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**REAL 390 01: REAL ESTATE VALUATION ANALYSIS  
SYLLABUS: FALL 2017**

**Meeting Times:** Mondays, Wednesdays and Fridays; 12:00PM – 12:50PM  
**Location/Room:** Education Center 109

**INSTRUCTOR:**

Kenneth W. Soyeh, Ph.D.

**Office:** Beatty Center, Suite 416

**Phone:** 843-953-1857(Office)

**Email:** soyehkw@cofc.edu

**Office Hours:** Mondays and Wednesdays: 10:30AM–11:30AM, Fridays: 1PM– 4PM or by appointment.

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**PREREQUISITES:**

ACCT 203, ACCT 204, ECON 200, ECON 201, MATH 104 or MATH 250, DSCI 320, FINC 303, and REAL 310 or permission of the instructor.

**COURSE DESCRIPTION:**

This course focuses on the theory and practice of property valuation. Students are introduced to the fundamental valuation concepts and will gain experience by completing a real estate valuation of an income-producing property. Students will employ various real estate software and databases to complete their valuation.

**OBJECTIVES OF THE COURSE:**

The course synthesizes real estate appraisal theory and practice to help students develop analytical skills and judgment ability in examining real estate appraisal decisions. The main objectives of the course include:

- To introduce the principles and techniques of the appraisal process for evaluating and valuing real properties.
- To allow the student to use analysis and employ the principle approaches to value in establishing an appraisal report.
- To have the student understand the uses of valuation in the real estate purchase, construction, and investment decision-making process.
- To introduce ethical standards and the review process by which the appraisal profession is based upon and uses on a daily basis.
- Students will be able to apply technology in making appraisal decisions, including the use of current data and relevant software applications (e.g., Excel, ARGUS and CoStar).

*Detailed learning objectives will also be provided for each lecture at the beginning of the class session.*

## **SCHOOL OF BUSINESS LEARNING GOALS:**

The School of Business Learning goals addressed by this course include:

**COMMUNICATION SKILLS:** Students demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in a cogent, persuasive manner. Students should be able to present thoughtful arguments during case discussions and submit analytical written papers.

**QUANTITATIVE FLUENCY:** Students demonstrate competency in logical reasoning and data analysis skills. This course requires an aptitude in comprehending and applying quantitative data and methods in solving practical real estate problems.

**GLOBAL AND CIVIC RESPONSIBILITY:** Students identify and define social, ethical, environmental and economic challenges at local, national and international levels. Students will recognize how changes in the global, national or local economy impact real estate. Students will demonstrate knowledge of ethical standards and statutes applicable to the appraisal profession.

**INTELLECTUAL INNOVATION AND CREATIVITY:** Students demonstrate their resourcefulness and originality in addressing extemporaneous problems. Students will develop analytical skill-sets and show creativity in solving appraisal problems on projects.

**SYNTHESIS:** Students demonstrate the ability to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks. Students will apply real estate appraisal theory and practice to real life problems.

### **REQUIRED TEXT:**

Fisher and Martin, *Income Property Valuation. 3rd Edition, Dearborn Real Estate Education, 2007.*  
ISBN 13: 9781419596230

### **SUPPLEMENTARY TEXT:**

*The Appraisal of Real Estate, 14<sup>th</sup> Edition, The Appraisal Institute, 2013. ISBN 9781935328384*

Supplemental notes will also be provided by the instructor and these will be covered on any exams.

### **DISCUSSION CASES:**

1. "SouthPark IV"

**Publication Date:** Apr 25, 1990 **Product #:** 390181-PDF-ENG

2. "JKJ Pension"

**Publication Date:** Dec 21, 1994 **Product #:** 395133-PDF-ENG

**METHOD OF INSTRUCTION:**

This course is conducted on a lecture/discussion basis. You are assigned readings in the text and there may be other assigned readings at the instructor's discretion. The instructor is expected to be prepared for class and the students should be prepared as well. Discussion of topics during the lecture is considered very helpful to the learning process for many students. The instructor will use real life examples many topics to help further educate the students.

**COURSE MATERIALS:**

Course materials will be distributed via OAKS. Students are expected to check their OAKS accounts regularly to download any materials provided for class.

**ASSIGNMENTS AND EXAM:**

**Project:** There will be one project this semester. The objective of the project is to use techniques learned in the classroom and textbook and applying this to a real life example. A packet of information will be provided to students. Students will use the packet of information in determining the value of a subject property. Detailed instructions for the project will be posted on OAKS along with its due date. The completed project should be submitted on OAKS. A late project may be accepted by the instructor within 12 hours of the due date, but will incur a 20% penalty per hour. A completed project will not be accepted more than 12 hours after the due date.

**ARGUS Case:** To facilitate your learning of ARGUS Enterprise, you will be required to complete a case study using the software. Detailed instructions for the case study will be posted on OAKS along with its due date. The completed case should be submitted on OAKS.

**Discussion Cases:** There will be two cases in this class. Students will work in a group comprising a minimum of 3 to analyze the cases. The group will submit an Excel file where necessary and a Word summary of the analysis/discussion via OAKS in the "Dropbox" tab labeled with the case name. The group will also present their analysis in class for each case.

**Exams:** There will be three exams. They will be closed book and may be made up of a combination of multiple choice, short answers and calculations based on readings, exercises, and class discussions. There will be a review before the exam. If a student will miss an exam due to illness, family emergency, or work emergency, the student must contact the instructor in advance of the exam period and receive permission to take a make-up exam at the instructor's convenience.

**GRADING CRITERIA:**

First Exam:	20%
Second Exam:	20%
Third Exam:	25%
Project:	15%
Cases/Participation/ARGUS:	15%

Your final numeric average, avg, will translate into a letter grade as shown below.

