

# Schedule

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## **PREREQUISITE (Pre-Class)**

<b>Advanced Education Diagnostic Test</b>
Excel 2007 Exercise

## **SECTION 1. (Completed before face-to-face sections begin)**

<b>Part 1. Introduction, Review, Examples, Problems</b>
Course Introduction, Pre-Class Online Session Topics
Basic HP-12C Calculator Functions, Changing the Digits Displayed, The Stack, Changing the Sign of the Display, Storing and Recalling, Exponentiation, and Roots
Financial Calculator Functions
Symbols and Synonyms
Operating Statement Review
Basic Income Capitalization Formulas
Practice Test

## SECTION 2. (Day 1 Morning)

8:00–8:30	Registration Orientation (Classroom Rules and Procedures)
<b>Part 2. Operating Income Review and Advanced Lease Topics</b>	
	Operating Income Summary (includes Discussion Question) Legal Division of the Bundle of Rights Levels of Income Percentage Rent Leases MORNING BREAK Index Leases Expense Reimbursements Review Quiz
<b>Part 3. Operating Expenses</b>	
	Fixed Expenses, Variable Expenses Replacement Allowance, Reimbursement MORNING BREAK Eight Calculation Methods for Replacement Allowances Review Quiz
<b>Part 4. Below-the-Line Expenses and Effective Rent</b>	
	Below-the-Line Expense, Concessions Effective Rent LUNCH Effective Rent, cont. Review Quiz

### **SECTION 3. (Day 1 Afternoon)**

#### **Part 5. Advanced Direct Capitalization**

Reflecting Property Taxes Based on Market Value  
Review of Direct vs. Yield Capitalization  
Review Quiz  
AFTERNOON BREAK

#### **Part 6. Advanced Property Models and Supporting the Discount Rate**

What Is a Property Model?  
Property Model Format  
How the Model Works  
Inwood vs. Hoskold  
Using the Property Model to Support the Discount Rate  
AFTERNOON BREAK  
Review Quiz

#### **Part 7. Reversions and Case Study**

Review of Reversion of Calculation Methods  
Brooktown Office Building Case Study  
Review Quiz

## **SECTION 4. (Day 2 Morning)**

### **Part 8. Mortgages: Review and Valuation**

Q&A  
Mortgage Calculation Review  
Valuing Mortgages  
MORNING BREAK  
Review Quiz

### **Part 9. Lender Yield**

Solving for Yield When Mortgage Runs Full Term  
Points and Prepayment  
Review Quiz  
MORNING BREAK

### **Part 10. Mortgages: Creative Financing**

Creative Financing  
Examples of Creative Financing  
Wraparound Mortgages  
Review Quiz  
LUNCH

## **SECTION 5. (Day 2 Afternoon)**

<b>Part 11. Other Mortgages</b>	
	A&D Loans, Construction Loans, Takeouts, and Bridge Loans Mini-Perm Loans, Mezzanine Loans, SBA Loans, and Sale/Leaseback Participation Loan Mortgages with Conversion Options Review Quiz AFTERNOON BREAK
<b>Part 12. Equity Valuation</b>	
	Estimating Equity Value Using Capitalization Rates Estimating Equity Value Using Yield Rates Testing Reasonableness Using the Property Model Band of Investment and the Weighted Average Cost of Capital Review Quiz AFTERNOON BREAK
<b>Part 13. Practice Exam</b>	
	Practice Exam Discuss Practice Exam

## SECTION 6. (Day 3 Morning)

### Part 14. Leverage

Q&A  
Use of Debt  
Types of Leverage and Leverage Measured by Capitalization Rates  
Leverage Measured by Yield Rates  
Risk Implications  
Review Quiz  
BREAK

### Part 15. Investment Analysis—Measures of Return

Introduction, Overall Capitalization Rate, and Component Capitalization Rates—Equity Dividend Rate  
Component Capitalization Rates—Land and Building  
Component Capitalization Rates—Leasehold and Leased Fee  
BREAK  
Payback Period  
Present Value  
Net Present Value  
Internal Rate of Return  
Modified (Adjusted) Internal Rate of Return (*MIRR*)  
Relationships Among Yield Rates, Summary of Relationships  
Review Quiz  
LUNCH

## SECTION 7. (Day 3 Afternoon)

### Part 16. Risk

Importance of Risk Analysis  
Types of Risk  
Measures of Risk, including 16.1 Problem: Breakeven Ratio  
16.2 Problem: One-Variable Sensitivity Analysis  
16.3 Example—Two-Variable Sensitivity Analysis  
16.4 Problem: Data for Scenarios and 16.5 Example—  
Calculating Expected Value  
16.6 Example/16.7 Problem: Partitioning the *IRR*  
Implications of Risk Analysis for Appraisal  
Review Quiz  
BREAK

### Part 17. Tax Considerations and Investor Motivations

U.S. Personal Income Tax and its Influence on Investor  
Motivations  
U.S. Installment Sales  
U.S. 1031 (Like-Kind) Exchanges  
Review Quiz  
BREAK

### Part 18. Introduction to Subdivision Analysis

Introduction, Examples of Subdivisions  
Phases of Subdivision Development, Costs, and Profit  
Risk Management, All Three Approaches to Value Can Be  
Used to Value a Subdivision  
Value Can Be Estimated at Any Point(s) in the Development  
Process  
Required Inputs

**SECTION 8. (Day 4 Morning)**

<b>Part 19. Proposed Project Analysis</b>	
	Review Quiz/Homework Q&A from Days 1–3 Proposed Projects, Examples of Proposed Projects, Phases of Proposed Projects, Costs, Profit, Risk Management, and Direct Capitalization and DCF Analysis Value Required Inputs Break Required Inputs, cont. Review Quiz
<b>Part 20. Review</b>	
	Preparing for the Exam, Content Tested on the Exam Break Exam and Calculator Tips Evaluations LUNCH

**SECTION 9. (Day 4 Afternoon)**

<b>Part 21. Practice Exam and Self Study</b>	
	Practice Exam AFTERNOON BREAK Practice Exam, cont. AFTERNOON BREAK Practice Exam, cont. Self Study

**(Day 5 Morning)**

<b>Exam</b>	
	Exam