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SOLUTIONS

Overview

Seminar Description

Data shows that single-family attached homes, which include condominiums, cooperatives, and townhouses, are the primary housing option in many urban markets. New construction detached houses are typically in subdivisions and master plan communities. Age-restricted communities are popular with retirees. Many of these developments have one thing in common: all of them have associations that are governed by condominium declarations, bylaws, and/or covenants, conditions, and restrictions that affect the bundle of rights.

Appraising Condos, Co-ops, and PUDs addresses the specifics of appraising condominiums, cooperatives, and planned unit developments (PUDs). It reviews the basics of valuation and how the basics relate to association living. These basics include the valuation process, bundle of rights, four powers of government (taxation, eminent domain, police power, and escheat), partial interests (economic, legal, physical, and financial), and special forms of ownership, such as condominiums, cooperatives, and PUDs. The seminar covers what appraisers need to know: how to identify the property type and its location, analyze the market, and have a full understanding of the governing documents. The instructor will reference these concepts when the class discusses the particulars of condominiums, cooperatives, and PUDs.

This seminar has been completely rewritten since its debut in 2013 and includes input from seminar participants from various parts of the country. The goal is to assist appraisers in the data gathering process, help them analyze the information gathered, and help them report it clearly and accurately to the client and intended users.

This seminar begins with a review of the basics and their relationship to community associations. All appraisal problems are solved with the valuation process, including market description and analysis. The second part addresses the legal aspects of associations, including bundle of rights and partial interests, legal descriptions, and the governing documents of condominiums, cooperatives, and planned unit developments. The third part defines and examines the four specific groups of community organizations: condominiums, planned unit developments (PUDs), cooperatives, and condominium hotels. With each of these property types, definitions are provided, governing documents are explained, and potential questions are provided that can be used as part of the data gathering process.

This seminar is designed to help appraisers ask the right questions to get the data they need so they can properly analyze it and report it to their client and intended users in a manner that is meaningful and not misleading.

Learning Objectives

At the conclusion of the seminar, participants will be able to

- ☑ Identify the differences between condominiums, cooperatives, and planned unit developments.
- ☑ Determine how the bundle of rights is affected by the associations's governing documents.
- ☑ Recognize the additional considerations that are applied to the valuation process when appraising units, apartments, and properties in various associations.
- ☑ Ask the right questions to collect the correct data for condominiums, cooperatives, and planned unit developments.

Learning Enhancements

The seminar 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, which begins each part. Included on the Preview page is a brief overview of the content and learning objectives to consider as you move through the content.
- **Learning Objectives.** Each learning objective covers essential information you need to fully understand the concepts in the seminar. 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 perform what is stated? If not, this is the time to ask your instructor for help or review the concepts that you do not understand by referring to the recommended reading.
- **Examples and Problems/Exercises.** Supplementing the discussions, we've included examples, problems/exercises to provide everyday illustrations and help you visualize and practice what you are learning.
- **Discussion Questions.** In these questions, participants are asked to draw a conclusion regarding a brief scenario or state how they would apply a particular concept or technique. Although there are typically no "right" answers to discussion questions, suggested responses are provided to foster an exchange of ideas.
- **Digging Deeper.** Throughout the seminar you will find content labeled Digging Deeper. Generally, the instructor will not cover this material in class. More advanced participants or those looking for an extra challenge can refer to the Digging Deeper sections while the rest of the class is finishing up work on individual or small group activities.

- **Review Quiz.** Review quizzes are included at various points in the handbook. The quizzes comprise true/false, fill-in-the blanks, or multiple-choice questions. These quizzes will help you practice what you've learned, and the instructor will go over these quizzes and provide the suggested solutions. Completing these quizzes without referring to the solutions section will determine whether you've grasped the information covered in that part.
- **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.
- **Downloads.** When you registered for class, you were instructed to download the Recommended Readings List, which contains chapters from the recommended textbooks, and the PDFs with sample condominium documents and lists of questions appraisers should ask. The sample documents and lists of questions can serve as a handy desk reference in your future assignments.
- **Solutions.** Solutions to all problems/exercises, discussion questions, and review quizzes appear behind the solutions tab at the back of your handbook.

Classroom Guidelines

To make the learning environment a positive experience for everyone attending, please follow these guidelines when class is in session.

- 100% attendance is required. No exceptions.
- Limit use of laptops 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.
- Please do not record the lectures. Recordings are not permitted.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Calculator.** A basic four-function calculator is required. There are math problems in this seminar, but none require the use of a financial calculator.
- **Breaks.** There will be two 10-minute breaks during the morning session and two 10-minute breaks during the afternoon session unless otherwise noted by the seminar 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 upon completion of the seminar.
- Attendance for the entire seminar is required.

USPAP References in this Seminar

All references in this seminar to the Uniform Standards of Professional Appraisal Practice (USPAP) are taken from the 2020-2021 edition (Washington, D.C.: The Appraisal Foundation).

Recommended Textbooks

There are no required textbooks for this seminar. However, the following texts are recommended.

- Maureen Sweeney, SRA, AI-RRS. *The Valuation of Condominiums, Cooperatives, and PUDs*. Chicago: Appraisal Institute, 2019.
- Stephanie Coleman, MAI, SRA, AI-GRS, AI-RRS. *Scope of Work*, Third Edition. Chicago: Appraisal Institute, 2020.
- *The Appraisal of Real Estate*, 15th ed. Chicago: Appraisal Institute, 2020.
- *The Dictionary of Real Estate Appraisal*, 6th ed. Chicago: Appraisal Institute, 2015