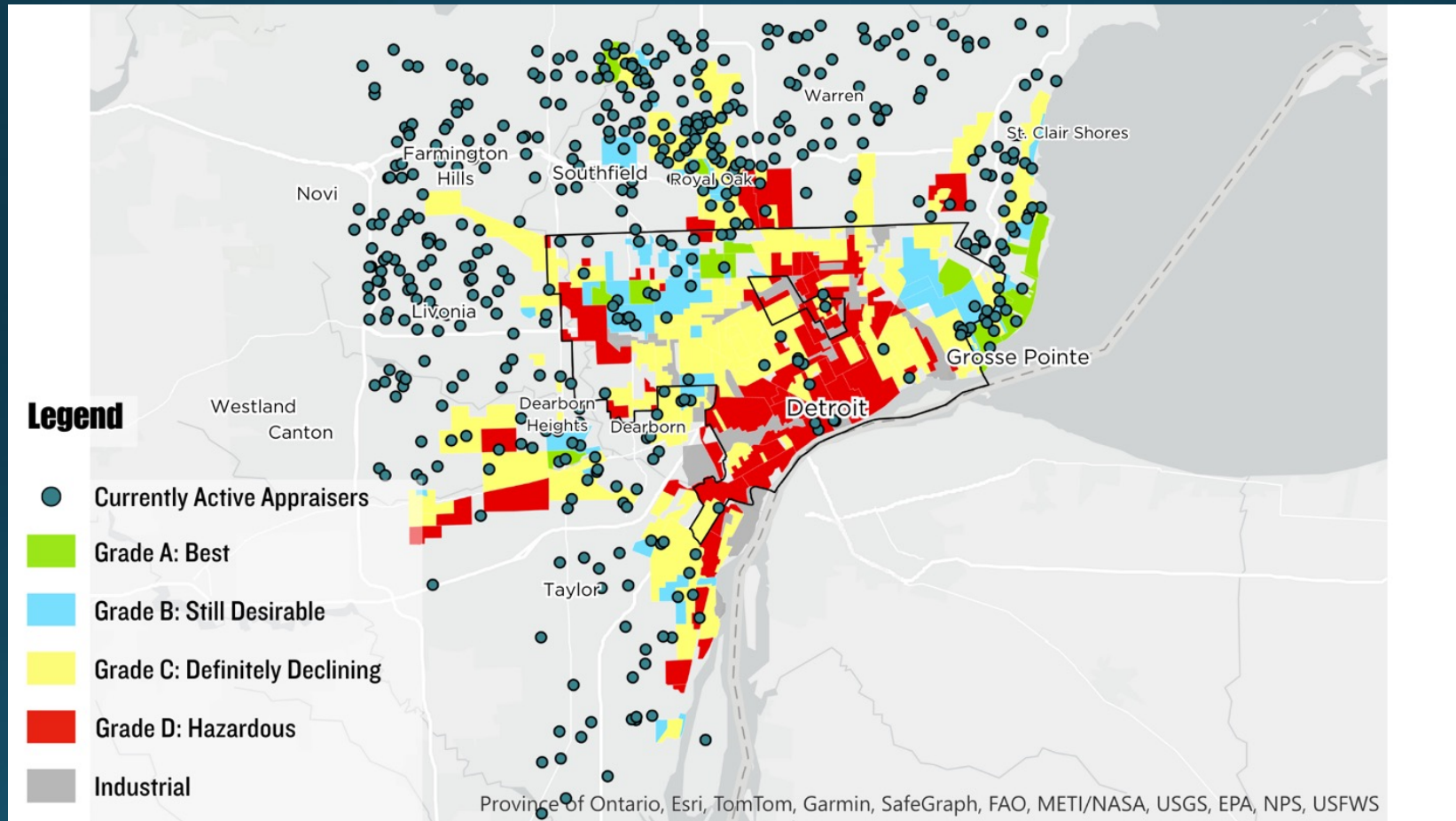
Active Appraisers by Zip-Code (Detroit)

- 42 Currently Active Appraisers (As of 2022)
- Over half of Detroit's Zip-Codes have no Currently Active Appraisers (16/30)
- Top Zip-Code: 48221

Active MI Appraisers by Zip-Code (Detroit)



