



# Basic Appraisal *procedures*

2<sup>ND</sup> EDITION



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 HONDROS  
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HONDROS LEARNING™

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# SUGGESTED SYLLABUS

## BASIC APPRAISAL PROCEDURES

**COURSE DESCRIPTION:** This basic appraisal text provides an overview of real estate appraisal approaches to valuation procedures, value, property description, residential applications, commercial applications, improvement construction, home inspection, and appraisal math. Through theory, case studies, and examples, the course offers practical application of appraisal procedures. A calculator is recommended.

### COURSE OBJECTIVES:

1. Demonstrate a basic knowledge of real property concepts and appraisal procedures
2. Demonstrate a basic understanding of approaches to value
3. Gain working knowledge of real estate residential and commercial applications
4. Gain a general understanding of residential construction and appraisal math

**COURSE TEXTBOOK:** *Basic Appraisal Procedures*, 2nd edition, Hondros Learning™, Copyright 2007

**COURSE CREDIT HOURS:** Pre-licensing: 30 credit hours. Attendance is mandatory to receive course credit.

**INSTRUCTION METHOD:** Lecture and group exercises

**COURSE OUTLINE** with Suggested Time Increments:

DAY 1	(total classroom hours 7.5)	
	3.5 hours	Introduction and Overview
		Chapter 1 Valuation Procedures
	1 hour	Lunch
	4 hours	Chapter 2 Overview of Approaches to Value
DAY 2	(total classroom hours 7.5)	
	3.5 hours	Chapter 3 Property Description
	1 hour	Lunch
	4 hours	Chapter 4 Residential Applications
DAY 3	(total classroom hours 7.5)	
	3.5 hours	Chapter 5 Commercial Applications
	1 hour	Lunch
	4 hours	Chapter 6 Residential Construction and Home Inspection
DAY 4	(total classroom hours 7.5)	
	3.5 hours	Chapter 7 Appraisal Math
	1 hour	Lunch
	2 hours	Appendixes: Additional Appraisal Practice
	2 hours	Final Examination and Student Surveys

# PREFACE

**H**ondros Learning™ is proud to present the second edition of *Basic Appraisal Procedures*, part of the market-leading textbook series for appraisal qualifying education. Written specifically to correspond to the 2008 Appraisal Qualifications Board’s educational requirements, *Basic Appraisal Procedures* features **clear writing**, **real-world examples** and **case studies**, useful **illustrations**, numerous **practice questions**, and an extensive **glossary**, making this text the most up-to-date tool available for achieving appraisal mastery and exam success! As well as launching a successful program of study, this text will continue to bring value as a reference tool throughout your appraisal career.

In addition to following the *AQB guidelines* for qualifying education, all texts in our appraisal series are *affordably priced* and feature a *clear writing* style and *numerous study aids* to guide students from start to finish. Concepts range from simple to complex, accommodating *all levels of learning*. **Key terms** are highlighted and defined throughout, and reviewed in a *comprehensive glossary* to assist in learning definitions required for state exams. **NEW! Important points** are highlighted throughout the chapters—a proven method to facilitate retention of key material. **Real-world examples** and **case studies** clarify procedures appraisers use every day and allow the application of information learned.

**Instructor materials** are available separately to make using this book in your classroom a seamless experience.

## REVISION DETAILS

This revision was undertaken to ensure our content was the most current regarding information, theory, and methodologies for the student appraiser. *The general outline and structure have not changed from the first edition.* You will find updated and amplified examples, clarifications, general updates, and corrections as have been identified during the first year of this successful text’s use in the classroom.

## TEXT OUTLINE

*Chapter 1* examines problem identification, the steps in the appraisal process, and how they relate to the scope of work. The discussion concludes with a look at how the various value opinions are developed and reported, including a few points on when each of the appraisal processes would be necessary given the scope of work.

*Chapter 2* explores the valuation process, beginning with the sales comparison approach. Comparable data and making adjustments to comparable sales are covered. The cost approach is next, including replacement and reproduction costs. The chapter concludes with a look at the income approach, including direct capitalization and gross rent multiplier.

*Chapter 3* discusses the collection and analysis of subject and site data, including specific property factors that affect value. **NEW!** Extensive illustrations of various data tools used by appraisers for describing property amplify the discussion.

## Suggested Syllabus

*Chapter 4* looks at residential applications in appraisal work, with case studies to apply concepts learned. Special emphasis on Fannie Mae guidelines and requirements is made with guidance to help the appraiser comply.

Commercial applications are reviewed in *Chapter 5*, beginning with the similarities and dissimilarities of this segment of appraisal practice. Case studies allow students to apply what they've learned.

*Chapter 6* presents the basics of home construction—from the process of building a new house to its parts and systems. The discussion concludes with a look at home inspections.

*Chapter 7* reviews basic appraisal math, including that used for the approaches to value. The cost approach, including estimating depreciation; the sales comparison approach, and paired data analysis; and income capitalization are included.

A detailed *Glossary* and *Appendixes* with additional appraisal practice questions complete this textbook.

### EXAM PREP

Additional appraisal products available from Hondros Learning to help students prepare for the licensing exam include the *Appraisal Review Crammer™*—a valuable self-study or classroom exam preparation guide; *CompuCram™ Appraisal Exam Prep Software*; *Appraisal Vocab Crammer™ Audio CD*, and *Appraisal Vocab Crammer Flashcards*.

### ABOUT THE AUTHOR

Revising author, Timothy Detty, has taught thousands of real estate and appraisal students over the course of his teaching career at Hondros College. A practicing Certified General Appraiser, he has also written numerous real estate and appraisal courses and served as both author and expert reviewer for several real estate and appraisal textbooks. In addition to being certified by the Appraiser Qualifications Board of The Appraisal Foundation as a USPAP instructor, Tim is a frequent guest lecturer and contributor to various real estate and appraisal publications.

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