

Course Schedule

SECTION 1. (Day 1 Morning)

Introduction
Registration Course Description Classroom Rules & Procedures
Part 1. Introduction and Overview
Diagnostic Quiz (Participants work the problems) Diagnostic Quiz (Instructor discusses the answers) Introduction to Discounted Cash Flow (DCF) Yield Capitalization Using DCF Analysis Procedure Uses of Market Analysis in DCF Review Quiz Break
Part 2. Components of Discounted Cash Flow Analysis
Return <i>on</i> and Return <i>of</i> Capital (Introduction and Level Income) Return <i>on</i> and Return <i>of</i> Capital (Rising Income) Holding and Projection Period Yield and Discount Rates Review Quiz Break
Part 3. Forecasting Cash Flows
First-Year Reconstructed Operating Statement Forecasting Gross Income Operating Expenses (Fixed) Operating Expenses (Variable) Operating Expenses (Replacement Allowances) Operating Expenses (Reimbursement Calculations) Net Operating Income Below-the-Line Expenses Estimating Reversions for DCF Analysis Practice Test—Section 1 Lunch

SECTION 2. (Day 1 Afternoon)

Part 4. Property Discounted Cash Flow Analysis Using Overall Yield Rate

Yield Capitalization Principles
Yield Rates
General Discounted Cash Flow Formula
Irregular Cash Flow Valuation (4.2 Example)
DCF Analysis (Brooktown Office Building Case Study)
Break

Part 5. Property Discounted Cash Flow Analysis Using Overall Yield Rate, cont.

CF_0 and CF_j for Periodic Payments in Arrears
 PV , NPV , and IRR (Introduction)
 PV , NPV , and IRR (Solving for PV)
 PV , NPV , and IRR (Solving for NPV)
 PV , NPV , and IRR (Solving for IRR)
Level-Equivalent Annuities
Break

Part 6. Property Discounted Cash Flow Analysis Using Overall Yield Rate, cont.

Split-Rate Discounting
Income in Advance
More Frequent Compounding Periods
Common Errors in DCF Analysis (Participants work the problems)
Common Errors in DCF Analysis (Instructor leads discussion of answers)
Practice Test—Section 2

SECTION 3. (Day 2 Morning)

Part 7. Mortgages

Q&A
Solving for Payment
Solving for Loan Balance
Solving for Term
Variable Rate Mortgages
Break

Part 8. Mortgages, cont.

Cash Equivalence—Definition and Importance
Cash Equivalence—Methods
Cash Equivalence—Qualitative Analysis
Measures of Lender Risk
Break

Part 9. Yield and Mortgage Review

Yield and Mortgage Review
Lunch

SECTION 4. (Day 2 Afternoon)

Part 9. Yield and Mortgage Review, cont.

Yield and Mortgage Review

Part 10. Equity Valuation

Estimating the Value of Mortgage and Equity Interests

Equity Valuation Problem 1

Equity Valuation Problem 2

Equity Valuation Problem 3

Break

Equity Valuation Problem 4

Equity Valuation Problem 5

Part 11. Lease Analysis

Review of Lease Terminology

Valuing Lease Interests

Single-Tenant Case Study Problem 1

Single-Tenant Case Study Problem 2

Single-Tenant Case Study Problems 3 and 4

Single-Tenant Case Study Problem 5

Break

Overstream Office Building Case Study

Part 12. Equity and Lease Analysis Review

Practice Test—Section 4

SECTION 5. (Day 3 Morning)

Part 13. Discounted Cash Flow Review

Q&A from Days 1 and 2, including Section 4 Practice Test
Types of Income Capitalization
Review Quiz

Part 14. Income Patterns

Introduction and Level Income Pattern
Irregular Income Pattern
Compound Rate of Change Income Pattern
Review Quiz
Break

Part 15. Introduction to Property Models: Solving for Value

What Is a Property Model?
Property Model Format
How the Model Works (through 15.1 Problem, Market vs.
Contract Reversion)
How the Model Works (through 15.4 Thought Question)
Two Property Model Premises
Problem Recognition Quiz
Road Map
Break
Practice Test—Section 5
Lunch

SECTION 6. (Day 3 Afternoon)

Part 16. Introduction to Property Models: Solving for Yield and Change in Value

Solving for Y
Solving for Value Change
Review Quiz

Part 17. Property Model Applications

Residual Techniques
Break
Four Case Study Problems
Three Grouped Problems

Part 18. Supporting the Discount Rate

Review: Advantages and Disadvantages of DCF Analysis
Estimating the Discount Rate—testing with market data
Break
Estimating the Discount Rate—published surveys
Estimating the Discount Rate—alternative investments
Estimating the Discount Rate—other tests and primary data
development
Real vs. Nominal Discount Rates
Review: Relationships Among Rates
Conclusion
Review Quiz
Practice Test—Section 6

SECTION 7. (Day 4 Morning)

Part 19. Capitalization Review

Q&A from Days 1–3
Direct vs. Yield Capitalization
Break
Advantages and Disadvantages of Direct and Yield
Capitalization
Capitalization Problem Recognition and Solution Tips

Part 20. Reconciliation and Consistency Across the Approaches

Reconciliation Within the Income Capitalization
Approach
Interdependency of Approaches
Consistency Across the Approaches
Appraising the Appraisal
Break

Part 21. Exam Preparation

Review
Preparing for the Exam
Content Tested on Exam
Exam and Calculator Tips
Lunch

Day 4 Afternoon

Part 21. Exam Preparation, cont.

Question and Answer
Course Evaluations
Self-Study
Break
Exam Distribution
Exam