

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:
Students will study the methods and techniques of estimating the value of properties other than single residences. Application of income approach to commercial, industrial, and multiple residential properties. This course is required to apply for the California State Broker’s license examination and applies as an elective towards the California Real Estate Salesperson examination.

Prerequisites/Corequisites:

Recommended Preparation:
Course completion of RE 53 and RE 56

Limits on Enrollment:

Schedule of Classes Information:
Description: Students will study the methods and techniques of estimating the value of properties other than single residences. Application of income approach to commercial, industrial, and multiple residential properties. This course is required to apply for the California State Broker’s license examination and applies as an elective towards the California Real Estate Salesperson

examination. (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:

AS Degree:	Area	Effective:	Inactive:
CSU GE:	Transfer Area	Effective:	Inactive:
IGETC:	Transfer Area	Effective:	Inactive:
CSU Transfer:	Transferable	Effective: Spring 1989	Inactive:
UC Transfer:		Effective:	Inactive:

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 review the appraisal report.
2. Define and analyze an appraisal of a commercial property in accordance with generally accepted uniform appraisal standards.

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.

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 including narrative and apply principles and theory to complete legal instrument
3. Field work of minimum 15 hours related to appraisal report, including but not limited to:
 - a. Measuring real property
 - b. Locating appropriate comparable properties,
 - c. Contact with county offices and other real estate professionals as appropriate to specific property
4. Quizzes, midterm, and final examination
5. Online research of government, agency, and licensing resources
6. 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
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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, midterm, and final exam

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)