## Schedule

**SECTION 1. (Morning)**

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### Part 1. Definitions and Basic Concepts Related to Leasehold Valuation Assignments

- Legal Division of the Bundle of Rights
- Rent Terminology
- Situations Calling for the Valuation of a Leasehold

### Part 2. Lease Provisions Affecting the Valuation of a Leasehold

- Introduction
- Key Lease Terms and Conditions Affecting the Leasehold
- MORNING BREAK
- Special Provisions Affecting Ground Leases

### Part 3. How Tenants Create Value for a Landlord

- Value Enhancement from Lease(s) in the Development Process to Stabilized Occupancy
- Tenant’s Contract Rent Is Greater than Market Rent
- Other Ways that Tenants Create Value

### Part 4. How Tenants Can Destroy Value of the Landlord’s Position

- Contract Rent Is Less than Market Rent
- Other Ways that Tenants Can Destroy (or Reduce) Value
- MORNING BREAK

### Part 5. Theory and General Methodology for the Valuation of a Leasehold

- Legal Division: Leasehold and Leased Fee
- Property Rights Adjustment = Value of the Leasehold
- Leasehold Valuation Methodologies in General
- Ground Lease Methodologies (Same as Methods 1 and 2)
- Other Factors that Influence the Value of a Leasehold

**Lunch**

Lunch
### PART 6. Valuation of a Leasehold Using Direct Capitalization
- Relationship of Capitalization Rates and Risk
- Leasehold Valuation Methodologies Using Direct Capitalization
- How to Apply a Property Rights Adjustment When Valuing the Leased Fee
- Limitations of Using Direct Capitalization to Value a Leasehold

### PART 7. Valuation of a Leasehold Using Yield Capitalization and the Impact on the Valuation of the Leased Fee
- Discount Rate Relationships When Valuing a Leasehold
- Difficulty of Obtaining Yield Rates for Leaseholds
- Valuation of a Leasehold Using $Y_{LH}$
- AFTERNOON BREAK
- Discount Rate Relationships
- Using the Correct Yield Rate When Determining a Property Rights Adjustment
- How to Apply a Negative or Positive Leasehold Value to Value the Leased Fee When $V_o = V_{LF} + V_{LH}$
- Valuation of the Leasehold and Subleasehold in a Ground Lease Using Yield Capitalization
- Imperfections in the Market
- AFTERNOON BREAK
- Case Study. Extraction of Yield Rates for Subleasehold

### PART 8. Valuation of a Leasehold Using the Sales Comparison Approach
- Use of Paired Sales Analysis to Value a Leasehold
- How to Apply a Property Rights Adjustment in the Sales Comparison Approach

### PART 9. Valuation of a Leasehold Using the Cost Approach
- Cost Approach: Not Normally Used to Value a Leasehold
- Use of a Property Rights Adjustment in the Cost Approach When Valuing the Leased Fee

### PART 10. Summary and Challenges Facing Appraisers When Valuing a Leasehold
- Summary of Parts 6 – 9
- Challenges Facing the Appraiser When Valuing a Leasehold

### Wrap-Up and Evaluations
- Questions