

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.

**Prerequisites/Corequisites:**

**Recommended Preparation:**  
Course Eligibility for ENGL 100 and Course Completion of RE 53 ( or RE 80F) OR Course Eligibility for EMLS 100 ( or ESL 100)

**Limits on Enrollment:**

**Schedule of Classes Information:**  
Description: Principles of appraising income-producing real estate. Enables the student to determine market value of commercial/retail/industrial properties. Applies towards California RE broker's exam and appraiser requirements. (Grade Only)  
Prerequisites/Corequisites:

Recommended: Course Eligibility for ENGL 100 and Course Completion of RE 53 ( or RE 80F)  
OR Course Eligibility for EMLS 100 ( or ESL 100)

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:
<b>CSU Transfer:</b>	Transferable	Effective: Spring 1989	Inactive:
<b>UC Transfer:</b>		Effective:	Inactive:

**CID:**

**Certificate/Major Applicable:**

Certificate Applicable Course

## **COURSE CONTENT**

### **Outcomes and Objectives:**

Upon successful completion of the course, students will 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. Compose an appraisal of a commercial property.

### **Topics and Scope:**

1. Property and value
  - a. nature of property value
  - b. market value
  - c. economics of supply and demand
  - d. highest and best use
2. Sales comparison approach to value
  - a. analysis of subject property
  - b. collection and analysis of data
3. Cost approach to value
  - a. cost estimation
  - b. depreciation
4. Real estate investments
5. Income approach
  - a. gross income estimates
  - b. effective gross income estimates

- c. net operating income estimates
- 6. Capitalization formulas and rates
  - a. relationship of income, rate, and value
  - b. selection of rates
- 7. Capitalization procedures
  - a. income stream
  - b. selection of methods
  - c. selections of techniques
  - d. alternative methods

### 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. 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
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Writing 25 - 40%
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**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Field work
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Problem solving 5 - 10%
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**Skill Demonstrations:** All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None
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Skill Demonstrations 0 - 0%
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**Exams:** All forms of formal testing, other than skill performance exams.

Multiple choice, True/false, Essay exam
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Exams 40 - 65%
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**Other:** Includes any assessment tools that do not logically fit into the above categories.

Participation

Other Category  
5 - 10%

**Representative Textbooks and Materials:**  
INCOME PROPERTY VALUATION, 2nd Ed. by Fisher and Martin. Dearborn Publishing copyright 2003.