



El Camino College
COURSE OUTLINE OF RECORD – Official

Course Acronym:	RE
Course Number:	40
Descriptive Title:	Real Estate Appraisal
Division:	Business
Department:	Real Estate
Course Disciplines:	Real Estate
Catalog Description:	<p>This course provides instruction in the valuation principles of real estate appraisal, including architectural styles, types of construction, lot valuation, depreciation, the approaches to value, and appraisal standards and ethics.</p> <p>Note: The California Department of Real Estate (DRE) has approved this course as one of the optional courses for the salesperson licensure in addition to the required courses of Real Estate Principles and Real Estate Practice. This course is statutorily required for the California real estate broker license. The California Bureau of Real Estate Appraisers (BREA) has approved this course for 54 hours of basic education (BE) credit. BREA has approved this course for 51 hours of continuing education (CE) credit for license renewal provided the student has 90% attendance and passes a closed book final exam. This course is also approved by the California BREA for credit hours towards the appraisal license.</p>
Prerequisite:	
Co-requisite:	
Recommended Preparation:	Real Estate 11 or California Bureau of Real Estate Appraisers (BREA) license or California Department of Real Estate (DRE) broker license
Enrollment Limitation:	
Hours Lecture (per week):	3
Hours Laboratory (per week):	0
Outside Study Hours:	6
Total Course Hours:	54
Course Units:	3
Grading Method:	Letter Grade only
Credit Status:	Credit, degree applicable
Transfer CSU:	Yes
Effective Date:	Prior to July 1992
Transfer UC:	No
Effective Date:	

General Education: ECC	
Term:	
Other:	
CSU GE:	
Term:	
Other:	
IGETC:	
Term:	
Other:	
Student Learning Outcomes:	<p>SLO #1 Build Vocabulary</p> <p>Students will define, describe and differentiate between various real estate standard terminology showing comprehension and knowledge of real estate vocabulary used in the workplace to assist and prepare each student from the diverse student body to gain confidence in their ability to effectively communicate and collaborate in a real estate sales, property management, appraisal, loan or investment to work with both licensees and a diverse public in a typical real estate transaction.</p> <p>SLO #2 Industry Forms and Documents</p> <p>Students show the ability to prepare and complete standard real estate industry forms and documents as found in diverse real estate sales, rental, finance, appraisal or investment business transactions.</p> <p>SLO #3 Methods of Holding Title</p> <p>Students will identify, distinguish and differentiate the differences between the various methods of holding title to real property, showing the ability to analyze, concisely write and/or verbally communicate and apply the appropriate vesting available in a typical real estate business transaction.</p> <p>SLO #4 Mathematical Computations</p> <p>Students will demonstrate the ability to calculate typical real estate mathematic computational problems as found in diverse real estate business areas of sales, leases, prorations, finance, appraisal, property management, investments and capitalization, land or structure area and taxation.</p> <p>SLO #5 Ethics and Agency</p> <p>Students will differentiate between various parts of the real estate code of ethics and the standards of professional appraisal practices to explain how agency relationships are created and the duties and liabilities of agents and principals.</p>
Course Objectives:	<ol style="list-style-type: none"> 1. Differentiate between real and personal property for real property appraisal valuation. 2. Examine the five tests used by the California courts to define a fixture. 3. Distinguish the four levels of appraisal licenses and list the levels of education, hours of experience and other legislated requirements for licensure.

	<ol style="list-style-type: none"> 4. Assess the scope of authority and level of expertise to perform appraisals on different types of real property: residential, industrial, commercial and rural land. 5. Estimate the value of partial interests in real property based upon both the title ownership vesting of the parties, and the homeowner association contribution to unit value. 6. Examine and distinguish the physical, economic, political and social influences affecting the value of real property. 7. Critique various government rights to real property ownership to evaluate the amount positively or negatively contributed to the property value. 8. Calculate the three approaches to value: cost approach, income approach and sales comparison approach. 9. Propose inventory depreciation factors after a property inspection. 10. Prepare a Uniform Residential Appraisal Report (URAR) residential appraisal Federal National Mortgage Association (FNMA 1005) for a condominium. 11. Prepare a Uniform Residential Appraisal Report (URAR) residential appraisal Federal National Mortgage Association (FNMA 1005) for a single family residence. 12. Contrast appraisal tools and computer software used to create a standard appraisal report. 13. Assess and evaluate the federal uniform standards of professional appraisal practices as they affect an appraiser.
<p>Major Topics:</p>	<p>I. The formal appraisal process (3 hours, lecture)</p> <ol style="list-style-type: none"> A. Purpose B. License levels requirements C. Use of computers in appraising residential property <ol style="list-style-type: none"> 1. Project review 2. Appraisal software applications 3. Technologies D. Non-computer appraisal tools <ol style="list-style-type: none"> 1. Research 2. Resources <p>II. Introduction to Real Estate Appraisal (3 hours, lecture)</p> <ol style="list-style-type: none"> A. Real versus personal property B. Real property concepts and characteristics <ol style="list-style-type: none"> 1. Basic real property concepts 2. Real property characteristics 3. Legal description <p>III. Legal consideration (3 hours, lecture)</p> <ol style="list-style-type: none"> A. Forms of ownership B. Public and private controls C. Real estate contracts D. Leases <p>IV. Influences on real estate values (3 hours, lecture)</p> <ol style="list-style-type: none"> A. Governmental B. Economic

