

Suggested Schedule

Today's schedule will vary depending on the starting time assigned by the sponsoring Appraisal Institute chapter. Some chapters may prefer to offer the seminar during the afternoon. Use the timeline below as a gauge to estimate when topics will be covered.

Overview		
8:00–8:30	30 minutes	Registration Introduction, Classroom Rules and Procedures
Part 1. What Is Effective Rent?		
		Effective Rent and Concessions 1.1 Discussion Question Definitions 1.2 Discussion Question Market Rent Other Types of Rent 1.3 Example Relationship of Contract Rent and Market Rent Do Concessions Mean That Something Was Given Away for Free 1.4 Examples Level of Concessions Is a Function of Market Conditions Incorporation of Concessions in a Lease May Be a Marketing Device 1.5 Example Concessions Can Be Difficult to Recognize 1.6 Discussion Question
Part 2. Why Effective Rent Is an Important Issue in Valuation Work		
		2.1 Discussion Question Forecasting Rollover Rent at the Subject Property 2.2 Discussion Question Adjusting Rent Comparables; 2.3 Example Consultation Services 2.4 Problem Determining the Impact of Effective Rent on the Valuation Methods Break

INSTRUCTOR NOTES

Part 3. Measuring Effective Rent

Three Methods of Estimating Effective Rent

Straight-Line Method

3.1 Example

3.2 Problem

Modified Straight-Line Method

3.3 Example

Level Equivalent Method

3.4 Example

3.5 Example

3.6 Problem

Selecting the Appropriate Discount Rate

BREAK

Part 4. Incorporating the Impact of Effective Rent in the Three Approaches to Value

Direct Capitalization

4.1 Example

Yield Capitalization

Sales Comparison Approach

4.2 Example

Cost Approach

Part 5. Case Study. Demonstrating the Impact of Excess I_o on the Valuation Approaches

Overview of the Case Study Property

Case Study Exercise: Introduction

Case Study Exercise: Direct Capitalization

Case Study Exercise: Sales Comparison Approach

Case Study Exercise: Cost Approach

Questions and Answers

Seminar Evaluation