

Best States for Appraisers: A 2026 Business Viability Index

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Executive Summary

The U.S. real estate appraisal profession is at a crossroads: a shrinking, aging workforce is confronting [evolving regulatory frameworks](#), technological change, and starkly divergent housing markets across states. This report constructs a **“Business Viability Index” (BVI)** for prospective appraiser-business owners in 2026, synthesizing demographic, economic, and regulatory factors state by state. In brief, our analysis shows that **major housing markets** yield the most appraisal assignments but also the fiercest competition and high costs of living. States like **Texas, Florida, California, New York, and Illinois** host the largest appraisal workforces (Source: [appraisalbuzz.com](#)), while smaller states such as **Virginia and North Carolina** exhibit far higher appraiser-per-capita densities (Source: [appraisalbuzz.com](#)), suggesting more readily available mentorship. Compensation for appraisers also varies widely: for example, mean annual wages exceed \$90K in Washington, D.C. and Iowa, and are roughly \$90K in California, Massachusetts, and New Jersey (Source: [www.bls.gov](#)), but drop into the \$50–60K range in many southern and rural states. At the same time, **state-level regulatory regimes** significantly affect the trainee-to-owner pipeline. As of late 2023, **48 states** officially accept the [Practical Applications of Real Estate Appraisal \(PAREA\)](#) training program (Source: [www.appraisalinstitute.org](#)), greatly easing experience accumulation, though notable holdouts (e.g. North Carolina) risk lagging behind. Meanwhile, federal agencies have signaled flexibility in shortage regions (e.g. temporary appraisal waivers for wildfire-affected areas (Source: [www.fdic.gov](#)), and sheaths of technology (expanded appraisal waivers by FHFA (Source: [appraisalbuzz.com](#)), [AI-driven valuation tools](#) loom on the horizon.

We compile state-by-state data on appraiser supply (via Appraisal Subcommittee and BLS statistics), housing demand (mortgage origination and population growth), compensation (BLS wage data), and regulatory environment ([licensing/training requirements](#), PAREA adoption) to rank states’ appraisal-business viability. Broadly, **sunbelt and fast-growing states (TX, FL, AZ, NC) score well** due to soaring housing activity and progressive training policies, whereas **declining-population or high-cost states (WV, MS, HI, VT)** face weaker demand and lower pay. This report presents case studies (e.g. Texas’s adoption of PAREA in response to a

58% slump in new trainees (Source: [swishappraisal.com](https://www.swishappraisal.com)) and data tables to illustrate the contrasts. The BVI framework and findings aim to inform stakeholders – from trainees weighing where to launch careers to industry groups and regulators seeking to bolster the appraisal pipeline – about the geographic dynamics of appraiser business opportunities today and tomorrow.

Introduction and Background

Real estate appraisers play a **critical role in housing finance and property markets**: they provide independent estimates of property values for mortgage lending, investment, tax assessment, and more (Source: [swishappraisal.com](https://www.swishappraisal.com)). Appraisers' valuations underpin virtually every mortgage transaction in the U.S., and they often certify true market value for borrowers, lenders, insurers, and government agencies. Becoming a *residential real estate appraiser* typically involves a progression from **Trainee/Appraisal Assistant** to **Licensed Appraiser** (performing valuations on less complex properties) to **Certified Residential Appraiser** (any one- to four-unit residential) and ultimately **Certified General Appraiser** (complex or non-residential properties). Each level requires stringent education and supervised experience. The Appraiser Qualifications Board's (AQB) federal criteria – adopted by all 50 states – set minimum training standards: for example, a Licensed Residential appraiser must generally complete *150 hours* of appraisal-related education plus *2,000 hours* of supervised experience (usually within 1.5–2 years) (Source: [opgguides.com](https://www.opgguides.com)), while a Certified Residential appraiser needs *200 hours* and *2,500 experience hours*, and a Certified General appraiser needs *300 hours* and *3,000 hours* *host*. Additionally, exam requirements and college-level coursework vary; famously, Certified ranks often require a 4-year college degree (or equivalent) and rigorous exams.

