Review Quiz, Chapter 9 – Real Estate Appraisal

1. The most important consideration in an appraisal is the:
   (a) methods used
   (b) experience, license, and integrity of the appraiser
   (c) data gathered
   (d) inspection of the title records

2. Which of the following is a physical force that influences value?
   (a) rate of changes in population
   (b) income levels
   (c) size and shape of the parcel
   (d) zoning changes

3. The appraisal principle that states that the value of a property is dynamic, not static:
   (a) principle of supply and demand
   (b) principle of highest and best use
   (c) principle of substitution
   (d) principle of change

4. A loss in value because of a busy street is an example of:
   (a) economic obsolescence
   (b) accrual for depreciation
   (c) functional obsolescence
   (d) physical deterioration

5. The market approach would be given the most weight if appraising a:
   (a) new home
   (b) new apartment
   (c) five-year-old home
   (d) special purpose property

6. Find the value by use of the income approach. (round to the nearest $100)
   1. three-unit apartment rents for $1,000 per month per unit
   2. vacancy factor of 5%
   3. annual operating expenses $10,000
   4. capitalization rate of 8%
   (a) $302,500
   (b) $288,000
   (c) $276,500
   (d) $275,000
7. With a gross annual multiplier of 12, a duplex that rents one unit for $575 per month and the other for $625 should have an estimated value of:
   (a) $137,200
   (b) $146,000
   (c) $150,000
   (d) $172,800

8. Licensed by the Office of Real Estate Appraisers to do the most complex property appraisals:
   (a) real estate agents
   (b) certified-residential appraisers
   (c) certified-general appraisers
   (d) licensed appraisers

9. The type of appraisal report required by most lenders is the:
   (a) loan report
   (b) narrative report
   (c) short form report
   (d) letter form report

10. Regarding the sales comparison approach, which is false?
    (a) the comps are adjusted to the subject property
    (b) three is the minimum number of comps to use
    (c) the subject property is adjusted to the comps
    (d) this approach is best for valuating residential homes