

Real Estate Appraisal

Chapter 1: Introduction to Appraisal

- Overview of Appraisal Practice
- Financial Institutions
- Real Estate
 - Definitions of Real Estate
 - Distinguishing Real Estate from Personal Property
- Real Property
 - Estates
 - Encumbrances
 - Government Restrictions on Property Rights

Chapter 2: Understanding Value

- What is Value?
 - Elements of Value
 - Value Distinguished from Price and Cost
- Types of Value
- Principles of Value
 - Principle of Supply and Demand
 - Market Principles
 - Production as a Measure of Value
 - Effect of Use on Real Estate Value
- Factors Affecting Value

Chapter 3: The Appraisal Process

- The Eight Steps of the Appraisal Process
- Step 1: Defining the Appraisal Problem
- Step 2: Preliminary Analysis
- Steps 3 Through 8
 - Step 3: Collecting, Verifying, and Analyzing the Data
 - Step 4: Analyzing Highest and Best Use
 - Step 5: Valuing the Site
 - Step 6: Applying the Three Approaches to Value
 - Step 7: Reconciling the Value Indicators
 - Step 8: Reporting the Value Estimate

Chapter 4: Property Description and Appraisal Math

- Property Description
- Appraisal Math
 - Area and Volume
 - Reciprocals
 - Percentages
 - Direct Capitalization
 - Interest
 - Financial Calculations

Chapter 5: Data Collection and Analysis

- Regional and Community Data
- Market and Neighborhood Data
- Site Data
- Building Data
- Data Analysis
 - Comparable Properties
 - Cost Data
 - Income and Expense Data

Chapter 6: Site Valuation

- Highest and Best Use
 - Criteria for Highest and Best Use
 - Highest and Best Use and the Principle of Anticipation
 - Vacant and Improved Land
 - Excess Land and Plottage
 - Highest and Best Use in Residential Appraisals
- Methods of Site Valuation
 - Sales Comparison Method
 - Allocation Method
 - Extraction Method
 - Subdivision Development Method
 - Land Residual Method
 - Ground Rent Capitalization Method

Chapter 7: Residential Construction

- Classification of Houses
- Types of Houses
 - Architectural Styles
 - Compatibility
- Elements of House Design
 - Siting
 - Interior Functional Zones
 - Room Characteristics
- Construction Methods and Materials

Chapter 8: The Cost Approach to Value

- Basics of the Cost Approach
- Estimating Cost
 - Reproduction and Replacement Cost
 - Types of Costs
 - Cost Estimating Techniques
- Estimating Depreciation
 - Types of Depreciation
 - Methods of Estimating Depreciation
- Final Value Estimate with the Cost Approach

Chapter 9: Sales Comparison Approach to Value

- Steps in the Sales Comparison Approach
- Comparative Analysis
 - Identify the Elements of Comparison
 - Analyze and Adjust the Comparables
- Reconciliation

Chapter 10: Income Approach to Value

- The Investor's Perception of Value
 - Rate of Return
 - Income Capitalization
- Direct Capitalization
 - Income
 - Multipliers and Capitalization Rates
 - Calculating Value by Direct Capitalization
- Yield Capitalization
 - Discounting
 - Yield Rates

Chapter 11: Reconciliation and Final Value Estimate

- Reconciliation
 - The Reconciliation Process
 - Reviewing the Appraisal
 - Assessing the Reliability of Value Indicators
 - Making the Reconciliation Judgment
- Final Value Estimate
 - USPAP Standards for Credible Appraisal
 - Point Estimates and Range Values

Chapter 12: The Appraisal Report

- The Appraisal Report
- Types of Appraisal Reports
- Uniform Residential Appraisal Report (URAR)
- Addenda to the URAR Form

Chapter 13: Appraising Special Interests

- Partial Interests in Real Estate
- Appraising Partial Interests
 - Leasehold and Leased Fee Interests
 - Easements
 - Liens
 - Shared Ownership Interests
- Other Forms of Ownership
 - Condominiums and PUDs
 - Cooperatives
 - Timeshares

Chapter 14: The Appraisal Profession

- Overview of the Profession
- FFIRA Appraisal Regulations
 - Federal Financial Institutions Regulatory Agencies
 - FFIRA Appraisal Standards
- Secondary Market Appraisal Regulations
 - Appraiser Qualifications
 - Unacceptable Appraisal Practices
 - Reporting Requirements
- The Uniform Standards of Professional Appraisal Practice
 - Introductory Provisions of the USPAP
 - Standards and Standards Rules