Despite the long-established training pipeline, the profession faces acute labor-market pressures. **Demographic trends** show a rapidly aging appraiser workforce: more than half of U.S. residential appraisers are age 51–65 (Source: [swishappraisal.com](https://www.swishappraisal.com)) (Source: [swishappraisal.com](https://www.swishappraisal.com)), and few younger entrants are keeping pace. According to *JobsInAppraisal.com* analysis of Appraisal Subcommittee (ASC) registry data, there were only about **66,715 unique active residential appraisers in the U.S. in 2025** (holding ~91,290 licenses due to cross-state and upgrade licensing) (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)). Notably, ASC data reveal a **bimodal experience distribution**: about 35% of appraisers have 0–5 years of experience, but 28% have 20+ years (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)), with a thin middle (indicating a gap in mid-career ages). Industry reports confirm an annual contraction: one analysis notes roughly 78,000 active appraisers (largely age 50–65) dwindling at ~2.6% per year (Source: [swishappraisal.com](https://www.swishappraisal.com)). Meanwhile, the U.S. Bureau of Labor Statistics (BLS) projects roughly **6,300 new annual openings** in property appraising occupations (mostly retirement replacements) through 2030 (Source: [swishappraisal.com](https://www.swishappraisal.com)), far fewer than needed to reverse declines. The result is a nationwide “shortage” of appraisers. Lenders and regulators worry that a future housing-market rebound could outstrip available appraisers, leading to “absence of local expertise” and longer turn-times (Source: www.housingwire.com). Indeed, a 2024 trade conference raised alarms about rising rates, thin housing inventory, and stubbornly high insurance costs depressing affordability – yet also an anticipated Federal Reserve rate easing by 2025 which could spark more mortgage originations and a flurry of appraisal demand (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)) (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)).

Regulatory interventions have emerged to address the pipeline crunch. Since 2020, **Practical Applications of Real Estate Appraisal (PAREA)** – a virtual training program by the Appraisal Foundation – offers an alternative to traditional field hours, with structured case-study projects and mentor supervision (Source: [swishappraisal.com](https://www.swishappraisal.com)). By late 2023, virtually every jurisdiction except North Carolina had embraced PAREA (48 states accepting it as of Dec 2023 (Source: www.appraisalinstitute.org), allowing trainees to earn up to 50–100% of their experience hours via PAREA modules (Source: [swishappraisal.com](https://www.swishappraisal.com)). Some states (e.g. Texas, Colorado) have launched PAREA pilot programs (Source: [swishappraisal.com](https://www.swishappraisal.com)). Federal regulators (FRB, FDIC, NCUA, OCC) have also encouraged flexibility: for instance, after Hawaii's 2023 wildfires, they issued a temporary waiver of appraisal requirements in devastated areas to speed lending to victims (Source: www.fdic.gov). The Federal Housing Finance Agency (FHFA) has expanded automated valuation usage too, raising the conforming loan-to-value (LTV) thresholds for appraisal waivers (from 80% to 90%) (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)). These developments – along with technology (AVMs and AI) – suggest the appraisal profession is in transition, with implications for how easy or hard it will be to progress from trainee to firm owner in each state.

This report analyzes these dynamics state by state. We compile data on **appraiser supply** (numbers/licences from ASC/BLS), **market demand** (housing transactions, population growth, mortgage volumes), **financial incentives** (wages, cost of living), and **regulatory factors** (licensing requirements, PAREA, local policies). Using these inputs, we define a composite **Business Viability Index (BVI)** that scores each state's favorability for a trainee appraiser's career progression into an owner/operator by 2026. Lower BVI indicates more obstacles (weak markets, high regulation or costs), higher BVI indicates robust conditions (strong housing

activity, high pay, supportive rules). The following sections delve deeply into each factor, supported by case studies (e.g. Texas's PAREA response) and data evidence. Two summary tables highlight variations in appraiser workforce density and compensation across states. We conclude with implications for the future of the appraisal business in the U.S.

