

You should be familiar with and prepared to answer questions involving any of the math problems that were presented during the course. In addition, you should study the following:

- Know the tests considered to determine whether or not an item of personal property has become a fixture.
- Know the four factors that influence value and be able to provide examples of each.
- Know the four powers of government and be able to provide examples of each.
- Although the phrases are used interchangeably, know the classic difference between “real estate” and “real property”.
- Know what a real estate market is and how it is different from a “perfect” market.
- Know the four elements necessary for any item to have value and that “demand” really means “effective demand” which includes not only the desire but the ability to purchase (necessary income).
- Know the principles that apply to real estate appraising and be able to give examples of each.
- Be able to explain how the economic principle of supply and demand affects real estate markets and pricing.
- Know that the adjustments in the sales comparison approach are based on the contributory value of the item being adjusted – which may or may not be equal to its cost.
- Be able to define and provide examples of physical depreciation, functional obsolescence, and economic obsolescence (also referred to as external factors, locational factors, and environmental factors).
- Remember that although land is valued as though vacant and capable of used to its highest and best use, the value of land and the improvements must be based on the same “consistent” use.
- Know the difference between direct and indirect costs and be able to give examples of each.
- Know the definitions of market value, value in use, going concern value, and investment value and be able to give examples of each.
- Know the steps in the appraisal and what takes place in each step.
- Know the methods of site or land valuation and be able to demonstrate examples of each.
- Know the three types of reports permitted by USPAP and be able to identify the type of reports performed most frequently by appraisers.
- Know the three devices that the Federal Reserve uses to control money and credit in order to maintain stable economic growth.
- Know the difference between money markets and capital markets and be able to identify instruments used in each.
- Know the components of the “bundle of rights”.
- Know the different types of estates in real estate and be able to give examples of each.
- Know that the “leased fee” estate is the owner’s interest in rented property and the tenant’s interest is called the “leasehold” estate.
- Know the definition of landlord, tenant, assignor, and assignee.
- Know the difference between primary data and specific data and be able to give examples of each.
- Know the definition of “disposable income”.

- Know the measures of central including the mean, median, mode, and average deviation and be able to calculate each one.
- Appraisers may use sales that have not closed as long as the appraiser indicates that the sale has not closed and identifies any limiting conditions resulting from its use.
- Know the life cycle of a neighborhood and be able to give examples of each stage.
- Know the definition of the term “gentrification”.
- Know the different ways land can be legally described and specifically how each works.
- Know the definitions of “assemblage” and “plottage”.
- Know what building codes are be able to give examples.
- Know that gross living area is generally considered to be the heated living space as measured from the exterior of the building not including finished basements, attics, and garages.
- Know the definition of “highest and best use” and “interim use”.
- Know the sequence for making percentage adjustments.
- Know that the price per square foot is the most common unit of comparison used in the valuation of single-family residences.
- Know the difference between replacement cost and reproduction cost.
- Know how to perform each of the three classic approaches to value.
- Know the definitions of economic life, remaining economic life, effective age, physical life, and actual age.
- Know how to calculate depreciation based on effective age and economic life.
- Know the definition of “accrued depreciation”.
- Know the different methods of capitalization of income.
- Be able to identify the income approach formula in a narrative expression.
- Know when and for what types of properties each of the three classic approaches to value is most relevant.
- Know how to make a “cash equivalency” adjustment for financing.
- Know the formula for the gross rent multiplier (GRM), how to solve for the GRM, and how to solve rent and value using the gross rent multiplier.
- Remember that financially feasible means that the value of the property will exceed the cost of land, labor, and capital used in an investment.
- Know the definition of maximally productive.
- Know the different types of concurrent ownership (joint ownership) of real property and the differences between each.
- Be familiar with tax plats and what limitations there may be on using them in appraisals.
- Know the definition of “surplus” land.
- Know how many SF are in an acre and how many acres are in a square mile.
- Know the definition of “non-conforming use” and what inquires appraisers should make in connection with appraising such properties.
- Know that the appraiser should consult the client when unsure about whether an item is a fixture or not.
- Remember that the market “determines” factors such as the effect on value of public transportation and the appraiser “observes” and analyzes them.

- Know the different types of easements and that all easements are encumbrances but not all encumbrances are easements.
- Know what a lien is and what the different types of liens are.
- Know what the word topography means.
- Know where real estate records are maintained.
- Know the requirements of a valid deed and when title transfer takes place.
- Know what the word equity means.