Upon completion of this lesson, candidates should be able to:

Demonstrate knowledge of commercial real estate valuation.Including:

Discuss the importance of commercial real estate equity exposures

Understand the comparable sale prices approach to valuation

Identify and discuss the profit and cost approaches to real estate valuation

Calculate cap rates and apply the perpetuity valuation approach to a real estate project

Discuss the income approach as a major real estate valuation approach

Discuss transaction-based methods to real estate valuation

Identify two advantages of appraisal-based models over transaction-based models

Identify four disadvantages of appraisal-based models over transaction-based models

Describe the NCREIF property index as an appraisal-based index