The Appraisal Workforce and Training Pipeline

Workforce Distribution and Trends

To understand state-level viability, we first examine **where appraisers are located and how many are retiring**. Data from the Appraisal Subcommittee's federal registry (analyzed by industry researchers) show that larger and more active housing markets host the most appraisers. As of 2025, the top five states by active residential appraiser count were **California (~7,486)**, **Texas (~5,687)**, **Florida (~5,476)**, **New York (~3,299)**, and **Georgia (~3,204)** (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)). Louisiana and Illinois each had just over 3,100. (See Table 1.) These five states also largely align with the largest populations and housing volumes nationally. However, **per-capita appraiser density** tells a different story. A smaller state like **Virginia had ~3,062 appraisers (the same total as North Carolina) but far higher density - about 35.4 appraisers per 100k residents** (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)), the highest of any state in 2025. Georgia (~29.6 per 100k) and North Carolina (~28.9) also rank near the top in appraisers per capita (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)). In contrast, populous states like New York (16.7/100k) and California (19.1/100k) have much lower densities (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)), meaning training opportunities may be relatively scarce. One industry analyst notes that Texas and Florida together have served *millions* of appraisers (due to license reciprocity and inter-state practices), but focus on owner-operators in their home states. We summarize these points in Table 1 below.

Table 1: Top 10 States by Active Residential Appraisers (2025)

State | Active Appraisers | Appraisers per 100k residents

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California | 7,486 | 19.1

Texas | 5,687 | 19.2

Florida | 5,476 | 25.0

New York | 3,299 | 16.7

Georgia | 3,204 | 29.6

Illinois | 3,103 | 24.5

North Carolina | 3,062 | 28.9

Virginia | 3,062 | 35.4

Pennsylvania | 3,038 | 23.4

Ohio | 2,656 | 22.6

Source: Appraisal Subcommittee license data (2025), as reported by JobsInAppraisal.com (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)).

Beyond these leading states, other fast-growing markets have sizable appraisal communities. For example, New Jersey, Michigan, Washington, Massachusetts and Arizona each have on the order of 1,000–2,500 appraisers (BLS data (Source: www.bls.gov) – far fewer than California/Texas but still significant. Conversely, many rural or low-population states (e.g. Wyoming, Vermont, North Dakota) have under a few hundred appraisers each. The **regional distribution** is telling: the South (17 states) accounts for ~25,900 appraisers (pop. ~127.6M), averaging ~20.3 appraisers per 100k residents (Source: www.jobsinappraisal.com). The West has ~17,100 appraisers (~21.8/100k), the Midwest ~14,300 (~20.8/100k), and the Northeast ~10,381 (~18.2/100k). These continental patterns reflect the historic housing markets and population densities (e.g. the Northeast's high population base means millions of people per appraiser, vs. the South with more every-appraiser coverage).

The overall numbers reflect a shrinking profession: whereas BLS estimated ~59,970 jobs for appraisers/assessors in May 2022 (Source: www.bls.gov), industry sources now put the unique active appraiser count at only ~66,700 in 2025 (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)) (including trainees and assistants), and note declines of ~2.6% annually (Source: [swishappraisal.com](https://www.swishappraisal.com)). Official projections foresee only modest growth (approximately 8% over a decade), mainly driven by retirements (BLS forecast ~6,300 annual openings (Source: [swishappraisal.com](https://www.swishappraisal.com))). This gap – more retirements than entrants – underlies widespread reports of a training pipeline bottleneck. Many experienced appraisers are retiring or leaving the field, and new trainee enrollment has plummeted. For instance, Texas's regulatory board (TALCB) reported a **58% drop in new trainee applications** in recent years, due to a dearth of available supervisors and low incentives (Source: [swishappraisal.com](https://www.swishappraisal.com)). Nationwide, over 78,000 certified

appraisers (ages 50–65) remain, but they fade each year without equal replacement (Source: [swishappraisal.com](https://www.swishappraisal.com)). The shortage has led lenders to consider *temporary practice permits* and *licensing waivers* to shore up capacity (Source: [swishappraisal.com](https://www.swishappraisal.com)) (Source: www.fdic.gov) (for example, four federal agencies jointly waived appraisal requirements in wildfire-stricken Hawaii to facilitate disaster lending (Source: www.fdic.gov)).

In short, from a trainee’s perspective, **states with high appraiser density** (many supervisors, relative to population) and **strong demand** offer more training opportunities. For instance, Virginia’s ~35 appraisers per 100k (about one per 2,827 residents) implies a trainee can more easily connect with mentors than in New York (16.7/100k). At the same time, larger markets (CA, TX, FL) provide many assignments for trainees, though competition and costs are greater. These supply-side factors form one core component of our viability analysis.

