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Overview

Course Description

General Appraiser Site Valuation and Cost Approach is a practical, hands-on course designed and presented in a manner that addresses the actual employment and application of appraisal techniques learned in previous courses. This course concerns two basic aspects of real estate appraisal: land/site valuation and the development of the cost approach. Special attention is given to the appraisal of various types of sites and the various means of measuring accrued depreciation. Another major course component is class work that develops skills in developing a current cost estimate using market extraction, interview techniques, and information provided by professional cost data sources.

An in-depth case study is presented in four segments. It features the valuation of an industrial property and demonstrates the fundamentals of site valuation, estimation of current improvement cost, and various methods of recognizing and measuring accrued depreciation.

This course provides 30 hours of education (28 classroom hours plus a 2-hour exam) and is divided into eight sections. Sections 1–3 consist of a detailed study of the development of a complete cost approach. The step-by-step process of estimating current construction cost is the focal point. Data sources and the comparative-unit method of cost calculation are explored in detail, and the specifics of the economic age-life and market extraction methods of estimating depreciation are discussed.

Section 4 focuses on applications of the breakdown method for estimating depreciation including physical deterioration, functional obsolescence, and external obsolescence. This section concludes with a discussion of cost approach summation, which includes a reconciliation of depreciation estimates.

Sections 5 through 8 focus on site valuation. These sections cover basic site valuation principles, the concept of market analysis, and the development of a highest and best use conclusion.

This course is designed for individuals with introductory experience and an understanding of the fundamental concepts of appraising who wish to become licensed and/or certified appraisers. This course translates theory into practice through extensive and varied classroom activities. By applying concepts to real-world situations, participants can discover new ways to use their knowledge and analytical skills.

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.
- **Examples & Problems.** Supplementing the discussions, we've included examples and problems to help you visualize and practice what you are learning.
- **Fill-Ins.** There will be several places in the Course Handbook where material will list a question or prompt and only blank lines will follow. This is intended for you to complete during or before class. The Course Handbook is intended to be used as a notebook as well.
- **Review.** Each Part concludes with a review. 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.
- **Practice Quizzes and Section Tests.** Short review quizzes are included at the end of most Parts, and Practice Tests are included at the end of each Section. The questions and problems on the Practice Tests are similar to the types of questions and problems you might find on the exam. By completing these components, you can see whether or not you really know the information that was covered in that Part.
- **Suggested Solutions.** A tabbed section of suggested solutions appears at the end of the Course Handbook. This component includes suggested solutions to the Diagnostic Quiz, course Problems, Review Quizzes, Practice Tests, and the fill-in-the-blanks that appear throughout the course outline. The instructor(s) will distribute suggested solutions for the Summerville Case Study in class.

Classroom Guidelines

To make the classroom environment a positive experience for everyone attending, we have some guidelines for your consideration:

- 100% attendance is required. No exceptions.
- Refrain from using short-range wireless technology.
- 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 mailed after completion of the course, and attendance during the entire course is required.

Recommended Texts

- *The Appraisal of Real Estate*, 13th ed.
- *The Dictionary of Real Estate Appraisal*, 5th ed.
- *Scope of Work*, Stephanie Coleman, MAI, SRA