Detroit HOLC Redlined map overlay



PAVE Commission + Research



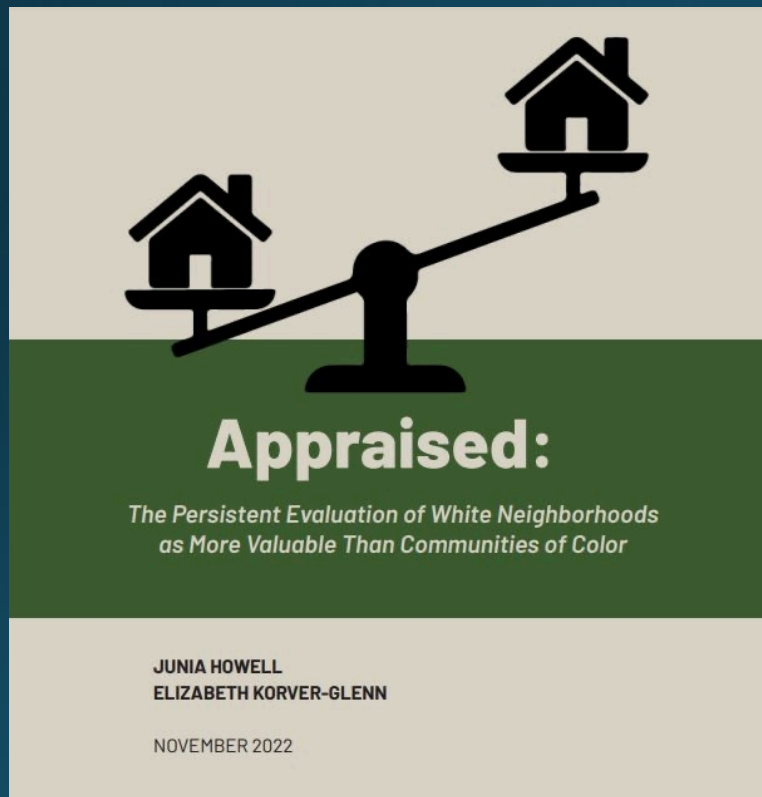
- What is PAVE?
- PAVE Commission is made of 13 federal agencies, Initiated under the Biden Administration

Action Agenda Highlights

- Acknowledge & examine historical bias that leads to racial disparities in property valuation
- Diversifying workforce and enforcing fair lending practices



Literature Reference



- Utilized over 32 million appraisals between 2013 and 2021
- Based on 2022 Uniform Appraisal Dataset (UAD) released by Federal Housing Finance Agency (FHFA)
- White neighborhoods appraisal value = double the value of comparable homes in communities of Color nationally



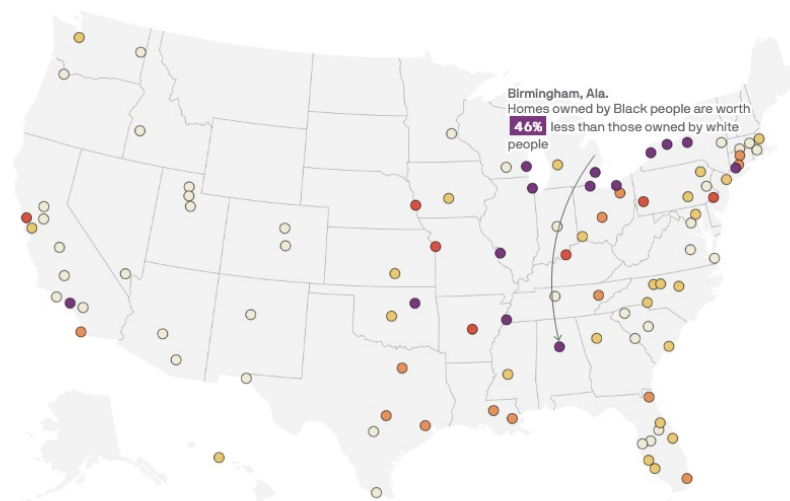
Publications + Other Findings

Difference in the typical value of homes owned by Black and white people, by metro area

As of December 2023

Closer to equality →

-30% -25% -20% -15%



Data: Zillow; Map: Erin Davis / Axios Visuals

Home Appraised With a Black Owner: \$472,000. With a White Owner: \$750,000.

Nathan Connolly and his wife, Shani Mott, say an appraisal company undervalued their home based on their race. The couple has filed a lawsuit in Maryland.