Licensing, Education, and Alternate Training Pathways

State-by-state regulations also shape viability. As noted, all 50 states enforce the AQB’s federal minimum education and experience rules (Source: [opgguides.com](https://www.opgguides.com)) (Source: [opgguides.com](https://www.opgguides.com)). Generally, becoming a **Licensed Residential Appraiser** requires about **150 hours** of qualifying education (including required USPAP coursework) and **2,000 hours** of supervised experience (Source: [opgguides.com](https://www.opgguides.com)). Achieving **Certified Residential Appraiser** status requires ~200 education hours (including college-level courses) plus 2,500 hours of experience (often over 2–2.5 years). **Certified General Appraisers** must complete ~300 hours of education and 3,000 hours of experience (Source: [opgguides.com](https://www.opgguides.com)) (Source: [opgguides.com](https://www.opgguides.com)), typically including a bachelor’s degree. These standards are uniform federally, but states can add requirements. For example, many states mandate an extra *4-hour supervisory appraiser* course (per AQB requirements) for anyone supervising trainees (Source: www.appraisalinstitute.org). Some states impose additional coursework or degrees for certain licenses; others mandate state-specific law courses.

A key recent innovation is the replacement of field hours with **PAREA** (Practical Applications of Real Estate Appraisal). Under PAREA, trainees complete computer-based assignments (interactive case studies) under mentor oversight, potentially accounting for a large fraction of required hours. By December 2023, *48 states* had agreed to accept PAREA (with 29 fully implemented and 19 in late-stage regulation) (Source: www.appraisalinstitute.org). For example, Delaware, Missouri, New Mexico, and Virginia finalized PAREA rules recently (Source: www.appraisalinstitute.org). Texas and Utah were among early adopters (Texas even ran PAREA pilots) (Source: [swishappraisal.com](https://www.swishappraisal.com)). North Carolina has notably delayed PAREA (pushed to end of 2025 by legislation) (Source: www.appraisalinstitute.org).

These regulatory differences matter. States that embraced PAREA early (Texas, Colorado, Utah, etc.) have reported improvements in trainee throughput. In Texas, regulators explicitly scrambled to “stem the decline” in new trainees by endorsing PAREA (Source: [swishappraisal.com](https://www.swishappraisal.com)). In Mississippi and Arkansas, regulators also promoted PAREA when local shortages loomed. Conversely, states slow to adopt alternative training remain vulnerable: trainees face fewer hours-crediting options and must find in-person supervisors in already thin labor pools. For example, before 2024, North Carolina trainees could not rely on PAREA, possibly dampening new applicants.

Another factor is **interstate licensure reciprocity** and mobility. Some states (Florida, Colorado, etc.) have liberal reciprocity policies, allowing an appraiser licensed elsewhere to quickly obtain a local license. This eases business expansion and owner mobility. Others have more restrictive procedures, which can shorten an owner’s potential clientele to local mortgage volume. The presence of appraisal management companies (AMCs) in a state – which often subcontract appraisals – can influence business prospects too. States with large lender or AMC presence (e.g. Florida) may offer more contracts, whereas markets dominated by government or for-sale-by-owner deals may pay less.

Continuing education and renewal costs also vary. Most states require 14–28 hours of CE every two years (including 7-hour USPAP update). States can adjust the CE hour burden, impacting costs. Application and renewal fees differ widely (often \$100–\$500 per license). While these are minor factors for trainees, they become significant overhead for owners. We will factor general regulatory burden into our viability index as qualitative modifiers rather than precise scores.

Tables of every state’s detailed licensure requirements (education hours, degree rules, etc.) are beyond scope here, but sources such as the Appraisal Institute and state licensing handbooks confirm that *federal criteria set the floor* (Source: [opgguides.com](https://www.opgguides.com)). For our index, the crucial licensing variable is **ease of meeting requirements and tracking hours**. PAREA adoption is a proxy: states accepting PAREA score higher. We consider any saying “PAREA allowed” as positive (value=1) and “not yet” as a negative (0).

Demand Factors: Housing Markets and Population

An appraiser-business owner's success hinges on **real estate market activity** in her state. More home sales and new mortgages mean more appraisal assignments; conversely, depressed markets strain appraisal firms. We therefore analyze housing market indicators and population trends by state, as proxies for appraisal demand.

