

1. **Public** limitations on real estate include, for example:
 - Zoning
 - Subdivision Regulations
 - Construction Codes
2. **Private** limitations on real estate include, for example:
 - Adverse possession
 - Prescriptive easements
 - Deed restrictions
3. Collecting and Analyzing the Data, the third step in the appraisal process, requires the gathering of data on the general market, comparable sales, and the subject property. It is in this step of the process that the physical attributes of the comparables are compared to those of the subject
4. The Competency Rule of USPAP requires that the appraiser have the knowledge and experience necessary to complete the assignment. It also requires the appraiser to disclose any lack of knowledge or experience to his client.
5. When arriving at a final value conclusion, the appraiser may:
 - Use a weighted average
 - Question large disparities between the value indications
 - Give the greatest weight and emphasis to the approach most reliable
6. Be able to define the four powers of government.
7. Know the definition of market value and that it presumes well informed buyers, typical financing, and typically motivated sellers.
8. Know that linkages are the neighborhood ties or bonds linking the residents – also, linkages are the time and distance relationships between a property or neighborhood and all other possible origins and destinations.
9. Know the factors involved in the cost approach:
 - Reproduction or replacement cost new
 - Minus accrued depreciation
 - Plus site value
10. Know the difference between a variance and a non-conforming use.
11. Know which way adjustments would be made for features found in the subject property but not found in the comparable and vice versa.
12. Understand the differences between the mortgage financing available to cooperatives as compared to condominiums, quadraplexes, and planned unit developments.

13. Know the definition of highest and best use and what uses highest and best use has in the appraisal process.
14. According to USPAP, reports can be oral or written and include appraisal reports, consulting reports, and appraisal review reports.
15. What is the underlying principle to the Income Approach?
16. Know what the legal concept of land includes everything for a reasonable distance above the land and a reasonable distance below the surface of the land.
17. Real property is often distinguished from real estate in that real property refers to the legal rights of ownership.
18. Know the neighborhood life cycle.
19. Know the definition of the term “amortization.”
20. Know the tests for determining whether or not an item is a fixture.
21. Metes and bounds descriptions require a definite point of beginning, distances and directions, and closure (end at point of beginning). Metes and bounds descriptions can be used with either the Georgia system or the government survey system of land description.
22. Know the stages of the neighborhood life cycle.
23. Know that the client is best identified as the person who engages the appraisal service.
24. Mortgage companies will generally make a residential loan based upon the market value of the property, or the purchase price, whichever is less.
25. Effective demand is tied most directly to the purchasing power of the consumer.
26. Highest and best use can change over time. To be considered for highest and best use, the use must be legally permissible according to existing zoning and likely zoning changes; physically possible; economically feasible; and maximally productive.
27. Appurtenances are legal rights that attach to the ownership of land such as riparian rights (rights to flowing water), littoral rights (rights to non-flowing water, etc).
28. Know the principles of substitution, supply and demand, competition, and balance.
29. Factors that affect the supply of land include the volume of new construction, land use and city growth, and standing stock.
30. Owner’s equity is the difference between what the property is worth and what is owed on the property.

31. An appurtenant easement involves a dominant estate and servient estate. The dominant estate is benefited by the creation of the easement and the servient estate is burdened by the easement.
32. Know the record-keeping requirement of USPAP.
33. The objective or purpose of an appraisal is to estimate market value – the function or use refers to what the analysis and conclusions will be used for.
34. Know the four powers of government and be able to give examples of each.
35. An easement does not have to be in writing and may involve a benefited property or a benefited entity such as a power company.
36. When one property extends into another property (your neighbor installs a fence that extends onto your property) it is called an encroachment.
37. A worn path across a property should be recognized as constructive notice that a prescriptive easement is potential.
38. Stating the purpose or objective of an appraisal (identifying the value sought) helps to define the problem to be solved. It is also a requirement of USPAP.
39. Know the steps in the appraisal process.
40. The maximum ownership in real estate may be termed fee, fee simple, or fee simple absolute – they all mean the same amount of ownership.
41. The borrower in a real estate transaction is the mortgagor and the lender is the mortgagee.
42. The term absorption rate refers to the rate at which a type of real estate will be sold or occupied.
43. Know that in real estate markets, demand adjusts more quickly than supply.
44. Assessment of real property refers to its value for tax purposes.
45. Cost and market value are most likely to be similar when the property is new.
46. The voluntary transfer of title to land from a private owner to a public agency such as the city or county is termed a dedication, such as in a newly developed subdivision – the developer “dedicates” the roadways to the county. When government transfers ownership to a private citizen, it is called a grant.
47. According to USPAP, the appraiser can eliminate one of the approaches to value if the approach is not applicable. In that event, the appraisal can still be complete appraisal (not limited). Because it is not applicable, it would not be necessary to invoke the Departure Rule. The type of appraisal under standard 1 has nothing to do with the

reporting under Standard 2 – so such an appraisal could be reported as a self-contained, summary, or restricted use report.

48. The amount of money that a mortgage company will lend in a real estate transaction is known as the loan to value ratio.
49. The difference between a straight-term loan and an amortized loan is that in a straight-term loan, only interest is paid until the entire loan is due. In an amortized loan, some of the principle is repaid at intervals during the loan – for example, monthly along with the interest owed for the month.
50. Know how many linear feet are in a mile, how many acres in a square mile, and how many square miles in a section of the government survey system.