

REE 6930 Real Estate Appraisal

Todd Jones

Course Description and Objective:

This course is an applied introduction to the major concepts, principles, and methods used in appraising commercial real estate. Students will be arranged in small groups. Each group will be assigned a specific property of a specific type (e.g., apartment community, hospitality, industrial, office, and retail) to appraise as if for commercial or institutional lending purposes. Each group will complete a complete narrative appraisal in accordance with USPAP (Uniform Standards of Professional Appraisal Practice). Each group will submit two copies of a single appraisal report for review and grading; each group member must retain a copy for the presentation and defense session. Each group will also present and defend their report at the end of the course.

Students are expected to be familiar with the application of basic GIS, research and market analysis, discounted cash flow analysis (capital budgeting) to commercial real estate investments. Students also are assumed to have a working knowledge of EXCEL, and preferably ARGUS, and to be comfortable with the functions of a financial calculator.

Means of accomplishing course objectives:

1. This course is lecture oriented; however, questions and student attendance and active participation are required
2. Principles will be reinforced through application in the development of the appraisal. To supplement the readings listed in the course outline, I will occasionally assign additional reading. Copies will either be distributed in class or be available for downloading on the class website.
3. Timely execution of homework assignments, done in groups, will be critical to the timely completion of the assignment, and will also reinforce class material.
4. In keeping with the applied nature of the course, many real world issues and “current events” will be discussed in class. In addition, you will be encouraged to attend the Alfred A. Ring Distinguished Speakers Series.

Prerequisites:

REE 6045 (Introduction to Real Estate) is strongly recommended but not required

Required Materials:

1. *The Appraisal of Real Estate, Twelfth Edition*, published by the Appraisal Institute.
2. *Class Notes* and other class materials will be downloadable directly from the Warrington College of Business network. *Class Notes* may or may not be posted for a given week will be posted by 8:30 a.m. on Monday (if not before). The *Class Notes, if posted*, will contain the shells of many, **but not all**, of the power point slides I will use in class. If you are not a student in the Warrington College of Business, please contact the office to obtain a username and password for the College network.

3. A financial calculator that has the standard time value of money functions (present value, future value, annuities, etc.) and that performs cash flow analysis (NPV and IRR). The College recommends the Hewlett Packard 10BII.
4. An e-mail address and access to a Web browser.

Grading and Expectations:

Homework/ Quizzes/ Participation 15%

Teammate Evaluations/ Participation 10%

Appraisal Report (due in my office Monday, February 21, 2005) 50%

Report Defense (Friday, February 25, 2005 in Tampa) 25%

There is a large and complex project for each of you. It is essential that you come prepared to each class: this means you need to have completed assigned readings and homework before class. The lectures are intended to steer you in the right direction, address basic themes, and to help you apply key concepts and techniques. You are expected to make relevant inquiries **during** class time. Due to the complex nature of the properties being assigned, you will need to coordinate, delegate, and be proactive; procrastination will guarantee failure. Each team member will be personally responsible for understanding and defending all aspects of the finished report.