

# Table of Contents

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<b>Overview</b> .....	ix
-----------------------	----

<b>Course Schedule</b> .....	xiii
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## **SECTION 1**

### **Part 1. Introduction and Overview**

Preview Part 1.....	1
Diagnostic Quiz .....	3
Introduction to Discounted Cash Flow (DCF) .....	6
Yield Capitalization Using DCF Analysis Procedure .....	10
Uses of Market Analysis in DCF.....	11
Review Part 1.....	13
Review Quiz. ....	15
Six Functions of One Summary. ....	17

### **Part 2. Components of Discounted Cash Flow Analysis**

Preview Part 2.....	19
Return <i>on</i> and Return <i>of</i> Capital .....	21
Holding and Projection Period .....	36
Yield and Discount Rates .....	34
Review Part 2.....	39
Review Quiz .....	41

### **Part 3. Forecasting Cash Flows**

Preview Part 3.....	43
First-Year Reconstructed Operating Statement .....	45
Forecasting Gross Income .....	43
Operating Expenses.....	48
Net Operating Income .....	54
Below-the-Line Expenses.....	54
Estimating Reversions for DCF Analysis.....	65
Review Part 3.....	71
Section 1 Practice Test .....	73

## SECTION 2

### Part 4. Property Discounted Cash Flow Analysis Using Overall Yield Rate

Preview Part 4.....	75
Yield Capitalization Principles.....	77
Yield Rates.....	78
General Discounted Cash Flow Formula.....	80
Review Part 4.....	95

### Part 5. Property Discounted Cash Flow Analysis Using Overall Yield Rate, cont.

Preview Part 5.....	97
$CF_0$ and $CF_j$ for Periodic Payments in Arrears.....	99
Present Value, Net Present Value, and Internal Rate of Return.....	100
Level-Equivalent Annuities.....	113
Review Part 5.....	119

### Part 6. Property Discounted Cash Flow Analysis Using Overall Yield Rate, cont.

Preview Part 6.....	121
Split-Rate Discounting.....	123
Income in Advance.....	131
More Frequent Compounding Periods.....	138
Common Errors in Discounted Cash Flow Analysis.....	141
Review Part 6.....	153
Section 2 Practice Test.....	155

## SECTION 3

### Part 7. Mortgages

Preview Part 7.....	159
Solving for Payment.....	161
Solving for Loan Balance.....	165
Solving for Term.....	173
Variable Rate Mortgages.....	175
Review Part 7.....	177

**Part 8. Mortgages, cont.**

Preview Part 8..... 179  
Cash Equivalence ..... 181  
Measures of Lender Risk ..... 191  
Review Part 8..... 195

**Part 9. Yield and Mortgage Review**

Preview Part 9..... 197  
Brooktown Office Building Case Study ..... 199  
Review Part 9.....207

**SECTION 4**

**Part 10. Equity Valuation**

Preview Part 10..... 209  
Estimating the Value of Mortgage and Equity Interests ..... 211  
Equity Valuation..... 211  
Overstream Office Building Case Study..... 212  
Brooktown Office Building Case Study ..... 225  
Review Part 10..... 229

**Part 11. Lease Analysis**

Preview Part 11..... 231  
Review of Lease Terminology..... 233  
Valuing Lease Interests..... 235  
Single-Tenant Case Study..... 238  
Overstream Office Building Case Study..... 246  
Review Part 11..... 249

**Part 12. Equity and Lease Analysis Review**

Preview Part 12..... 251  
Section 4 Practice Test ..... 253  
Review Part 12..... 255

## SECTION 5

### Part 13. Discounted Cash Flow Review

Preview Part 13.....	257
Types of Income Capitalization.....	259
Property Model.....	261
Review Part 13.....	263
Review Quiz .....	265

### Part 14. Income Patterns

Preview Part 14.....	267
Introduction .....	269
Level Income Pattern .....	270
Irregular Income Pattern.....	276
Compound Rate of Change Income Pattern.....	279
Review Part 14.....	283
Review Quiz .....	285

### Part 15. Introduction to Property Models: Solving for Value

Preview Part 15.....	287
What Is a Property Model? .....	289
Property Model Format.....	290
How the Model Works .....	291
Two Property Model Premises.....	301
Problem Recognition Quiz.....	304
Road Map for Unleveraged Property Models .....	306
Review Part 15.....	307
Section 5 Practice Test .....	309

## SECTION 6

### Part 16. Introduction to Property Models: Solving for Yield and Change in Value

Preview Part 16.....	311
Solving for Y.....	313
Solving for Value Change.....	318
Review Part 16.....	327
Review Quiz .....	328

## **Part 17. Property Model Applications**

Preview Part 17.....	329
Residual Techniques.....	331
Case Study Problems .....	341
Grouped Problems.....	345
Review Part 17.....	355

## **Part 18. Supporting the Discount Rate**

Preview Part 18.....	357
Review: Advantages and Disadvantages of DCF Analysis .....	359
Estimating the Discount Rate ( $Y_0$ ) .....	361
Real vs. Nominal Discount Rates.....	373
Review: Relationships Among Rates .....	375
Conclusion.....	377
Review Part 18.....	379
Review Quiz .....	381
Section 6 Practice Test .....	383

# **SECTION 7**

## **Part 19. Capitalization Review**

Preview Part 19.....	385
Direct vs. Yield Capitalization .....	387
Advantages and Disadvantages of Direct and Yield Capitalization.....	389
Capitalization Problem Recognition and Solution Tips.....	390
Problem-Solving Flowchart.....	391
Property Model Formulas .....	392
Review Part 19.....	403

## **Part 20. Reconciliation and Consistency Across the Approaches**

Preview Part 20.....	405
Reconciliation Within the Income Capitalization Approach.....	407
Interdependency of Approaches.....	407
Consistency Across the Approaches .....	408
Appraising the Appraisal: Three Tests.....	410
Review Part 20.....	413

**Part 21. Exam Preparation**

Preparing for the Exam..... 416  
Content Tested on Exam ..... 417  
Exam and Calculator Tips..... 424

**APPENDIX**

Commercial Green and Energy Efficient Addendum

# Overview

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## 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.
- **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

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.
- **Case Studies.** Throughout the Appraisal Institute's curriculums, case studies of varying length and complexity are used to help participants apply what they have learned. The cases are often worked in groups. Answers are included in the Case Studies 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 model used in the course is the HP-12C. **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.
- **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, 14<sup>th</sup> ed.*
- *Capitalization Theory and Techniques Study Guide, 3<sup>rd</sup> ed.*
- *Mathematics for Real Estate Appraisers*
- *Rates and Ratios Used in the Income Capitalization Approach*