

Agricultural Real Estate Appraisal Minor Approved for Ag Econ

Oklahoma, along with other areas of the country, could be facing a substantial shortage of rural real estate appraisers in the next three to five years.

Since 2007, the total number of all appraisers has dropped 20%. This potential situation is of concern to associations and individuals in the state involved with rural real estate appraisals.

According to state banking associations, “The shortage of qualified rural appraisers has dramatically increased the time to process a rural real estate loan. This has created a detrimental ripple effect throughout rural economies in this country because all affected parties, the bank, the seller, and the buyer, must remain at a standstill until a qualified appraisal is available to service a loan transaction.”

The associations blame this shortage on “aging and retirements among appraisers, declining young populations in rural areas, and the lengthy appraiser training process.”

Other factors include higher standards in appraisal work and increased requirements for becoming a certified appraiser plus the failure of appraisal compensation to rise in accordance with the requirements. Also, rural appraisals are often more complex than urban appraisals since factors in addition to buildings are involved such as land use, soil type, slope, till-ability, road access, and other characteristics.

As a step towards addressing this situation, the OSU Department of Agricultural Economics’ curriculum committee has created a minor in Agricultural Real Estate Appraisal. The OSU Regents approved this recommendation, and the minor is now available for enrollment.

According to agricultural economics professor Joe Schatzer, “The agricultural appraisers in Oklahoma have requested that we help our students obtain creditable hours in their coursework as undergraduate students. Under the current guidelines of the Appraiser Qualification Board (AQB), a part of the Appraisal Foundation, for university coursework to be approved by the AQB as meeting creditable class hours, a program of study requiring the courses must be offered by that university.

The American Society of Farm Managers and Rural Appraisers (ASFMRA) is a not-for-profit professional appraisal society and a sponsoring member of the Appraisal Foundation that provides professional designations, education, advocacy, appraisal news and networking in all jurisdictions in recommendation, and the minor is now available for enrollment.

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The American Society of Farm Managers and Rural Appraisers (ASFMRA) is a not-for-profit professional appraisal society and a sponsoring member of the Appraisal Foundation that provides professional designations, education, advocacy, appraisal news and networking in all jurisdictions in the United States. They provide the AQB and the state with approved appraisal training for certified general licensure and for continuing education. “The new minor requires courses,” says Dr. Schatzer, “that we believe, after our discussions with the AQB, will contribute towards creditable class hours. The minor will enhance the prospects of students entering the appraisal field by reducing the creditable class hours they will need to obtain after graduation.”

Grant Rohwer, Vice President – Appraisal for Oklahoma AgCredit in Stillwater, states, “The addition of the Minor Study Program in Agricultural Real Estate Appraisal is a huge step for a person looking to get into the appraisal field.

The education and experience requirements that have been implemented by the State Appraisal Board have made it very difficult for a new person to get started. Adding this minor has made that person more marketable for a potential employer to hire since they will have a good start toward the education requirements. For the individuals looking to go out on their own, it is beneficial since the out-of-pocket costs for several classes will already have been met. It is a great step for the appraisal industry and the shortage of appraisers we face in the near future.

The new minor requires 24 credit hours. Nine hours of these courses must be taken at OSU.

REQUIREMENTS

AGEC 3213 Quantitative Methods

AGEC 3423 Farm and Agribusiness Management AGEC 3603 Agricultural Finance

AGEC 3713 Agricultural Law

AGEC 4513 Farm Appraisal

ACCT 2103 Financial Accounting

ACCT 2203 Managerial Accounting

STAT 2023 Elementary Statistics for Business and Economics

Agribusiness senior Cole Johnson from Durant has completed the requirements and will graduate with this minor as part of his degree in May. In January, he will start work part-time as an appraiser for Oklahoma AgCredit, becoming a full-time employee after graduation.

Cole believes that the minor is a benefit to both the student as an employee and the employer. The employee will not need to take

as many certification classes once on the job because the university classes will have satisfied some of the requirements.

Cole says, “As a student, I believe this minor gives me an important edge over graduates from other colleges in the area. New appraisal employees expect to train for three years for certification after starting their jobs. Already having fulfilled some of the requirements in these classes cuts down on the time and expense of acquiring certification for both the employee and the employer.”

Working with the appraisal groups and affected businesses in Oklahoma in developing this minor is another example of the department and CASNR responding to the concerns of employers and producers.

Agricultural economics department head, Mike Woods says, “CASNR always strives to consider the needs and suggestions of industries and employers in developing and modifying courses to enhance opportunities for our students.”

Dr. Cynda Clary, Associate Dean, Academic Programs in CASNR, says, “I appreciate how quickly the agricultural economics department responded to the needs of the rural appraisal industry. The minor will better prepare students for this important career area.”