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Freddie Mac Form 71A, Appraisal Report, Residential Income Property
HUD Form 92264, Multifamily Summary Appraisal Report

Overview

Course Description

Apartment Appraisal: Concepts and Applications is designed to help participants learn to

- Apply many of the appraisal tools learned to date to a specific property type.
- Understand basic inferred market analysis techniques used to analyze markets and marketability, property characteristics, and highest and best use.
- Analyze and apply all appropriate approaches to value for an apartment property after identifying special considerations that may be applicable.
- Be aware of unique areas of apartment appraisal.
- Analyze the small apartment property in case study format.
- Examine market issues relating to apartment appraisal.
- Examine and distinguish among reporting options.

Apartment Appraisal is built around examples of small to mid-range (more than 12, fewer than 50 units), noninstitutional-grade apartment buildings. While the course does not focus on institutional- or investment-grade apartment projects, many of the items included for analysis are applicable to those properties as well. The issues could include the quantity and quality of sales data available, the availability of standardized income and expense data, the identification of the type of typical buyer, and the associated motivations for purchase.

The course does not teach methodology; a working knowledge of the three appraisal approaches—especially income capitalization—is expected of the participants. The course seeks to illustrate the unique aspects of apartment appraising that can influence the appraisal development and value conclusions.

There is a particular emphasis on employing sound market analysis techniques used in data gathering and applying basic inferred analysis with available market information. This not only helps form the basis for specific highest and best use conclusions, but also offers the opportunity to identify and rate market-wide competition and standards in support of value conclusions.

Numerous examples of basic techniques applied to apartment appraisal situations are offered, along with a comprehensive Case Study of a 28-unit apartment complex. This Case Study allows participants to measure the adequacy of the valuation of a relatively simple property based on the suggested formats and techniques reviewed in the course material. The course ends with a discussion of apartment appraisal reporting issues.

As a homework assignment, participants should read the Case Study on the evening of Day 1 and be prepared to discuss it in small groups on the morning of Day 2. Because this homework assignment is designed to reinforce learning of the concepts and procedures presented in class, the review and discussion of the Case Study will be a significant part of the course.

A one-hour examination is designed to review the basic information found in the course materials and test participants' understanding of these concepts.

Learning Enhancements

The course has been designed with a variety of elements to enhance your learning experience.

- **Preview.** To give you a taste of what is to come, you will find a Preview page that begins each Part. Included on the Preview page are learning objectives to consider as you move through the content that will assist you in understanding the information you're about to learn.
- **Learning Objectives.** Each learning objective covers essential information you need to know to fully understand the concepts in the course. Look them over before the Part begins so that you have a frame of reference as you move through the material. At the end of each Part, reread the objectives. Are you able to do what is stated? If not, this is the time to ask your instructor for help or review the concepts that you do not understand.
- **In-class Problems.** Supplementing the discussions, we've included in-class problems to help you visualize and practice what you are learning.
- **Review.** Each Part concludes with a Review page that repeats the learning objectives that were covered.

Classroom Guidelines

To make the learning environment a positive experience for everyone attending, please follow these guidelines when class is in session:

- 100% attendance is required. No exceptions.
- Refrain from using short-range wireless technology.
- Limit use of computers to classroom projects.
- Communicate with business associates during break time instead of class time.
- Put away reading materials such as newspapers and books that are not used in class.
- Please silence cell phones.
- Use recording devices only if prior permission has been granted.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Calculators.** A financial calculator is required. The accepted model used in the course is the HP-12C.

For additional help, go to the “Using a Financial Calculator” section of the Appraisal Institute’s Web site:

http://www.appraisalinstitute.org/education/fin_calc.aspx.

- **Breaks.** There will be two 10-minute breaks during the morning session and two 10-minute breaks during the afternoon session unless noted otherwise by the course sponsor. The lunch break is one hour.
- **Attendance sheets** will be distributed during class to verify your attendance during the morning and afternoon sessions.
- **Certificates of completion** will be mailed after completion of the course, and attendance during the entire course is required.

Required Text

- *Uniform Standards of Professional Appraisal Practice*, current ed.