RE 330 - Real Estate Appraisal/Analysis  
Writing Intensive (WI)  
Spring 2019

INSTRUCTOR:  NICHOLAS ORDWAY, J.D., PH.D.  
OFFICE HOURS:  12:00 pm to 1:00 pm on Tuesday and Thursday or by appointment.  
OFFICE:  B-204A, COLLEGE OF BUSINESS ADMINISTRATION (THIS IS IN SUITE B-201 – CBA).  
TELEPHONE:  956-7892. MY PREFERRED MEANS OF COMMUNICATION IS BY E-MAIL.  
E-MAIL: OLGIERD@HAWAII.EDU  
CLASS MEETING TIMES AND PLACE:  CLASS MEETS IN D-201 AT THE FOLLOWING TIMES AND DAYS OF THE WEEK: 10:30-11:45 am on Tuesday and Thursday.  
CATALOG DESCRIPTION:  ANALYSIS OF REAL PROPERTY, INCLUDING FEASIBILITY ANALYSIS, MARKET ANALYSIS, INCOME PROPERTY CAPITALIZATION, AND GENERAL REAL ESTATE VALUATION TECHNIQUES. NO PREREQUISITES. 

Course Learning Outcomes:  
1. To provide you with a foundation of theory underlying how valuation of economic assets occur.  
2. To master techniques to collect and analyze data necessary to reach opinions of value for most economic assets although focus of the course is on the valuation of residential real estate.  
3. To give you practical information and professional writing skills to be able to complete a professional report.  
4. To understand how to use the internet to collect economic data.  
5. To be aware of ethical dilemmas. 

Relation to “Institutional Learning Objectives for Undergraduate Students” (ILOs):  
ILO 2a. Think critically and creatively: Elements applied in this course include – “solving challenging and complex problems”; “being information literate – knowledge, procedures, processes, or products to discern bias and arrive at reasoned conclusions”; “reasoning with numbers and other mathematical concepts (numeracy)”, and “developing financial literacy.”
ILO 2b. Conduct research: Elements applied in this course include – “conceptualizing problems and asking research questions”; “analyzing research data” and “using library and information systems.”

ILO 2c. Communicate and report: Elements applied in this course include – “written and oral communication”.

ILO 3a. Continuous learning and personal growth: Elements applied in this course include – “ethical behaviors and judgments” and “habits of scholarly inquiry.”

Textbooks:

REQUIRED -


OPTIONAL – (Note: The final exam will be based on the “Review Exercises” following each chapter that parallels the primary textbook).


Class policies:

1. You have a limited license to tape record lectures for your own personal use.

2. Generally any open time/date is available for appointments. Probably the best way to make appointments is by e-mail. If you don’t understand a topic come see me as soon as possible. **Don’t wait.** This becomes important as you begin working on the analytical sections of the appraisal report. (I can often help you solve your difficulty in a brief meeting).

3. You are encouraged to use e-mail to ask questions; however, **e-mail is not acceptable for turning in assignments.** Grades will not be provided by e-mail or telephone. Grade information is available to you in person.

4. I tend not to answer my phone calls until a sufficient number of messages have grouped up (time management). If you make a phone call – make sure you leave a message.

5. You may not use an electronic foreign language dictionary during exams. Book dictionaries are permitted but will be inspected by the instructor before each exam.

6. Returned papers – please be in class to receive these, otherwise, you may need to stop by my office since I tend not carry old papers with me after the initial distributions.

7. Do not **plagiarize.** Give citations to all materials used from other sources. This includes names of people you interviewed or relied upon.
8. Make-up tests are the exception and require a written justification for a student missing a scheduled test. If you are more than fifteen minutes late for a test, you may be required to take a make-up test at a later time or date (This rule applies primarily to the final exam).

9. Make-up tests cover ALL of the readings and lectures since the previous test and are likely to be much more challenging than the in-class test.

10. There are handouts in class. If you are not present when these handouts are given, you will need to make an appointment with the instructor to obtain the handout.

