

Table of Contents

Overview	xi
-----------------------	----

Course Schedule	xv
------------------------------	----

SECTION 1

Introduction

Course Structure.....	1
Writing Exercises.....	2
Providing Constructive Criticism.....	3
Course Topics	4
Plagiarism.....	5
Course Requirements	5

Part 1. Introduction to Reports and Report Writing

Preview Part 1.....	7
What Is an Appraisal Report?.....	9
Types of Communication.....	10
What Is the Goal of an Appraisal Report?.....	11
What Is Required in a Written Appraisal Report?.....	13
The Valuation Process and Integration of the Components of a Narrative Report	19
Recommended Format for a Narrative Appraisal Report.....	21
Review Part 1.....	23
Review Quiz	25

Part 2. Setting the Stage: Effective Communication in Narrative Appraisal Reports

Preview Part 2.....	27
Types of Communication Used in Appraisal Reports.....	29
Effective Writing	32
Avoiding Plagiarism.....	36
Writing Tone: The Importance of Conveying Objectivity.....	37
Using Specialized or Technical Terms and Concepts.....	44
Using Standardized Language, or Boilerplate, in Appraisal Reports.....	46
Using Qualifying Statements or “Hedge” Language in Appraisal Reports.....	52
Review Part 2.....	55
Review Quiz	57

Part 3. Planning the Appraisal Report

Preview Part 3.....	61
Create an Outline or Other Organizational Structure	63
Organize, Analyze, and Conclude	63
Creating an Effective Report.....	64
Reporting Shortfalls That Diminish Credibility of the Assignment Results	75
Review Part 3.....	77
PRACTICE TEST—SECTION 1.....	79

SECTION 2

Part 4. Identification of the Appraisal Problem: Intended Use, Intended Users, & Property Rights Appraised

Preview Part 4.....	81
Identification of the Appraisal Problem	83
Identifying and Reporting the Intended Use and User(s)	84
Identifying the Property Rights Appraised	86
Using Punctuation to Add Precision to Appraisal Reports.....	87
Commas, Semicolons, and Colons	88
Review Part 4.....	101

Part 5. Identification of the Appraisal Problem: Reporting the Scope of Work

Preview Part 5.....	103
Scope of Work and the Appraisal Report	105
Common Elements Included in the Scope of Work Discussion	106
Communicating the Scope of Work	108
Writing a Scope of Work Description	112
Case Study 1	113
5.6 Extended Writing Assignment – Scope of Work	115
Review Part 5.....	117
Review Quiz	119

Part 6. Identification of the Appraisal Problem: Property Identification and Description

Preview Part 6..... 121
Identification and Description of the Subject Property 123
Describing the Subject Property in a Narrative Appraisal Report.....127
Describing the Subject Property: Identify, Anticipate, Prioritize 128
Describing the Subject Property: Case Study 2 129
Describing the Subject Property: Be Purposeful 133
Using Hyphens Correctly and Confidently.....137
Review Part 6..... 143
Review Quiz. 145

Part 7. Data Presentation in Narrative Appraisal Reports: Text-based Description

Preview Part 7.147
Data Presentation in Narrative Appraisal Reports149
Text-based vs. Image-based Description 150
Paragraphs in Narrative Appraisal Reports 150
Parts of a Paragraph151
Breaking the Rules: Implied Topic Sentences and Omitted Concluding Sentences 155
Effective Communication in Paragraphs 158
Conclusions for Narrative Appraisal Reports 168
Summary169
7.6 Extended Writing Assignment—Property Description Paragraph.....171
Review Part 7.173
PRACTICE TEST—SECTION 2.....175

SECTION 3

Part 8. Data Presentation in Narrative Appraisal Reports: Image-based Description

Preview Part 8.....	181
Review/Evaluate 5.6 & 7.6 Extended Writing Assignments.....	183
Image-based Content in Narrative Appraisal Reports.....	183
Using Image-based Content in Appraisal Reports.....	185
Guidelines for Using Numbers in Narrative Appraisal Reports	191
Choosing and Designing Graphics in an Appraisal Report	194
Using Photographs and Other Non-Numerical Imagery in Appraisal Reports	207
Creating Bulleted Lists and Text Boxes.....	217
Summary: Effective Communication Using Graphics and Other Image-based Content.....	224
Review Part 8.....	227
PRACTICE TEST—SECTION 3.....	229

SECTION 4

Part 9. Reporting Highest and Best Use

Preview Part 9.....	237
Highest and Best Use Discussions	239
As Though Vacant Discussion.....	242
As Improved Discussion.....	245
Effective Communication of Highest and Best Use Analysis	246
Case Study 3. 9.4 Extended Writing Assignment—Highest and Best Use Analysis Discussion	250
Review Part 9.....	259

Part 10. Reporting the Cost Approach

Preview Part 10.....	261
Presenting the Approaches to Value.....	263
Cost Approach – Basic Principles.....	264
Steps of the Cost Approach	266
Effective Communication of the Cost Approach: Describing Comparable Data .	269
10.5 Extended Writing Assignment – Describing Comparable Land Sales	272
Effective Communication of the Cost Approach: Clarifying Complex Concepts.....	275
10.7 Extended Writing Assignment—Depreciation Analysis.....	277
Review Part 10.....	281
Practice Test – Section 4.	283