According to Axios Visuals, in the City of Detroit, MI

Black People: \$138,700

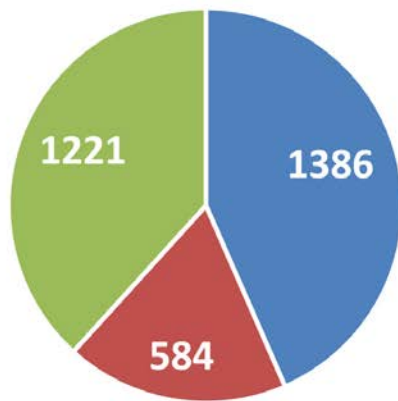
White People: \$254,000

Percentage Difference: -45.4%



Claritas Data

Active Appraisers by Gender,
Including Undetermined



■ M ■ F ■ Undetermined

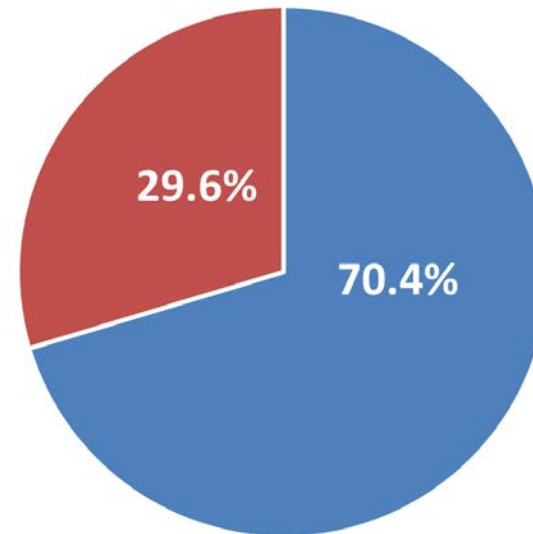
Female: 18.3%

Male: 43.4%

Undetermined:

32.3%

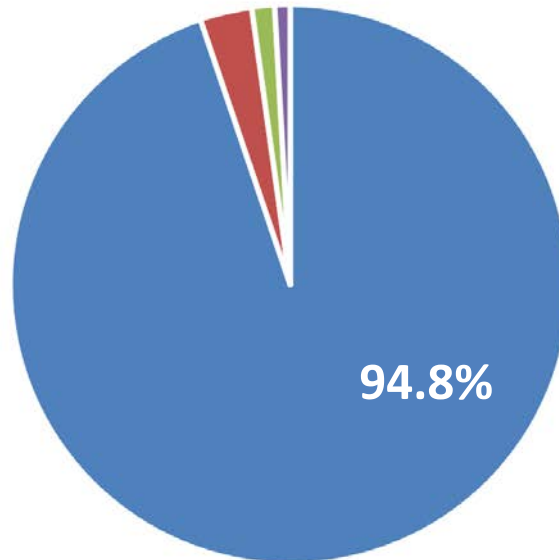
Active Appraisers by Gender



■ M ■ F

Claritas Data

Active Appraisers by Ethnicity



■ European/Caucasian ■ African American ■ Hispanic ■ Asian

European/Caucasian:

94.8%

African American:

3.0%

Hispanic:

1.3%

Asian:

0.9%



Recommendations

Discovery

- Review current oversight & licensing standards
- Should regulated occupations in any way reflect the communities they serve?
- Should there be expanded pathways to licensure?

Recommendations

Action

- Take advantage of ASC grants to States
 - State Appraisers Regulatory Agencies Support Grant
- Fund workforce demand analysis for this regulated occupation

| State | Agency | Period of Performance | Federal Share Awarded |
|-------|--|-----------------------|-----------------------|
| AR | Arkansas Department of Labor and Licensing | 10/01/2020-9/30/2023 | \$189,650 |
| AZ | Arizona Dept Of Insurance | 04/01/2021-03/31/2024 | \$348,000 |
| CT | Connecticut Department of Consumer Protection | 10/01/2021-09/30/2024 | \$119,409 |
| HI | State of Hawaii Department of Commerce and Consumer Affairs | 04/01/2021-03/31/2024 | \$25,850 |
| IL | Illinois Department of Financial and Professional Regulation | 10/01/2020-09/30/2023 | \$314,400 |
| KY | Kentucky Public Protection Cabinet | 10/01/2020-09/30/2023 | \$120,751 |
| LA | Louisiana Real Estate Appraisers Board | 10/01/2020-09/30/2023 | \$359,486 |
| MN | Minnesota Department of Commerce | 10/01/2020-09/30/2023 | \$25,000 |
| MS | Mississippi Real Estate Commission | 04/01/2021-03/31/2024 | \$299,349 |
| MT | Montana Department of Labor and Industry | 10/01/2021-09/30/2024 | \$102,548 |
| NC | North Carolina Appraisal Board | 04/01/2021-03/31/2024 | \$239,429 |
| SD | South Dakota Department of Labor and Regulation | 10/01/2020-09/30/2023 | \$187,482 |
| TX | Texas Real Estate Commission | 10/01/2020-09/30/2023 | \$461,640 |
| UT | Utah Department of Commerce | 10/01/2020-09/30/2023 | \$73,085 |
| VT | Vermont Office of Professional Regulation | 10/01/2021-09/30/2024 | \$109,120 |

- Illinois
- Texas
- Louisiana
- Arizona

All Awarded >\$300,000



Recommendations

Improve

- Collect basic demographic data from licensees across all occupations + reconcile data loss from previous appraisers
- Upgrade LARA's reporting ability to oversee talent flows into regulated occupations + diversify homogenous occupations



Acknowledgements

- Willyne Smith
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- MI Licensing and Regulatory Affairs



Contact Information

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Active Appraisers in Metro Detroit (Tri-County Area)

