

**AP330**

**Foundations of Real Estate Appraisal**

**3 Credits**

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## AP330 Version: 3



# Foundations of Real Estate Appraisal

## Calendar Description

This course offers a comprehensive coverage of all concepts and principles of real property appraising, together with the technical skills required of the application of basic principles in practice. The course focuses on residential appraisal and cost estimating techniques used in the appraisal field and an introduction to income property appraisal. The student completes a residential property appraisal on a single family dwelling.

## Rationale

This is a required course for the Real Estate Appraisal and Assessment program. It is an essential course for any student planning to pursue a career in the field of property tax assessment or real estate appraisal.

## Prerequisites

None

## Co-Requisites

CT402

## Course Learning Outcomes

Upon successful completion of this course, students will be able to

1. explain why real property appraisal is necessary and the purpose and use of appraisals.
2. discuss the various definitions of value and the forces that create and affect value.
3. explain the nature of real properties and its components.
4. list and describe the logical and orderly steps required in appraisal process which lead to a conclusion of market value.
5. explain the importance of neighborhood, site and improvement attributes with respect to determining value and to the appraisal process.
6. explain the importance of a highest and best use analysis in an appraisal.
7. describe the different methods available for land valuation and when it is appropriate.

8. explain the underlying theory for the three approaches to value: direct comparison, cost and income.
9. discuss the strengths and weakness of the approaches and when each is most appropriate for application.
10. apply the techniques of the direct comparison and cost approaches to value in a practical situation.
11. describe the reconciliation process and be able to complete a reconciliation to indicate an opinion of final value or value range.
12. describe how to report appraisal findings in an appropriate report format.

## **Resource Materials**

### ***Required Text(s):***

UBC Real Estate Division. (2005). *Foundations of Real Estate Appraisal course manual*.

Vancouver, BC: Real Estate Division, Sauder School of Business, University of British Columbia.

UBC Real Estate Division. (2006). *Foundations of Real Estate Appraisal course workbook*

(BUSI 330). Vancouver, BC: Real Estate Division, Sauder School of Business, University of British Columbia.

### ***Reference Text(s):***

*The Appraisal of Real Estate (2nd Canadian Edition)* (BUSI 330). UBC Real Estate Division.

## **Conduct of Course**

Since AP330 is course BUSI 330 in the diploma program in Urban Land Economics at the University of British Columbia, contents of the course workbook are followed.

AP330 is one of the five courses required in the certificate program in Real Property Assessment at the University of British Columbia Real Estate Division.

AP330 is primarily a lecture course with chapter assignments and two projects that apply appraisal theory; one of which is single family residential appraisal report.

Classroom participation concerning class material is expected and is beneficial to all students. Practice classroom courtesy so that class discussion periods can be conducted in an orderly fashion. If you must enter the classroom after class has begun, please do so as quietly as possible. If you have a disagreement with the instructor on a particular graded exercise or exam question, please see the instructor after class or during office hours.

Studying for the course: it is critical that each student read the assigned material for each class and keep up to date with all lectures and assigned problems.

Student counseling: students who are experiencing difficulty with the course should immediately consult the instructor during office hours or by appointment.

Course withdrawal: students should familiarize themselves with the school's course withdrawal policy and procedures that are explained in the student handbook/calendar. It is important to note that students who simply discontinue attending class without officially withdrawing from the course receive a grade based upon the total points they have accumulated. Ordinarily, the result is a failing grade.

Canceled classes: on occasion classes may be canceled due to inclement weather, instructor illness, or for some other reason. These classes are rescheduled if possible. Please check and carefully read the cancellation notices posted on classroom doorways (i.e. date, time and course).

Cheating: any student observed plagiarizing materials or cheating on written assignments/projects, chapter quizzes or the final exam are dealt with according to the procedure stipulated in the student handbook/calendar.

### Evaluation Procedures

The final grade is an aggregate of the following components: Multiple Choice Assignments		15%
Projects/Written Assignments	No. 1	10%
	No. 2	25%
Examination Final		<u>50%</u>
Total		100%

### Grade Equivalents and Course Pass Requirements

*A minimum grade of D (50%) (1.00) is required to pass this course.*

Letter	F	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
Percent Range	0-49	50-52	53-56	57-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-100
Points	0.00	1.00	1.30	1.70	2.00	2.30	2.70	3.00	3.30	3.70	4.00	4.00

**Students must maintain a cumulative grade of C (GPA - Grade Point Average of 2.00) in order to qualify to graduate.**

## Attendance

Regular attendance is essential for success in any course. Absence for any reason does not relieve a student of the responsibility of completing course work and assignments to the satisfaction of the instructor. Poor attendance may result in the termination of a student from a course(s).

If you do not meet the established attendance requirements, your instructor will recommend that the Registrar withdraw your from the course. A failing grade of RW (Required to Withdraw) will appear on your transcript.

In cases of repeated absences due to illness, the student may be requested to submit a medical certificate.

*Instructors have the authority to require attendance at classes.*

## Course Units/Topics

Lesson 1 - Real Property and the Nature of Value

Lesson 2 - Principles of Appraisal

Lesson 3 - Property Analysis

Lesson 4 - Market Studies, Highest and Best Use Analysis, and Site Valuation-Part 1

Lesson 5 - Market Studies, Highest and Best Use Analysis, and Site Valuation-Part 11

Lesson 6 - The Cost Approach and Depreciation Estimates- Part 1

Lesson 7 - The Cost Approach and Depreciation Estimates- Part 11

Lesson 8 - The Direct Comparison Approach- Part 1

Lesson 9 -The Direct Comparison Approach- Part 11

Lesson 10 - The Income Approach

Lesson 11- Reconciling Value Indications and the Appraisal Report



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