SECTION 5

Part 11. Review of Highest and Best Use and Cost Approach Writing Assignments

Preview Part 11.....	289
Review Practice Test – Section 4	291
Review/Evaluate 9.4, 10.5, and 10.7 Extended Writing Assignments.....	291
Review Part 11.....	293

Part 12. Reporting the Sales Comparison Approach

Preview Part 12.....	295
Sales Comparison Approach – Basic Principles.....	297
Reporting the Sales Comparison Approach.....	299
Effective Communication of the Sales Comparison Approach: Editing and Revising.....	304
Effective Communication of the Sales Comparison Approach: Explaining the Derivation and Application of Quantitative Adjustments	314
Introduction to 12.6 Extended Writing Assignment – Explanation of Quantitative Adjustments	315
Review Part 12.....	319
Practice Test – Section 5	321

SECTION 6

Part 13. Reporting the Sales Comparison Approach, cont.

Preview Part 13.....	323
12.6 Extended Writing Assignment – Explanation of Quantitative Adjustments ...	325
Review /Evaluate 12.6 Extended Writing Assignment	325
Review Part 13.....	327

Part 14. Reporting the Income Capitalization Approach

Preview Part 14.....	329
Income Capitalization Approach – Basic Principles	331
Income Capitalization Methods.....	333
Steps in Direct Income Capitalization.....	334
Effective Communication of the Income Capitalization Approach: Reporting the Leasing Status of the Subject Property	340
14.4 Extended Writing Assignment—Reporting the Leasing Status of a Neighborhood Shopping Center	347
Review Part 14.....	349
Practice Test – Section 6.	351

SECTION 7

Part 15. Writing Convincing Reconciliations

Preview Part 15.....	355
Review/Evaluate 14.4 Extended Writing Assignment	357
The Reconciliation Process	357
15.2 Extended Writing Assignment – Reconciling an Overall Capitalization Rate.	360
15.2 Extended Writing Assignment. Write a conclusion paragraph.....	362
Steps in the Final Reconciliation of Value	363
Reporting the Final Reconciliation of Value.	365
Review Part 15.....	369
Review Quiz	371

Part 16. Writing Effective Letters of Transmittal

Preview Part 16.....	373
Should Reports Contain a Letter of Transmittal?	375
Purpose of a Letter of Transmittal.....	375
Guidelines for a Letter of Transmittal	376
Effective Communication of a Letter of Transmittal	378
Review Part 16.....	383
Review Quiz	385

Part 17. Other Information Appraisers Need to Know about Report Writing

Preview Part 17	387
Confidentiality in Appraisal Practice	389
Certification	394
Form Reports.....	395
Letters of Engagement.....	396
Report Writing Final Checklist.....	397
Review Part 17	399
Review Quiz	401

SECTION 8

Part 18. Exam Content Review

Preview Part 18.....	403
Preparing for the Exam.....	405
Content Covered in the Course.....	406
Review Part 18.....	407

APPENDIX

Grammar, Punctuation, Spelling Basics – Parts of Speech Reference Table	411
Grammar, Punctuation, Spelling Basics – Capitalization.....	412
Grammar, Punctuation, Spelling Basics – Subject/Verb Agreement.....	416
Grammar, Punctuation, Spelling Basics – Possessives and Apostrophes	417
Guide Note 18 – Personal Characteristics and Appraisal Practice	419
Guide Note 8 – Use and Applicability of Letters of Transmittal	427
Sample Appraisal Services Agreement – The Appraisal Institute	431
Sample Engagement Letter – The Appraisal Institute	437
Sample Terms and Conditions – The Appraisal Institute	443
Sample Certification Statement – The Appraisal Institute.....	447
Commercial Green and Energy Efficient Addendum	451
Residential Green and Energy Efficient Addendum	463

Overview

Course Description

General Appraiser Report Writing and Case Studies focuses on the communication of the appraisal report and meets the AQB “report writing” content requirement for certified general appraisers. The format for the course consists of lecture, group discussion, individual writing assignments, and homework assignments.

Communicating the results of an appraisal is a critical skill. An appraisal report is an argument in support of an opinion of value that reflects the appraiser’s competence in applying the valuation process. A poorly written report diminishes the credibility of even the most competent research and analysis.

The course begins with a review of report writing requirements and the format of a traditional narrative appraisal report. Effective image-based communication formats such as charts, graphs, tables, and photographs are examined. Trends in narrative appraisal communication are analyzed in light of the traditional narrative format and in light of professional reporting standards.

Organizing, analyzing, and concluding are the steps that result in a coherent communication model. This course uses that model with an emphasis on enhancing participants’ understanding and appreciation of the interconnectedness of the parts of an appraisal report. Using the organization model along with a conceptual understanding of how the parts of an appraisal fit together yields a consistent and effective appraisal writing process.

