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SOLUTIONS

Overview

Seminar Description

The principal focus of this seminar is on appraisal assignments involving donations of historic preservation easements as charitable gifts under the Internal Revenue Code. However, appraisers are increasingly likely to encounter appraisal assignments in which the subject property is protected by a historic preservation easement. As a result, this seminar also discusses the basics of financing or property tax appraisal assignments involving properties already protected by historic preservation easements.

Understanding the differences between the legal protections provided by preservation easements and the protections provided by federal, state, or local historic preservation laws is essential to properly analyzing the highest and best use and providing an opinion of the market value of many types of historic properties.

Appraisers who complete this seminar will have a general understanding of the appraisal principles, issues, and techniques in this complex and specialized area of appraisal practice.

This seven-hour seminar complements the Appraisal Institute's 30-hour *Valuation of Conservation Easements* Professional Development Program course.

Learning Objectives

The overall learning objectives for this seminar include the following:

- Understand the similarities and differences between a *conservation* easement and an *historic preservation* easement.
- Understand the typical provisions of an historic preservation easement and how to handle the variations in possible easement provisions in the appraisal process.
- Appreciate the central role of highest and best use analysis in historic preservation easement appraisal assignments.
- Understand the differences between legal protections provided by local landmark/historic district designation and a National Register listing and preservation easements, as well as how to handle those differences in both highest and best use analysis and in arriving at an opinion of value.
- Understand when the before and after method is and is not applicable to charitable donation appraisal assignments.
- Become familiar with accepted and appropriate techniques for finding, researching, and analyzing sales of easement-encumbered properties and how and when to use them in the sales comparison approach to value.

- Understand when and how to apply the income capitalization approach to value of an easement-encumbered property.
- Understand when and how to apply the cost approach to value of an easement-encumbered property.
- Become familiar with the most significant Tax Court case law on preservation easement valuation and learn how to utilize Tax Court cases to check analyses and conclusions of a preservation easement appraisal assignment.

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 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 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.
- **Problems/Exercises.** Supplementing the discussions, we've included 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.
- **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.
- **Solutions.** Answers to the exercises and discussion questions are provided behind the solutions tab at the back of this handbook.

Classroom Guidelines

To make the seminar a positive experience for everyone attending, we have some guidelines for your consideration:

- 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.
- No recording devices are permitted.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Calculator.** A basic-function calculator is required.
- **Breaks.** There will be one 15-minute break during each half-day session unless noted otherwise by the seminar sponsor. The lunch break is one hour.
- **Attendance sheets** will be distributed during class to verify your attendance; during full-day sessions, the sheet will be distributed during the morning and afternoon sessions.
- **Certificates of completion** will be available for download after completion of the seminar, and attendance during the entire seminar is required.