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Overview

Course Description

Two-Day Advanced Income Capitalization/B reviews topics covered in the second half of the designation-track Advanced Income Capitalization course, but with a greater emphasis on the theoretical aspects of the material. Seasoned appraisers will find advanced topics that have not been covered in previous capitalization courses, along with new graphical ways to present analysis and conclusions. The course features a limited review of material covered in earlier income courses to maximize the time available for advanced topics. Advanced topics are divided into four general areas:

- Equity valuation
- The effects of leverage
- Investor motivations, including measures and types of risk, measures of return, and income tax consequences
- Case study applications of a subdivision and a proposed development with values that are prospective and subject to hypothetical conditions

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 and Problems.** Supplementing the discussions, we’ve included examples and problems to help you visualize and practice 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. The questions are similar to the types of questions you might find on the exam. By answering the multiple-choice questions, you will know whether or not you really know the information that was covered in that part.

• **Digging Deeper/Excel Screenshots.** Although this course relies entirely on calculators for solution of examples and problems, several of the solutions include “Digging Deeper” screenshots of alternative solutions in Excel and tips for implementing their use outside of class. **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.**

• **Excel Files.** When you registered for the class, you were instructed to download an Excel file that you may wish to use for reference after the course ends. The file contains solutions and formulas for the problems worked 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.

• Limit use of computers and wireless devices 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. **Note.** Cellular phones, tablets, iPads, 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** may be downloaded after completion of the course, and attendance during the entire course is required.

Recommended Texts

- *The Appraisal of Real Estate*, current edition


- *Rates and Ratios Used in the Income Capitalization Approach*

Prerequisites

Successful completion of the following is required:

- MAI Designation

OR

Successful completion of the following courses or their equivalent

- *General Appraiser Income Approach/Part 1*

- *General Appraiser Income Approach/Part 2*

Exam

- The optional exam has 10 multiple-choice questions with one hour of writing time.

- Please remember all 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.