$93 \leq \text{avg} \leq 100$	A	$77 \leq \text{avg} < 80$	C+
$90 \leq \text{avg} < 93$	A-	$73 \leq \text{avg} < 77$	C
$87 \leq \text{avg} < 90$	B+	$70 \leq \text{avg} < 73$	C-
$83 \leq \text{avg} < 87$	B	$60 \leq \text{avg} < 70$	D
$80 \leq \text{avg} < 83$	B-	$\text{avg} < 60$	F

There will be no resubmission of an exam or project for a higher grade. Any bonus point questions on exams will be available to all students.

### **ATTENDANCE AND EXAM POLICY:**

You are expected to attend class regularly. Attendance will be recorded. Athletes must provide their list of class conflicts before their first absence. If a student cannot attend class, it is his/her responsibility to obtain notes, assignments, and announcements from another student and turn in assignments before the due date.

Make-up exams are given if the student has a verifiable and reasonable excuse. The instructor needs to be informed before the exam. Anyone with a religious or legal conflict must discuss the situation with the instructor in advance. The person can also schedule appointments to meet in the instructor's office to ask questions.

### **WRITING LAB:**

I will urge you to take advantage of the Writing Lab in the Center for Student Learning (Addlestone Library, first floor). Trained writing consultants can help with writing for all courses; they offer one-to-one consultations that address everything from brainstorming and developing ideas to crafting strong sentences and documenting sources. For more information, please call (843)-953-5635 or visit <http://csl.cofc.edu/labs/writing-lab/>.

### **CENTER FOR STUDENT LEARNING:**

You are encouraged you use the Center for Student Learning's (CSL) academic support services for assistance in study strategies, speaking & writing skills, and course content. They offer tutoring, Supplemental Instruction, study skills appointments, and workshops. Students of all abilities have become more successful using these programs throughout their academic career and the services are available to you at no additional cost. For more information regarding these services please visit the CSL website at <http://csl.cofc.edu> or call (843)953-5635.

### **ACCOMMODATION FOR DISABILITIES:**

The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsibility for notifying me as soon as possible and for contacting me one week before accommodation is needed. If there is a student in the class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services / SNAP, please come and discuss this with me during my office hours. Any student eligible for and needing accommodations because of a disability is requested to speak with me during my office hours

**ACADEMIC MISCONDUCT:**

Academic dishonesty will not be tolerated. Cheating on tests or assignments that are considered group assignments will not be tolerated and a zero grade will be given if it occurs. No use of cell phones is allowed during tests and these should be turned to silent ring tones during class sessions as well as tests. The undergraduate catalog has a detailed policy on academic misconduct.

**COLLEGE OF CHARLESTON HONOR CODE AND ACADEMIC INTEGRITY:**

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student's actions are related more to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student's file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student's transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission-- is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others' exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the *Student Handbook* at <http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php>

**CALCULATORS AND EXCEL:**

Students are required to bring to class and know how to use a financial calculator that can calculate uneven cash flows, such as a TI-BALL+. Students must also learn how to use financial formulas in Excel.

**ARGUS ENTERPRISE:**

In addition to using a financial calculator and Excel for solving problems, students will be taught how to conduct valuation using ARGUS Enterprise.

### EXPECTATIONS:

- I expect you to read the textbook chapters and supplemental readings before the corresponding class.
- I expect you to participate in class discussions, and to speak up if you need clarification.
- I expect that you will not find every topic we cover to be of interest to you, but that you will be a good sport about it.

### STUDENT ASSESSMENT:

Your constructive assessment of this course plays an indispensable role in shaping education at College of Charleston. Upon completing the course, please take time to fill out the online course evaluation.

### COURSE SCHEDULE:

*This course syllabus provides a general plan for the course; deviations may be necessary.*

Week	Date	Chapter	Topic	Due
1	Aug 23/25	5/Slides	Course Introduction, Syllabus Appraisal Mathematics	
2	Aug 28/30/Sep 01	1/Slides	Principles of Value Appraisal Processes	
3	Sep 04/06/08	2/11/Slides	Highest and Best Use Analysis: Applications to value	
4	Sep 11/13/15	3/5/Slides	Legal Issues in Appraisal Site and Improvement Analysis Green Construction	
5	Sep 18/20/22	13/14/Slides	Site Valuation Cost Approach to Value	
6	Sep 25/27/29	Case 2	Income Approach to Value First Exam Review	
7	Oct 02		<b>First Exam</b>	
7	Oct 04/06	6/16/Slides	Capitalization Rates Valuation of Mortgage/Equity Interests	
8	Oct 09/11/13	Slides/Notes	Sales Comparison Approach to Value Multiple Regression Analysis	
8	Oct 16		<b>Fall Break: No class</b>	
9	Oct 18/20	21/22/Slides	Valuation of Proposed Construction Valuation of Distressed Properties	
10	Oct 23/25/27	Slides/Notes	Appraisal Ethics and Bias Reconciliation and Appraisal Review	
11	Oct 30/Nov 01	Case 1	“SouthPark IV” Discussion Second Exam Review	
11	Nov 03		<b>Second Exam</b>	
12	Nov 06/08/10	9/18/Slides	Leased Fee Valuation	<b>11/08</b>



			Leasehold Valuation	Project
13	Nov 13/15/17/20	Slides/Notes/Case 2	ARGUS and "JKJ Pension"	
<b>14</b>	<b>Nov 22/24</b>		<b>Thanksgiving Holiday. No classes</b>	
15	Nov 27/29/Dec 01	Slides/Notes	ARGUS	
16	Dec 04		Third Exam Review	ARGUS Project
<b>17</b>	<b>Dec 13</b>		<b>Third Exam 12-3PM</b>	