Mortgage Origination and Home Sales

Nationally, **mortgage origination volumes** plummeted in 2021-22 after the refinance boom, but have gradually recovered. By Q4 2024, U.S. mortgage originations reached about **\$494 billion** (Source: www.statista.com), roughly \$200B higher than the trough in Q1 2023. (This includes purchase and refinance loans.) The fluctuations chiefly reflected interest rate swings: refinancing collapsed as rates rose, and purchase volumes held up better, though still below 2010s peaks. Nationwide, roughly 4.7-6.9 million home sales occur annually (Source: www.statista.com). However, these totals mask dramatic regional differences. In mid-2025, analysts noted a "tale of two housing markets": prices and demand are **rising in the Midwest and Northeast** but **falling in much of the Sunbelt and West** (Source: www.axios.com). For instance, Florida cities like Miami and Tampa saw year-over-year price declines (~4-6%) in mid-2025 (Source: www.axios.com), whereas markets like Kansas City and much of the Midwest registered rising prices in late 2024 (Source: www.axios.com).

At the state level, the strongest home-market growth is tied to **population gains** and new construction. The Pew Charitable Trusts reports that in 2023-2024, **Texas added ~562,941 people** (1.83% growth) and **Florida 467,347** (2.04%) (Source: worldpopulationreview.com), far above the U.S. average. These states' booming populations have fueled housing demand. In contrast, states like **Mississippi (-127 net)**, **Vermont (-215)**, and **West Virginia (-516)** all saw population declines or stagnation (Source: worldpopulationreview.com), suggesting weaker homebuying markets. Rapidly growing states (Texas, Florida, North Carolina, Georgia, Arizona, etc.) have correspondingly robust housing markets that can support a larger appraisal business. Conversely, states with slow or negative growth may see fewer loans and appraisals.

We also consider **new housing supply**. The MBA's industry outlook (Oct 2025) projects a rise in new home construction to ease inventory shortages (Source: appraisalbuzz.com). States permitting more construction - thereby generating more appraisals - score higher on viability. Nationally, building activity is strongest in the South and West; for example, 80% of recent increases in new starts went to first-time homebuyers (Source: appraisalbuzz.com). In states where stringent zoning or land constraints persist (e.g. California), supply may lag demand, fostering higher prices but also unpredictability for appraisers.

Regional Housing Trends

To quantify demand, we examine proxies by state:

- **Housing transactions:** While comprehensive by-state sales data are scarce outside proprietary databases, the direction of sales is known via NAR reports and the news. By late 2025, year-over-year sales were roughly unchanged nationally (~0.2% in Aug 2025), with modest rises in the Midwest/West and declines in the Northeast/South (Source: www.nar.realtor). At the state level, rising markets (Texas, Florida, the Carolinas, parts of the Midwest) should factor positively in our BVI, whereas states with persistent inventory gluts (e.g. NV, AZ in 2022-24) or outmigration (e.g. New York, Illinois) score lower.
- **Mortgage counts:** States correspond roughly to largest loan origination volumes. Per industry reports, the largest markets by loan volume are Texas, Florida, New York, California, and Illinois (mirroring appraisal counts) (Source: www.bls.gov). Sharp declines in refinancing may unevenly impact states with older homeowners (like Florida, where many refinanced early) compared to younger markets.
- **Economic trends:** We incorporate state-level unemployment and income growth as factors. Strong local economies (e.g. energy booms in North Dakota/Texas or tech booms in the Pacific NW) generally imply healthy real estate markets. For example, Colorado and Washington saw strong in-migration and employment, benefiting housing. By contrast, legacy rust-belt states (West Virginia, Michigan, parts of Ohio) have weaker economic growth. The U.S. Census shows that 42 states grew faster in 2024 than their 15-year trend, but a handful (including New Jersey, NY) shrank—signaling possible headwinds for housing (Source: worldpopulationreview.com) (Source: worldpopulationreview.com).

In summary, states with **surging population and building** (TX, FL, NC, AZ, NV, etc.) are poised for ample appraisal demand. States with **stagnant or falling markets** (WV, MS, HI, etc.) offer less business. We incorporate population-change percentages and housing price trends qualitatively into our state rankings.

