

CUYAMACA COLLEGE
COURSE OUTLINE OF RECORD

REAL ESTATE 294 – ADVANCED REAL ESTATE APPRAISAL

3 hours lecture, 3 units

Catalog Description

Study of the practices and procedures involved in advanced real estate appraising including the analysis of income and commercial properties.

Prerequisite

None

Course Content

- 1) Orientation and pre-assessment: review of basic appraisal principles
- 2) Real estate as an investment: economics of rent, interest on principal
- 3) The process of capitalization: interest rates and cap rates
- 4) Direct capitalization: economic agents of production, recapture of invested capital
- 5) Contract and economic rent: common rental unit factors, tenancies and terms
- 6) Estimating operating expenses: expense categories and ratios
- 7) Building design and utility: the market approach, gross rent multipliers
- 8) Estimating accrued depreciation: loss in value for age/obsolescence
- 9) Construction cost estimates: building material and equipment
- 10) Community and site analysis: zoning regulations, methods of appraising land
- 11) Annuity capitalization theory: financial tables and calculators
- 12) Annuity capitalization problems: capitalized income residuals
- 13) Mortgage-equity capitalization: internal rate of return, discounted cash flow
- 14) Appraisal of leasehold interests: appraisal reports due

Course Objectives

Students will be able to:

- 1) Utilize a calculator to analyze, apply and illustrate the principles of advanced real estate appraising.
- 2) Complete field exercise applying the principles of advanced real estate appraising and prepare an acceptable sample appraisal of commercial and/or income properties.

Method of Evaluation

A grading system will be established by the instructor and implemented uniformly. Grades will be based on demonstrated proficiency in subject matter determined by multiple measurements for evaluation, one of which must be essay exams, skills demonstration or, where appropriate, the symbol system.

- 1) Exam (objective, subjective)
- 2) Study problems/solutions
- 3) Sample appraisal of commercial property

Special Materials Required of Student

Calculator

Minimum Instructional Facilities

Smart classroom

Method of Instruction

- 1) Lecture and discussion
- 2) Study problems
- 3) Field exercises

Out-of-Class Assignments

- 1) Reading assignments
- 2) Projects and reports

Texts and References

- 1) Required (representative example): Betts, Richard. *Basic Real Estate Appraisal*. 8th edition. Cengage Learning, 2013.
- 2) Supplemental: None

Student Learning Outcomes

Upon successful completion of this course, students will be able to:

- 1) Utilize a calculator to analyze, apply and illustrate the principles of advanced real estate appraising.
- 2) Complete field exercise applying the principles of advanced real estate appraising and prepare an acceptable sample appraisal of commercial and/or income properties.