

## **SALES COMPARISON AND INCOME APPROACHES**

This course is designed to provide the student with a comprehensive knowledge of the development and application of the sales comparison approach and the income approach in residential appraisal assignments. The course begins with how the fundamental principles of valuation and appraisal standards apply to an assignment in which the sales comparison and/or income approach is relevant in the scope of work and details the development steps in the appraisal process through reconciliation. As part of the progression, the student will become acquainted with accepted methodology and techniques that can be applied in the assignment using the sales comparison and/or income approaches. Included and emphasized, through numerous illustrations and relevant application case studies, are choosing comparable data, derivation and application of adjustments for various elements, derivation and application of rates of capitalization, and the logic and rationale applied during reconciliation. Also included is an introduction to the HP 12c financial calculator as well as a discussion about using the sales comparison and income approaches in special situations. This course is approved by the Washington State Department of Licensing.

### **INSTRUCTORS**

Shirley Baenen is our principle instructor, and she is co-author of all the courses. Shirley is your direct contact during your course, and she answers student questions weekdays from nine to five.

Robert W. Corl is our co-instructor. Bob is also co-author of the real estate and appraisal courses, and principle designer. Bob works behind the scenes to make sure that everything flows correctly.

### **WHO SHOULD TAKE THIS COURSE?**

This course is required prior to taking the exam for Licensed Appraiser or Certified Residential Appraiser in Washington State. Understanding of the Principles of Appraising is strongly recommended.

### **COURSE OBJECTIVES:**

- Recognize how the fundamental valuation principles interact with the sales comparison and income approaches.
- Relate how the performance obligations of USPAP apply.
- Identify the type and source of data required for the analysis and how the data is classified and chosen.
- Illustrate accepted valuation sales comparison and income approach methods and techniques, distinguish their common applications, and properly apply them for problem solving.
- Reconcile indications produced by the sales comparison and income approaches.
- Discover special situations in which the sales comparison and income approaches are applied.

- Demonstrate the functions of a financial calculator and how they are used for appraisal calculations

## **COURSE DETAILS**

Length: 30 clock hours (expect an additional 30 hours of outside studying work) Format: Online (Measurements: Quizzes, Final Exam and Graded Student Projects)

Prerequisites: Principles of Appraising, basic computer skills and a working knowledge of Microsoft Word and Excel. No prior real estate knowledge is needed.

The above prerequisites are considered to be the basic skills and knowledge needed prior to taking this class. Instructors will assume your readiness for the class materials and will NOT use class time to discuss prerequisite materials.

## **COURSE CONTENT**

The Appraisal Process  
Appraisal Development  
Property Analysis and Descriptions Land  
Property Analysis and Descriptions Improvements  
Overview of the Sales Comparison Approach  
Overview of the Income Approach  
Overview of the Cost Approach  
Overview of Land and Site Valuation  
Real World Residential Appraisal Applications  
Overview of Reporting Forms

## **COURSE TEXTBOOK**

**Sales Comparison and Income Approaches 3rd Edition 2nd Printing, Hondros Learning™, Copyright © 2011, ISBN#: 978-159844-2557**