Extended writing assignments focus on common appraisal writing challenges including clarifying complex concepts, describing comparable data, identifying and describing relevant property characteristics, explaining the derivation and application of quantitative adjustments to comparable sales, communicating data-dense analysis, communicating highest and best use, writing an effective and appropriate scope of work discussion, and writing a convincing reconciliation of an overall capitalization rate.

Several writing assignments are completed during class time; a few are completed as homework. Writing assignments are shared anonymously for discussion by the class. Familiarity with word processing and spreadsheet software is required for the course.

Learning Enhancements

The course has been designed with a variety of elements to enhance your learning experience.

- **Preview.** A Preview page begins each part. Included on the Preview page is a brief overview of the content, learning objectives to consider as you move through the content, and learning tips that will assist you in understanding the information you're about to learn.
- **Learning Objectives.** Each learning objective covers essential information you need to know to fully understand the concepts in the course. Look them over before the part begins so that you have a frame of reference as you move through the material. At the end of each part, reread the objectives. Are you able to do what is stated? Do you understand each objective? If not, this is the time to ask your instructor for help or review the concepts that you do not understand.
- **Examples.** Supplementing the discussions, we've included examples to help you visualize and practice what you are learning.
- **Discussion Questions.** Discussion questions provide you with additional ideas to consider as you absorb what you are learning.
- **In-Class Exercises.** A number of short exercises are scattered throughout the course handbook to reinforce essential concepts and skills.
- **Extended Writing Assignments.** To provide real-world writing practice, we've included eight writing assignments that will be critiqued anonymously in class. Each of these assignments uses different property types to give you experience with a variety of assignments. These writing assignments focus on common appraisal writing challenges.
- **Review.** Each part concludes with a review that includes the learning objectives, key terms, and concepts that have been covered. Also, we've provided recommended readings from textbooks that will reinforce what you have learned in class.
- **Review Quizzes.** Short review quizzes are included at the end of some parts. The true/false, short-answer, or multiple-choice questions test how well you know the information covered in that part.
- **Practice Tests.** Practice tests are included at the end of each section. The questions are similar to those you might find on the exam.
- **Suggested Solutions.** Solutions are provided in a separate solutions booklet, which is part of the course materials. This component contains solutions to the discussion questions, review quizzes, practice tests, and exercises. During study times, you will derive more benefit from the class if you are self-disciplined and

work through the questions, quizzes, and exercises before reviewing the answers in the solutions booklet.

- **Digging Deeper.** Digging Deeper information goes beyond the scope of the course and is not intended to be covered in class. It is not tested on the course exam; however, appraisers preparing for the comprehensive exam should be familiar with it, as well as all other material contained in the course handbook, whether or not it is presented in class.

Class Policies

To make the learning environment a positive experience for everyone attending, please follow these guidelines when class is in session.

- 100% attendance is required. No exceptions.
- Limit use of computers and wireless devices to classroom projects.
- Communicate with business associates during break time instead of class time.
- During class, do not read materials that are not used in class, such as news, email, and local media.
- Silence cell phones and other communication devices.
- Use recording devices only if prior permission has been granted.
- If attending a class offering, refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Laptop computer, word processing software, and spreadsheet software required.** The spreadsheets in the course were developed using Excel from Microsoft Office 365. All participants are expected to have a personal computer with word processing software and Microsoft Excel loaded on it. This course includes writing exercises and an Excel spreadsheet in-class exercise developed with Microsoft 365. Participants may use other spreadsheet programs/versions of Excel, but those programs/versions of Excel will not be demonstrated in class.
- The Excel spreadsheet, Part 14 Leasing Status Exercise Student Version must be downloaded during registration. Please be sure to bring this download to class.
- **Calculators.** A four-function calculator is required, but a financial calculator is not needed.

- **Important Note:** Laptops, cellular phones, tablets, iPads, wearable technology (smart watch, Apple Watch, Google Glass, etc.) and other devices that can store data or connect to the Internet are **NOT** permitted during the exam. In addition, all watches, wallets, bags, and purses must be removed and stored out of reach prior to taking the exam.
- **Breaks.** There will be two 10-minute breaks during each half-day session unless noted otherwise by the course sponsor or instructor. The lunch break is one hour.
- **Attendance sheets** will be distributed during each half-day session to verify your attendance during all sessions. 100% attendance is required.
- **Certificates of completion** may be downloaded after completion of the course, and attendance during the entire course is required.

USPAP References

All references to the Uniform Standards of Professional Appraisal Practice (USPAP) are taken from the 2024 edition (Washington, D.C.: The Appraisal Foundation).

Recommended Texts

- *The Appraisal of Real Estate*, 15th ed. 2020
- *The Dictionary of Real Estate Appraisal*, 7th ed. 2022
- *Effective Report Writing: A Guide for Appraisers and Reviewers*, 2023
- *Style: The Basics of Clarity and Grace*, 12th ed. Joseph M. Williams and Joseph Bizup, 2017
- *The Chicago Manual of Style*, 17th ed. 2017 (also available online)