

CNA204 - Residential Income Approach

This 2 (two) day course presents a good basic overview of the valuation of small income producing properties. It provides a complete practical foundation upon which the appraiser can build effective appraisal methods necessary in the valuation of small and mixed use income properties. The course covers definitions and principles applicable to the valuation of income properties and address all three valuation approaches. Students must pass an examination to receive a certificate of completion.

CONTENT

- Definitions
- Principles
- Basic income approach terminology
- The Cost Approach
- Land valuation methods
- Net operating income calculation
- The Sales Comparison Approach
- Gross rent multipliers
- Gross income multipliers
- The VIM formula
- The Income Approach
- The IRV formula
- Capitalization rate calculation
- Case studies

Course Material:

Textbook: "Appraising A Small Income Property"

By: Hondros Learning

Students must bring a financial calculator to class and be proficient in its use.

Course Credit Hours: 16

Prerequisite: CNA101 Introduction to Real Estate Appraising

This course is mandatory for the DAR designation and should be completed by the end of the second year of being a member.