

## Term

1. Sales Comparison Approach	using comparable sales in the market area to derive an opinion of value .
2. Cost Approach	takes into account reproduction or replacement cost in order to estimate value
3. Income Approach	Based on the present right of future, Properties that generate income and investment properties.
Adjusted Value	The value that the Appraisor assigns derieved off the data they collect.
Capitalization Rate	Often referred to as the cap rate, is the ratio of Net Operating Income (NOI) to property asset value
Depreciation	Depreciation is a method of allocating the cost of an asset over its useful life and is used to account for declines in value
Deterioration	the process of becoming progressively to a bad state (becoming worse from the original state)
External Obsolescence	Something in the immediate area, such as, a busy street, train tracks, airports, something that will deter a buyer buying the home.
Functional Obsolescence	It is something that decreases the functionality of the home such as having to go through a bathroom to get to a dining room.
Gross Living Area	"Total area of finished, above-grade residential space; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space".
Gross Rent Or Gross Income Multipliers	Take the estimated rent and divide into the sales prices and gives you the gross rent multiplier. Always requested with income generating properties.
Reproduction vs Replacement	Reproduction The cost to restore a historical home as it was using modern materials you would then use reproduction. Replacement The cost of replacement if the property were completely destroyed.
URAR	Uniform Residential Appraisal Report

## Concept

Cost Approach Criteria	Site Value by use extraction or allocation Improvements Estimated land value and depreciation As is site improvements Cost estimators – price per square foot figures
Cost Approach Process	Primarily with new construction and Commercial Gets the replacement costs by cost breakdown every single thing that goes into the house/building. Also used as supplemental data at times with Sales Approach
Income Approach Process	The income approach is a type of real estate appraisal method that allows investors to estimate the value of a property based on the income the property generates
Opinion of Value	is based off of sold data
Sales Comparison Approach Process	Gets the order Pull county info Listing gather data call agent and schedule appt go to home inspect inside/outside, condition of the home measure, additions and repairs, updates made, then look at comparable in the area also take pics and look at comps in that area when going out to the home.
Sales Comparison Criteria	One mile radius Style of home Characteristics Square footage Sold properties only 90 days back best, , can go 180 days back up to a year Gross living area-GLA Adjustments