

# The Senior Appraisal Exam: Is It Necessary For It To Be Such A Trial?

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The cornerstone for recognizing the value of IRWA membership remains the manifestation of the professionalism associated with its educational program and the standards required for the SR/WA. The outline of requirements has evolved with considerable clarity, particularly in terms of required courses and experience. However, the examination aspect still remains a stumbling block for many candidates as they pursue the designation.

This has led the IPDC to review the nature of its testing in the foundation areas—Law, Negotiation, Engineering, and Appraisal—and to try to effect a balance of fairness in the examination process, as well as assure that a high standard of competence in a specific foundation field is maintained.

The major pitfall in the Senior exams has been, and still remains, the Appraisal examination. While there has been some improvement in the successful testing in Appraisals, this section still remains the one with the highest failure rate, at this date approximately at 35 percent. This is a considerable improvement from the period when the failure rate was nearly 60 percent.

Through its Appraisal subcommittee, there has been an attempt to establish a ranking of questions as to difficulty, and in the computerized, random selection of questions, there is an effort to weigh selections more to the moderate range of difficulty, particularly in the problem-solving area. The IPDC clearly understands that the Senior exam should be designed to show a more than passing understanding of the appraisal process on the part of the candidate, while not expecting the candidate to be a professional appraiser.

There are, of course, other reasons for poor performances on the Senior

Appraisal exams. Most obvious of these reasons are:

- 1) Inadequate preparation through course work. Appraisal 101 is not sufficient preparation for the Senior exam.
- 2) Insufficient time devoted to study and review of this more technical field of examination. It should be noted that the Senior examination in Engineering comes a close second in failure rate to that of the Appraisal exam. The candidate must focus on the subject matter for these examinations, and not take the matter lightly.
- 3) And finally, the general reluctance to stand for examinations at this time in a candidate's career. Most of us do not like to face such challenges, and particularly a challenge that has a fairly high risk of failure. However, the apprehension of testing can be remedied to a great extent by preparation and focused study.

The February 1990 edition of *Right of Way* provided a brief outline of materials helpful to those preparing for the Senior exam in Appraisal. The suggestions therein are still appropriate.

The candidate should have familiarity with valuation concepts and principles, including the meaning of highest and best use, the time approaches to value, just compensation, valuation of partial acquisitions, particularly with respect to easements, as well as standards of professional appraisal practice. In addition, the candidate must display some competence in problem solving using the valuation techniques associated with Comparative Market Analysis, and the Cash and Income Approach as to value. The Senior examination will address the following areas:

Appraisal and Value Concepts  
Appraisal Process  
Area Analysis

Data Analysis  
Site & Building Analysis  
Highest and Best Use  
Site Valuation  
Sales Comparison Approach  
Cost Approach  
Cost Estimates  
Accrued Depreciation  
Income Approach  
Income & Expenses Analysis  
Capitalization  
Reconciliation  
Appraisal Reports  
Just Compensation  
Partial Acquisition  
Easement Valuation  
Ethics and Standards of Professional Practice

Preparation for the examination may be closely coordinated with the successful completion of the following IRWA courses beyond the 101 Appraisal courses, namely:

Course 400—Uniform Standards of Professional Appraisal Practice  
Course 401—The Appraisal of Partial Acquisition  
Course 402—Introduction Income Approach to Valuation  
Course 403—Easement Valuation  
Course 404—Appraisal Theory and Principle  
Course 405—Application of Appraisal Principles

The study materials and recommended texts for these courses should provide a sound foundation for the Senior exams, as well as the exams for certification or licensing in most states. In addition, the texts used by the several IRWA sister organizations in the Appraisal Foundation are helpful, as are the respective courses of those associations.


The excitement associated with the IPDC's development of a specialty program, and its subsequent approval by the IEC, should not detract from the principle activity of the IPDC, i.e., clear



## The Right-of-Way Professionals Guide To Avoiding Environmental Hazards

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and improved procedures for association members to achieve a designation which is characterized by quality professionalism. By maintaining standards, the SR/WA designation will continue to broaden the recognition it deserves.

Thus, the basic service of the IPDC still remains the SR/WA program and its requirements. The IPDC will address the other foundation areas of the Senior exams in later issues of this publication. 

would include such things as:

- Vent pipes indicating the presence of underground storage tanks
- Stained or unusually colored soil
- Unusually cracked asphalt
- Stressed vegetation
- Excavation or fill dirt
- Drums or other containers of chemicals

Typically, the site inspection is performed either by an appraiser, engineer, or trained environmental professional. The process of hiring a professional known to perform all of these functions is called a Phase I assessment, and can range anywhere from \$2,500 to \$5,000 for a basic property. For a right-of-way, a bid would be required to comply with the specific dimensions and length of the property acquisition.

In conclusion, environmental hazards present a new challenge for the right-of-way professionals. Because properties acquired for right-of-way purposes are more likely to have been used for some environmentally risky use, it is incumbent upon the prudent right-of-way professional to identify environmental hazards prior to concluding the transaction. New, cost-efficient techniques for real estate site assessments, including government records and historical research, are of great benefit to the right-of-way professional. By employing these techniques, the right-of-way professional can be more confident that his company will not end up with liability, impaired property values, or liability for personal injuries. 



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