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Overview

Course Description

After a diagnostic quiz on the six financial functions of One and a brief review, *General Appraiser Income Approach/Part 2* opens with a thorough treatment of discounted cash flow (DCF) analysis. Topics include identifying components of a DCF, projecting cash flows, analyzing leases, solving for value in a variety of common situations, and supporting the discount rate. The effects of debt financing including cash equivalence and equity analysis are covered in detail. Income patterns and property models including residual and other applications are followed by selecting and supporting the discount rate. Also presented are the strengths and weaknesses of direct and yield capitalization. The final section reviews and summarizes the mathematical concepts involved with income capitalization and prepares the participant for not only the course exam but also the certification exam.

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 is a brief overview of the content, learning objectives to consider as you move through the content, and learning tips 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.
- **Review.** Each Part concludes with a *Review* page. Included in the review are the learning objectives and key terms and concepts that have been covered. Also, we've provided recommended readings from textbooks that will reinforce what you have learned in class.

Additional Notes Regarding Effective Learning in this Course

In this course, we'll use a variety of learning exercises. To assist you in learning, see the additional notes below.

- **Fill-in-the-Blanks.** Definitions are given for all terms, but some require you to write in the term. The terms are shown on the instructor's PowerPoint slides and in the Solutions Booklet.
- **Examples.** These are usually fully answered in the Course Handbook; occasionally they might be shown on the PowerPoint as a minor fill-in-the-blank exercise.
- **Problems.** Questions are presented in the Course Handbook. Solutions are provided in the Solutions Booklet.
- **Discussion Topics.** Topics are posed in the Course Handbook. Solutions are provided in the Solutions Booklet. You may also want to take notes on the ensuing class discussions or from the PowerPoint slides.
- **Thought Questions.** Questions are posed in the Course Handbook; answers are included in the Solutions Booklet.
- **Practice Quizzes.** Quiz questions follow most Parts in the Course Handbook. Answers are in the Solutions Booklet.
- **Practice Tests.** Test questions are included at the end of each Section. They are presented in multiple-choice format. Answers are included in the Solutions Booklet.

Classroom Guidelines

To make the learning environment a positive experience for everyone attending, please follow these guidelines:

- 100% attendance is required. No exceptions.
- Limit use of laptops 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.
- 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.
- **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 e-mailed after completion of the course, and attendance during the entire course is required.

Recommended Texts

- *The Appraisal of Real Estate, 13th ed.*
- *Capitalization Theory and Techniques Study Guide, 3rd ed.*
- *Mathematics for Real Estate Appraisers*
- *Rates and Ratios Used in the Income Capitalization Approach*