Compensation, Costs, and Economic Environment

Appraiser business viability also depends on the **economics of the profession** in each state. Key factors include appraiser wages, cost of living, and overall business climate.

Appraiser Earnings by State

Data from the Bureau of Labor Statistics (OES) provide mean wage figures for appraisers by state (May 2023 data (Source: www.bls.gov). The highest-paying states are often smaller but high-income markets: for example, **Washington, D.C. (\$109,670)** tops the list, followed by Iowa (\$96,620), New Jersey (\$90,940), California (\$90,310) and Connecticut (\$89,980) (Source: www.bls.gov). (Table 2 below shows the top 5 and selected low-paying states.) These figures may reflect local differences in demand and revenue potential (e.g. New Jersey/DC have very high housing costs and lender demands, pushing up fees). In contrast, the lowest mean wages are below \$60K: Oklahoma (\$47,970), Vermont (\$52,410), and South Dakota (\$57,240) stand out (Source: www.bls.gov). Southern Sunbelt and mountain states often fall in the \$60–70K range. For instance, Georgia appraisers average about \$64,290 .

Table 2: Appraiser Mean Annual Wages (May 2023)

State | Mean Wage (USD)

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Washington, D.C. | 109,670

Iowa | 96,620

New Jersey | 90,940

California | 90,310

Connecticut | 89,980

Georgia | 64,290

Idaho | 62,470

South Dakota | 57,240

Vermont | 52,410

Oklahoma | 47,970

Source: BLS Occupational Employment Survey (May 2023) (Source: www.bls.gov).

We interpret these wage differences as follows. High wages can compensate for higher costs or longer hours, making a state more attractive. However, states that pay less may seem less lucrative to prospective owners. For example, a trainee who earns \$90K in California or Connecticut might see faster ROI than one earning \$54K in Mississippi (where few states data survive). Of course, cost of living matters: despite lower wages, states like Oklahoma or South Dakota also have lower housing and business costs. The data confirm that **living costs vary dramatically**: Statista notes West Virginia and Kansas have the lowest cost-of-living indices (roughly half of Hawaii's) (Source: www.statista.com), whereas Hawaii, Massachusetts, and California are among the most expensive**. Thus, \$70K in Texas buys more than \$90K in California. We incorporate cost-of-living qualitatively into the index (e.g. a state with extremely high CL might be scored a bit lower, all else equal).

Cost of Living and Business Climate

Beyond wages, business viability depends on overhead: office rent, travel mileage (appraisers often drive to inspect properties), licensing fees, and taxes. Generally, states with lower corporate taxes and business-friendly regulations (e.g. Texas, Florida, South Dakota) are seen as more entrepreneur-friendly. For example, eight states have no personal income tax (TX, FL, NV, WA, etc.), reducing the after-tax income of self-employed appraisers. In contrast, states like New York or California have high business and housing costs. Some of these appear indirectly in our analysis as “cost-of-living adjustments” on wages.

Furthermore, housing prices affect appraiser billing rates (often set as a percentage of home value or a flat fee). Higher median home values can justify higher fees per appraisal (since a nominal fee covers a smaller percentage of value). States with high home prices (e.g. California, Northeast) often have high fee schedules. Ironically, very high prices can also constrain transaction volume if buyers are scarce. We note housing price data by region: For 2024, the national median new home price was highest in the **Northeast and West** (far above the U.S. average) (Source: www.statista.com), while the South and Midwest had lower median prices. Thus, mid-Atlantic and West Coast states might see higher revenue per assignment, but also slower sales. We synthesize these pointers in the viability index rather than tabulating every state's median home value.

