

RE 54 Course Outline as of Summer 2021

CATALOG INFORMATION

Dept and Nbr: RE 54

Title: COMM REAL EST APPR

Full Title: Commercial Real Estate Appraisal

Last Reviewed: 2/12/2024

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	3.00	Lecture Scheduled	3.00	17.5	Lecture Scheduled	52.50
Minimum	3.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	3.00		Contact Total	52.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 105.00

Total Student Learning Hours: 157.50

Title 5 Category: AA Degree Applicable

Grading: Grade Only

Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP

Also Listed As:

Formerly: RE 80J

**Catalog Description:**  
Methods and techniques of estimating the value of properties other than single residences. Application of income approach to commercial, industrial, and multiple residential properties. Applies toward State's educational requirements for the California Real Estate Broker's examination and educational elective for the salesperson license.

**Prerequisites/Corequisites:**

**Recommended Preparation:**  
Course completion of RE 53 and RE 56

**Limits on Enrollment:**

**Schedule of Classes Information:**  
Description: Methods and techniques of estimating the value of properties other than single residences. Application of income approach to commercial, industrial, and multiple residential properties. Applies toward State's educational requirements for the California Real Estate Broker's examination and educational elective for the salesperson license. (Grade Only)  
Prerequisites/Corequisites:

Recommended: Course completion of RE 53 and RE 56

Limits on Enrollment:

Transfer Credit: CSU;

Repeatability: Two Repeats if Grade was D, F, NC, or NP

## **ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:**

<b>AS Degree:</b>	<b>Area</b>	Effective:	Inactive:
<b>CSU GE:</b>	<b>Transfer Area</b>	Effective:	Inactive:

<b>IGETC:</b>	<b>Transfer Area</b>	Effective:	Inactive:
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<b>CSU Transfer:</b>	Transferable	Effective:	Spring 1989	Inactive:
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<b>UC Transfer:</b>		Effective:		Inactive:
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**CID:**

**Certificate/Major Applicable:**

Both Certificate and Major Applicable

## **COURSE CONTENT**

### **Student Learning Outcomes:**

At the conclusion of this course, the student should be able to:

1. Evaluate and measure the appraisal report.
2. Satisfy the California Department of Real Estate elective education requirement for the salespersons and brokers license.

### **Objectives:**

At the conclusion of this course, the student should be able to:

1. Identify and evaluate the two approaches to real property valuation.
2. Differentiate the elements of gross income estimates.
3. Analyze the elements of effective gross income estimates.
4. Compile net operating income estimates.
5. Devise the formula for realization of capitalization.
6. Identify and appraise capitalization rates.
7. Define and Analyze an appraisal of a commercial property in accordance with generally accepted uniform appraisal standards.

### **Topics and Scope:**

#### **I. Property and Value**

- A. nature of property value
- B. market value
- C. economics of supply and demand
- D. highest and best use

#### **II. Sales Comparison Approach to Value**

- A. analysis of subject property
- B. collection and analysis of data

#### **III. Cost Approach to Value**

- A. cost estimation

- B. depreciation
- IV. Real Estate Investments
- V. Income Approach
  - A. gross income estimates
  - B. effective gross income estimates
  - C. net operating income estimates
- VI. Capitalization Formulas and Rates
  - A. relationship of income, rate, and value
  - B. selection of rates
- VII. Capitalization Procedures
  - A. income stream
  - B. selection of methods
  - C. selections of techniques
  - D. alternative methods
- VIII. Generally Accepted Uniform Appraisal Standards

### Assignment:

1. Weekly reading assignments of 15-42 pages
2. Prepare commercial appraisal report of real property (apply principles and theory to complete legal instrument); written components graded as part of the whole
3. Field work of minimum 15 hours related to appraisal report, including but not limited to, measuring real property, locating appropriate comparable properties, contact with county offices and other real estate professionals as appropriate to specific property
4. Quizzes on each chapter of text
5. Mid term and final examinations
6. Homework, including but not limited to, online research of government, agency and licensing resources
7. Presentation of appraisal report with explanation of method(s) used and citation of statutes to support legal instrument

### Methods of Evaluation/Basis of Grade:

**Writing:** Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Commercial appraisal report, online research

Writing  
15 - 35%

**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Field work, presentation

Problem solving  
20 - 25%

**Skill Demonstrations:** All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None

Skill Demonstrations  
0 - 0%

**Exams:** All forms of formal testing, other than skill performance exams.

Quizzes, exams and tests to include multiple choice, true/false, and essay items

Exams  
40 - 60%

**Other:** Includes any assessment tools that do not logically fit into the above categories.

Attendance and participation

Other Category  
5 - 10%

**Representative Textbooks and Materials:**

Income Property Valuation. 3rd ed. Fisher, Jeffrey and Martin, Robert. Dearborn Real Estate Publishing 2008 (classic)