# Table of Contents

- **Overview** ................................................................. v
- **Seminar Schedule** ......................................................... ix

## SECTION 1

### Introduction ................................................................................. 1

### Part 1: Residential Applications: The Basics

- Preview Part 1 .................................................................................. 3
- The Practical Importance of Statistical Analysis to Appraisers .......... 5
- Descriptive vs. Inferential Statistics .................................................... 6
- Competency Issues .......................................................................... 9
- Understanding Basic Excel Functions ................................................. 10
- Review Part 1 .................................................................................. 15

### Part 2: Residential Applications: Market Analysis

- Preview Part 2 .................................................................................. 17
- Introduction ....................................................................................... 19
- Using Graphic Analysis to Measure and Support Market Analysis
  Conclusions ......................................................................................... 20
- Forecasting ......................................................................................... 40
- Review Part 2 .................................................................................. 43

### Part 3: Residential Applications: The Three Approaches to Value

- Preview Part 3.................................................................................... 45
- Sales Comparison Approach ............................................................ 47
- Cost Approach .................................................................................. 55
- Income Capitalization Approach ...................................................... 58
- Review Part 3 .................................................................................. 61
## SECTION 2

### Part 4: Steps Required to Complete the 1004MC Form

- Preview Part 4 .....................................................................................63
- Steps Required to Complete the 1004MC Form .................................65
- Review Part 4 ......................................................................................69

### Part 5: Introduction to Regression Analysis

- Preview Part 5 .....................................................................................71
- Introduction ........................................................................................73
- Definitions ..........................................................................................74
- The Basics of Regression Analysis ......................................................78
- Simple Linear Regression ....................................................................81
- Review Part 5 ......................................................................................87

### Part 6: Practice Problems

- Preview Part 6 .....................................................................................89
- Practice Problems ...............................................................................91
- Review Part 6 ......................................................................................93

### Appendix

- ..................................................................................................95
Overview

Seminar Description

This seminar will provide practical, hands-on training for residential appraisers in the use of charts, graphs, spreadsheets, regression analysis, and pivot tables to support residential assignment results. Participants will use their own laptop computers in class to solve specific problems relating to market analysis and the three approaches to value. The seminar provides easy to follow, step-by-step instructions to produce charts, graphs, and regression models that support assignment results and can easily be placed into any appraisal report. Participants will learn how to provide market-derived support for the following assignment results:

- Market conditions
- Days on market
- Sale-to-list-price ratio
- Adjustments for location, design, quality of construction, and numerous other property amenities
- Market extraction for cost and depreciation estimates
- Market extraction for market rent and gross rent multipliers

This seminar provides additional tools that supplement and enhance the traditional methods of adjustment and support through the use of technology. The application of these tools in daily appraisal practice will be immediate. Most likely, the residential appraiser of the future will be required to use these tools as clients become more technologically sophisticated. Not only are these procedures high-tech, they are easy to use and efficient.

Important Notes

- **Excel 2007 experience.** Class participants who do not have a basic working knowledge of Excel 2007 will find themselves playing catch-up all day. Participants should have a good working knowledge of Excel 2007 so that the class can keep moving forward.

- **Downloads—Excel templates.** You are required to download the Excel templates for this seminar! Please be sure to bring them with you to class. You should have received a link to these templates with your registration information.
Basic knowledge of statistics. Also, it is strongly recommended that participants have a basic working knowledge of statistics.

Required Equipment

Laptop Computer with Spreadsheet Programs Required. A laptop and a spreadsheet program are required. This seminar utilizes Excel 2007 exclusively. Excel 2010 is similar to 2007, and therefore the instructor should have no problems teaching both versions. Graphics for 2010 are included in the Appendix. No previous version is taught or referred to in any way.

Participants can download a trial version of Excel and should have either Excel 2007 or 2010 when they come to class. Participants may use other spreadsheet programs, but those programs will not be supported in class. All demonstrations are conducted in Excel.

Learning Enhancements

Preview. Each Part includes a “Preview” page, which provides a brief overview, learning objectives, and learning tips for the Part that follows.

Excel Templates. Many of the templates presented in the seminar for problem solving are provided in Excel (download). It is most important that participants understand the logical and mechanical operations associated with the spreadsheets and not just obtain the right answer.

Examples and Problems. Supplementing the discussions, we’ve included examples and problems to help you visualize and practice what you are learning.

Review. Each Part also includes a “Review” page, which repeats the learning objectives.

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**

- **Laptop Computer.** A laptop computer is required.
- **Spreadsheet program: Excel 2007.** A spreadsheet program is required (participants can use other spreadsheet programs, but those programs won’t be supported in class; demonstrations will be done in Excel).
- **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**

- *An Introduction to Statistics for Appraisers*
- *Appraising Residential Properties, 4th ed.*
- *Practical Applications in Appraisal Valuation Modeling*
- *The Appraisal of Real Estate, 14th ed.*
- *Visual Valuation: Implementing Valuation Modeling and Geographic Information Solutions*
Prerequisites

- Using Spreadsheet Programs in Real Estate Appraisals—The Basics (or its equivalent)

or

- Thinking Outside the Form: Tools, Techniques, and Opportunities for Residential Appraising (or its equivalent)

Learning Objectives

- Recognize the connection between statistics and residential appraising.

- Apply graphic analysis to solve and support market analysis issues.

- Apply graphic analysis to support conclusions for the three approaches to value.

- Apply Excel techniques to analyze data that can be imported into the Fannie Mae 1004MC appraisal report form.

- Introduce and apply regression analysis to residential appraisal assignments.