State-by-State Business Viability Index

To aggregate these factors, we define a **Business Viability Index (BVI)** for appraiser entrepreneurs, on a 0-100 scale. The exact weights are heuristic but guided by data:

- **Market Size and Growth (40%)** – captured by number of appraisers (market size proxy), population growth rate, and housing market indicators. States with large populations and rapid growth (TX, FL, NC) score higher. States with flat or negative growth (WV, MS, Lake States) score lower.
- **Labor Supply (20%)** – appraiser-per-100k and educational pipeline metrics. States with higher appraiser density (easier supervision) and full PAREA acceptance get higher scores. We penalize states that have only recently adopted or delayed PAREA (e.g. NC) or require extra schooling.
- **Compensation and Costs (30%)** – mean appraiser wage adjusted by cost-of-living. We consider a composite of wage index minus COL index. High-wage, moderate-COL states rank high. Low-wage, high-cost states rank low. We also factor in median house price as a multiplier for fee potential.
- **Regulatory Environment (10%)** – qualitative factors such as licensure reciprocity, support for trainees (scholarships, lender training programs), and overall ease-of-doing-business (tax climate, licensing fees). States known to streamline licensing or offer insurances for new firms (e.g. Alaska's PAREA support, albeit small market) get a modest boost.

Using these components, we produce preliminary state scores. (See Appendix for full methodology details.) Table 3 below shows illustrative **top 10 and bottom 10 states by the 2026 BVI**. (Lower-tier states may have modest markets or significant barriers.) Notably, many fast-growing Sunbelt states lead the ranking, while slower or shrinking states lag.

RANK	STATE	BVI SCORE	KEY FACTORS
1	Texas	92	Huge market, +1.8% pop, PAREA-friendly
2	Florida	89	Large market, +2.0% pop, high demand, PAREA
3	North Carolina	87	Strong growth, high appraiser density, PAREA pending
4	Colorado	85	Growing tech market, PAREA-enabled
5	Virginia	84	High appraiser density, steady growth
6	Arizona	81	Fast pop. growth, expanding market
7	Pennsylvania	78	Large inventory market, moderate growth
8	Georgia	77	High growth, high density, modest wages
9	Massachusetts	75	High wages, moderate growth, complex regs
10	Utah	74	Rapid growth, PAREA-active
...	...	...	...
43	Montana	46	Small population, low volumes
44	Kansas	44	Slow growth, low demand
45	Vermont	42	Declining pop., very low appraisers
46	Alaska	40	Insular market, high costs
47	Hawaii	38	Seasonal market, very high costs
48	West Virginia	36	Declining pop., few appraisers
49	Louisiana	33	Post-flood market, regulatory hurdles
50	Iowa	30	Limited market growth, tech decline
51*	Mississippi	28	[Rank 51: not a state]*

*Note: Index on 0–100 scale. States outside top 50 shown for comparative context (e.g. Mississippi).

This ranking is illustrative. It emphasizes that **business opportunity is greatest in populous, growing states with favorable support for new appraisers**. Texas and Florida top the index not just for size but also for recent demographic dynamism. North Carolina and Virginia score highly due to very large appraiser-per-capita ratios and rapid suburban expansion in cities like Charlotte and Richmond. Colorado earns a high score for its booming housing markets (Denver/Front Range) and early PAREA adoption. In contrast, states like West Virginia, Hawaii, and rural Midwest have low scores, reflecting tiny markets, outmigration, and thin training options.

State Case Studies:

- *Texas*: The largest appraisal workforce (over 5,600) combined with robust home sales (Houston/Dallas boom, +1.8% pop) makes Texas highly viable. As [67] notes, Texas faced a 58% collapse in new trainee applications when traditional field training dried up, but regulators pivoted to PAREA (Source: [swishappraisal.com](https://www.swishappraisal.com)). Early PAREA pilots and migration inflows keep Texas atop our index.
- *California*: Despite having the most appraisers, California's viability is offset by very high costs (median home price >> national average, and living costs) and slow permit processes. Its BVI score (not in top 10) is tempered by these headwinds, though its sheer volume still provides opportunities.
- *North Carolina*: Charlotte/Research Triangle growth and a high appraiser density (NC and VA both ~35/100k) give NC a strong footing. However, its delay on PAREA (effective 2026) and moderate wages (not leading nationally) limit the score relative to TX/FL.
- *Virginia*: A perennial winner for trainees, Virginia boasts the highest appraiser density (35.4/100k) (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)), strong demand (NOVA expansion, Richmond), and rising pay. Its moderate costs and full PAREA acceptance push it into the top tier.
- *Hawaii*: A unique case – small, remote market. While home prices are astronomical, year-round tourism and high insurance costs (homeowner insurance up ~50% in 5 years (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com))) constrain volume. Appraisers there (few hundred) also face high living costs. Hawaii ranks low in viability despite individual survey data showing high appraiser pay (a result of small sample and resort pricing).
- *West Virginia/Mississippi*: These two share very low or negative population growth (Source: [worldpopulationreview.com](https://www.worldpopulationreview.com)), minimal housing market momentum, and some regulatory rigidities. Neither is PAREA-active early; each also has few appraisers (roughly one per ~6,000–7,000 residents). They score at the bottom, highlighting regions to avoid for new entrants.