- C. Social
- D. Environmental, geographic and physical

V. Types of value (3 hours, lecture)

- A. Market value
 - 1. Introduction to sales comparison approach
 - 2. Sales comparison and adjustment techniques
- B. Other value types
 - 1. Valuation of the improvements
 - 2. Valuation of the site
- C. Property inspection methods and analysis
 - 1. Property inspection and analysis: The improvements
 - 2. Property inspection and analysis: The site

VI. Economic principles (3 hours, lecture)

- A. Classical economic principles
- B. Application and illustrations of the economic principles
- C. Economic principle effect on appraisals

VII. Overview of real estate markets and analysis (3 hours, lecture)

- A. Market fundamentals, characteristics and definitions
 - 1. Supply analysis
 - 2. Demand analysis
- B. Use of market analysis

VIII. Ethics (3 hours, lecture)

- A. How to apply ethics in appraisal theory and practice
- B. Uniform standards of professional appraisal practices
- C. California-specific ethical standards

IX. Overview to approaches to value (3 hours, lecture)

- A. Market approach
- B. Income approach
- C. Cost approach

X. Valuation procedures (6 hours, lecture)

- A. Defining the problem
- B. Collecting and selecting data
- C. Analyzing
 - 1. Comparing condominium to single family appraisal reports
 - 2. Comparing residential to non-residential appraisal reports
- D. Reconciling and final value opinion
- E. Communicating the appraisal

XI. Property description (3 hours, lecture)

	<ul style="list-style-type: none"> A. Geographical characteristics of the land/site B. Geologic characteristics of the land/site C. Location, community and neighborhood characteristics D. Land/site considerations for Highest and Best Use E. Improvements <ul style="list-style-type: none"> 1. Architectural styles 2. Types of construction <p>XII. Residential markets and analysis (3 hours, lecture)</p> <ul style="list-style-type: none"> A. Market fundamentals, characteristics and definitions <ul style="list-style-type: none"> 1. Supply analysis 2. Demand analysis B. Use of market analysis <p>XIII. Highest and Best Use (3 hours, lecture)</p> <ul style="list-style-type: none"> A. Test constraints B. Application of Highest and Best Use C. Special considerations D. Market analysis E. Case studies <p>XIV. Cost approach (6 hours, lecture)</p> <ul style="list-style-type: none"> A. Concepts and definitions B. Replacement/reproduction cost new <ul style="list-style-type: none"> 1. Extracting site value 2. Estimating construction costs C. Accrued depreciation <ul style="list-style-type: none"> 1. Depreciation methods 2. Measuring loss in value D. Methods of estimating accrued depreciation <p>XV. Income approach (6 hours, lecture)</p> <ul style="list-style-type: none"> A. Valuation principles & procedures B. Finance and cash equivalence C. Financial calculator D. Identification, derivation and measurement of adjustments E. Rates and techniques <ul style="list-style-type: none"> 1. Gross rent multipliers 2. Capitalization rates F. Reconciliation and report writing
Total Lecture Hours:	54
Total Laboratory Hours:	0
Total Hours:	54

Primary Method of Evaluation:	1) Substantial writing assignments
Typical Assignment Using Primary Method of Evaluation:	Prepare a Federal National Mortgage Association (FNMA) form 1004, Uniform Residential Appraisal Report (URAR) for a single-family house.
Critical Thinking Assignment 1:	Given the Uniform Residential Appraisal Report (URAR) form that has subject property and comparable sales, the cost approach, and income approach calculations, reconcile the three approaches to value into one single appraisal valuation. Report your findings in a one- to two-page paper.
Critical Thinking Assignment 2:	Using the case study supplied, calculate the total square footage of an improvement with a stairwell and the lot site to determine building square footage for the improvements and for the lot area, before and after setbacks, to determine the price per front foot, price per square foot and price per improvement/unit value. Determine the maximum size building that may be constructed on the site, given a property profile showing lot perimeter feet and the existing house and garage perimeter dimensions. Report your findings in a one- to two-page paper.
Other Evaluation Methods:	Homework Problems, Multiple Choice, Other Exams, Quizzes, True/False, Written Homework
Instructional Methods:	Discussion, Group Activities, Guest Speakers, Lecture, Multimedia presentations
If other:	
Work Outside of Class:	Answer questions, Problem solving activity, Required reading, Skill practice, Study, Written work (such as essay/composition/report/analysis/research)
If Other:	
Up-To-Date Representative Textbooks:	Huber, Messick, Pivar. <u>Real Estate Appraisal, Principles & Procedures</u> . 5th ed. Educational Textbook Company, 2019.
Alternative Textbooks:	
Required Supplementary Readings:	
Other Required Materials:	
Requisite:	
Category:	
Requisite course(s): List both prerequisites and corequisites in this box.	
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	
Requisite Skill:	
Requisite Skill and Matching Skill(s): Bold	

the requisite skill(s). If applicable	
Requisite course:	Real Estate-11
Requisite and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s).	Demonstrate an understanding of how real estate is appraised. RE 11 - Differentiate among the three methods of appraisal.
Requisite Skill:	California Bureau of Real Estate Appraisers (BREA) license or California Department of Real Estate (DRE) broker license
Requisite Skill and Matching skill(s): Bold the requisite skill. List the corresponding course objective under each skill(s). If applicable	
Enrollment Limitations and Category:	
Enrollment Limitations Impact:	
Course Created by:	Donald Hill
Date:	08/01/1973
Original Board Approval Date:	
Last Reviewed and/or Revised by:	John Yeressian
Date:	09/14/2020
Last Board Approval Date:	12/19/2022