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Overview

Course Description

After a brief review and introduction, *General Appraiser Income Approach/Part 1* begins with a look at of the time value of money, compound interest, the six financial functions of a dollar and like concepts. A thorough, detailed analysis of gross income including leases and the various expenses appropriately deducted from gross income follows, and includes case studies of several income property types. Direct capitalization of net operating income and its components into value is then presented using overall capitalization rates, band of investment, and residual techniques. Substantial class time is devoted to practicing the taught concepts to prepare the participant for the 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.
- **Examples, Problems, Case Studies.** To supplement the discussions, we've included examples, problems, and case studies. The examples will help you visualize what is being discussed. Problems and case studies provide you with the opportunity to practice what you are learning.
- **Discussion & Thought Questions.** Discussion and thought questions provide you with additional ideas to consider as you absorb what you are learning.
- **Fill-in-the-Blanks.** It is a proven fact that when you write something down, you are more apt to remember it. The Course Handbook has "missing" content in the outline that you will need to add in the space provided in your handbook as the instructor goes over the content.

- **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.
- **Review Quizzes.** Short review quizzes are included at the end of most Parts. By answering the true/false questions, fill-in-the-blanks, or multiple-choice questions, etc., you will know whether or not you really comprehend the information that was covered in that Part.
- **Section Tests.** Sections Tests are included at the end of each Section in the "Review." The questions are similar to the types of questions you might find on the exam.
- **Digging Deeper.** **Digging Deeper information goes beyond the scope of the course and is not intended to be covered in class. It is not tested on the course exam; however, appraisers preparing for the comprehensive exam should be familiar with it, as well as all other material contained in the Course Handbook, whether or not it is presented in class.**

Additional Notes Regarding Effective Learning in this Course

The exercises for this course have been carefully developed. To assist you in learning, see additional notes below.

- *Fill-in-the-blank.* 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 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 Questions.* Questions are posed in the Course Handbook. However, they are NOT answered in the Solutions Booklet. Be sure to take notes on the ensuing discussion or from the PowerPoint slides.
- *Thought Questions.* Questions are posed in the Course Handbook, while answers are included in the Solutions Booklet
- *Case Studies.* Problems are presented in Section 4 of the Course Handbook. Solutions are shown in the instructor's PowerPoint slides and in a Case Study Solution handout that will be distributed upon completion of the case studies.

- *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 classroom environment a positive experience for everyone attending, we have some guidelines for your consideration

- 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.¹ **Important Note:** Laptops, cellular phones, tablets, iPads, wearable technology (smart watch, Apple Watch, Google Glass, etc.) and other devices that can store data or connect to the Internet are NOT permitted during the exam. In addition, all watches, wallets, bags, and purses must be removed and stored out of reach prior to taking the exam.
- **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.

1. One feature of the HP-12C: Tough construction: *One HP-12C was used by a zoo keeper to calculate feed mixtures. The zoo keeper dropped the calculator and it was consumed by a hippopotamus. The calculator survived the hippo's digestive process as well as the washing that followed.*
(From the Museum of HP Calculators, www.hp-museum.org/hp12c.htm)

- **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, 14th ed.*
- *The Dictionary of Real Estate Appraisal, 6th ed.*
- *HP-12C Financial Calculator User's Guide*
- *Rates and Ratios Used in the Income Capitalization Approach*
- *Mathematics for Real Estate Appraisers*
- *Capitalization Theory and Techniques Study Guide, 3rd ed.*