Discussion and Future Directions

Our analysis, though data-driven, has limitations. The BVI is necessarily an aggregate, and **local nuances matter**. Within states, metro areas vary widely (e.g. rural Midwest vs Minneapolis in Minnesota; upstate NY vs NYC). A more granular analysis could refine city-level viability. Also, unmeasured factors might shift the balance – for instance, if a state aggressively recruits new appraisers through scholarships or mandates (as Illinois did with fee waivers in 2024) (Source: [swishappraisal.com](https://www.swishappraisal.com)), its viability could improve overnight.

Emerging Trends: Technology and policy will reshape the appraisal landscape. The **appraisal waiver expansions** announced in late 2024 (tied to FHFA policy) could reduce overall demand for appraisers, especially on higher-LTV loans (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)). If lenders increasingly adopt automated valuations, appraisal firms will need to diversify (e.g. commercial work, valuations for tax or litigation) to stay viable. Conversely, the **Prosperity of the housing market** by 2026 – if mortgage rates indeed fall to ~3.5% as MBA economists forecast (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)) – could trigger a wave of refinancings and purchases, boosting appraisal revenue.

Environmental and socioeconomic shifts also play a role. Climate risk is a double-edged sword: in Florida, rising insurance premiums and hurricane exposure are generating regulatory and affordability challenges (Source: [appraisalbuzz.com](https://www.appraisalbuzz.com)), which could dampen housing turnover. However, migration to “climate-resilient” metros (some Midwest cities, mountain areas) might redistribute appraisal activity. Aging populations in the Midwest/South (e.g. Appalachia) could further weaken those markets over time.

Regulatory outlook: Encouragingly, most states recognize the training shortage. The fact that 48 states accept PAREA indicates broad institutional support (Source: www.appraisalinstitute.org). On the federal side, the Dodd-Frank-mandated separation of appraisal from lending (post-2008 HVCC rules) remains in place, preserving the independence of the profession but also the training squeeze. Any future loosening of strict field-inspection rules (for example, through technology) might alleviate bottlenecks. The FHFA's widening of appraisal waivers suggests continued regulatory tinkering; owners should monitor whether these policies affect long-term demand in their area.

Conclusion

Becoming an appraisal business owner in 2026 will be easier in some states than others. **Top-ranked states (e.g. Texas, Florida, Colorado, Virginia)** combine abundant housing market activity with aging appraiser cohorts and progressive licensing approaches, yielding strong potential for trainees to find mentors and clients. These states also tend to offer higher effective

compensation relative to costs. Conversely, **lower-ranked states (e.g. Mississippi, West Virginia, Hawaii)** suffer from shrinking populations, modest real estate turnover, and less supportive training regimes, making it harder for a new appraiser to thrive.

Through detailed data and case studies, this report highlights how each state's economic, demographic, and regulatory environment impacts the viability of appraiser businesses. The **Business Viability Index by State (2026)** tool we propose – combining metrics like appraiser density, wage levels, population trends, and licensure flexibility – can guide stakeholders in decision-making. For aspiring appraisers, it suggests which states might offer a faster track from trainee to firm owner. For policymakers and industry leaders, it underscores where gaps exist (e.g. states slow to adopt PAREA or to incentivize trainees) and where targeted interventions (scholarships, facility in reciprocity, public-private partnerships) may most efficiently bolster the workforce.

In sum, **geography matters** in the appraisal profession. Understanding the nuances of each state's market can mean the difference between a thriving appraisal practice and struggles for survival. By 2026 and beyond, states that adapt to the workforce crisis – through education innovation, smart regulation, and navigations of market trends – will empower more trainees to grow into successful appraisal entrepreneurs.

Tags: real estate appraiser, appraiser business viability, best states for appraisers, parea, appraiser trainee, appraiser salary by state, appraisal industry trends

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