

BUTTE COLLEGE

COURSE OUTLINE

I. CATALOG DESCRIPTION

RLS 35 - Real Estate Appraisal

3 Unit(s)

Prerequisite(s): RLS 20 (or concurrent enrollment)

Recommended Prep: Reading Level IV; English Level III; Math Level II

Transfer Status: CSU

51 hours Lecture

This course introduces students to real estate valuation, with an emphasis on residential real estate. The course covers basic real estate appraisal principles, the systematic appraisal process, different approaches to estimating value and factors affecting market value (including the economic environment). In addition, students will learn about the role and responsibilities of the professional appraiser, trends in the appraisal industry and the process of preparing an appraisal report. This course satisfies the California Department of Real Estate (DRE) requirement that students pass a college-level "Real Estate Appraisal" course prior to taking the Real Estate Broker License Exam. It can also count as the optional course that students must pass prior to taking the California Real Estate Salesperson License Exam. This course also meets the license requirements of the 2008 Appraisal Qualifications Board of the Appraisal Foundation and is required for the appraisal trainee license, residential license, certified residential license and certified general license.

II. OBJECTIVES

Upon successful completion of this course, the student will be able to:

- A. Effectively use, comprehend and explain the terminology associated with the appraisal process.
- B. Identify and describe the impact of social, economic, governmental and environmental forces on property value.
- C. Describe the purpose, steps and outcomes of the appraisal process.
- D. List and discuss the classic economic principles used in determining real estate value.
- E. Describe each of the traditional approaches to estimating market value (sales comparison, cost and income) and use each approach to generate estimates of market value for a particular residential property.
- F. Evaluate the results of the three appraisal approaches to estimating market value (sales comparison, cost and income), then derive the final value opinion.
- G. Conduct the research necessary to complete a single-family residential appraisal.
- H. Write an appraisal report for a residential property, following the Uniform Residential Appraisal Report (URAR) format.
- I. Identify challenges faced by the real estate appraiser and describe appropriate legal and ethical professional conduct, particularly as specified in the Uniform Standards of Professional Appraisal Practice (USPAP).

III. COURSE CONTENT

A. Unit Titles/Suggested Time Schedule

Lecture	
<u>Topics</u>	<u>Hours</u>
1. Introduction to Real Estate Appraisal	3.00
2. Understanding Real Estate Value	3.00
3. The Appraisal Process	3.00
4. Property Description and Appraisal Math	3.00

5. Data Collection and Analysis	6.00
6. Site Valuation	3.00
7. Residential Construction	3.00
8. Cost Approach to Value	3.00
9. Sales Comparison Approach to Value	3.00
10. Income Approach to Value	3.00
11. Determining Highest and Best Use	3.00
12. Appraising Special Interests	3.00
13. The Appraisal Report	6.00
14. The Appraisal Profession, Including Legal and Ethical Considerations	6.00
Total Hours	51.00

IV. METHODS OF INSTRUCTION

- A. Lecture
- B. Class Activities
- C. Field Trips
- D. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture
- E. Discussion
- F. Guest speakers from the real estate or financing profession
- G. Class Project
- H. Case Analysis

V. METHODS OF EVALUATION

- A. Exams/Tests
- B. Quizzes
- C. Papers
- D. Projects
- E. Homework
- F. Class participation

VI. EXAMPLES OF ASSIGNMENTS

- A. Reading Assignments
 - 1. Read the text material about appraising special interests, then prepare for an in-class discussion of the “bundle of rights” concept.
 - 2. Read the text material pertaining to environmental factors influencing property values. Do some on-line research about the local real estate market. Prepare for an in-class discussion of current social, economic, governmental and environmental factors influencing local property values.
- B. Writing Assignments
 - 1. Write a 3-5 page paper defining “highest and best use.” Identify the criteria used in determining highest and best use, and describe its role in appraisal.
 - 2. Write a 3-5 page report describing the role played by the professional appraiser. Identify several situations that might present ethical challenges to him/her, and identify the appropriate response to each given legal, ethical and professional considerations. Be prepared to justify your responses.
- C. Out-of-Class Assignments
 - 1. Write an appraisal report for a residential property (20-30 pages including addenda), following the Uniform Residential Appraisal Report (URAR) format. Use the three

- approaches to value, then derive a final value opinion. Justify your decision.
2. Research requirements of Uniform Standards of Professional Appraisal Practice (USPAP) as to what must be included in a Uniform Residential Appraisal Report (URAR). Please note: these requirements are updated annually. Write up your findings in a 3-5 page report, using the format provided.

VII. RECOMMENDED MATERIALS OF INSTRUCTION

Textbooks:

- A. Schram, Jr., J.F. and Ely, S.J.. Real Estate Appraisal. 6th Edition. Rockwell Publishing, 2012.
- B. Ventolo, W.L. and Williams, M.R., JD. Fundamentals of Real Estate Appraisal. 11th Edition. Dearborn, 2012.

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