11. Academic honesty: because UH-M is an academic community with high professional standards, its teaching, research, and service purposes are seriously disrupted and subverted by academic dishonesty. Such dishonesty includes cheating and plagiarism as defined below. Ignorance of these definitions will not provide an excuse for acts of academic dishonesty.

   a. Cheating includes but is not limited to giving or receiving unauthorized assistance during an examination; obtaining unauthorized information about an examination before it is given; submitting another’s work as one’s own; using prohibited sources of information during an examination: fabricating or falsifying data in experiments and other research; Altering the record of any grade; altering answers after an examination has been submitted; falsifying any official university record; or misrepresenting of facts in order to obtain exemptions from course requirements.

   b. Plagiarism includes but is not limited to submitting, in fulfillment of an academic requirement, any work that has been copied in whole or in part from another individual’s work without attributing that borrowed portion to the individual; neglecting to identify as a quotation another’s idea and particular phrasing that was not assimilated into the student’s language and style or paraphrasing a passage so that the reader is misled as to the source; or submitting the same written or oral or artistic material in more than one course without obtaining authorization from the instructors involved.

12. Service to Students with Disabilities: If you are a students with a physical and/or mental disability, you are encouraged to contact the Kokua Program (956-7511) on the ground floor of the new Student Services Center.

13. Title IX: Students who need information about the University’s policy on equal protection rights regarding sex and gender issues consult the following website – https://manoa.hawaii.edu/titleix/.

Grading:

Test #1 (10 points)
Test #2 (15 points)
Test #3 (15 points)
Final exam (10 points)
GRADE-SCORE EQUIVALENTS:

Note: Writing component of course is 40 percent.

- The sub-reports deal with the grading of subsections contained in Final appraisal report will be graded primarily on writing quality, formal and professional issues meeting deadlines.

  - Provide evidence of education for a profession, you are being held to professional standards including providing evidence to document your course. Since this course will include you must provide evidence of your field. If you are late but have a valid excuse, you may present your report within one week. If you are not late by a valid excuse, you may present your report within one week and are subject to penalty.

  - Note: There is a possibility for bonus for reports that are turned in on time and are of sufficient quality.

Final Report:

10 points

Total for sub-reports

Recognition

Income approach - CRM

Sales comparison approach

Cost approach

Land or site evaluation

Improvement analysis

Land or site analysis

Neighborhood analysis

Economic and market analysis—this section can be done by a group of up to 3 students—include all names on the report (may include oral comments).
COURSE PEDAGOGY:

This course will be taught through a combination of lectures, report writing and feedback, and class discussion. This course utilizes a workshop format and is highly dependent on timely completion of sub-reports that will be the basis of class discussion and commentary.

NOTE 1: WRITTEN REPORTS ARE INDICATED BY BOLDFACE ITALIC IN THE FOLLOWING DUE DATES. LATE REPORTS WILL BE PENALIZED (UNLESS THERE IS A LEGITIMATE AND DOCUMENTED EXCUSE).

NOTE 2: WRITING FEEDBACK: WE WILL GO OVER THE BEST PAPERS IN THE NEXT CLASS FOLLOWING THE DUE DATE (FOR POSSIBLE BONUS POINTS); REWRITE YOUR PAPER IF YOU DID NOT RECEIVE THE MAXIMUM SCORE – YOU MAY REWRITE AS MANY TIMES AS NECESSARY TO ACHIEVE THIS RESULT (YOU CANNOT MAKE-UP A LATE PENALTY); PLEASE MAKE AN APPOINTMENT WITH THE INSTRUCTOR IF YOU ARE HAVING ANY DIFFICULTIES EITHER CONCEPTUALLY OR WITH WRITING STYLE. THE GOAL IS TO ALLOW YOU TO REWRITE EACH SECTION UNTIL YOU HAVE ACHIEVED THE MAXIMUM SCORE.

ASSIGNMENTS (MINOR MODIFICATIONS MAY BE MADE DURING THE SEMESTER):

JANUARY

Part I – Real Estate and Its Appraisal

8 (Session 1): Introduction (AI-1: This means Chapter One in the textbook).

10 (Session 2): Land, Real Estate, and Ownership of Real Property (AI-2); A brief history of how Hawaii’s ownership system evolved and special Hawaii property concepts.

15 (Session 3): The Nature of Valuc (AI-3)

17 (Session 4): The Valuation Process (AI-4)

Part II – Identification of the Problem

22 (Session 5): Elements of the Assignment (AI-5); Identifying the Type of Value and Its Definition (AI-6)

24 (Session 6): Identifying the Rights to be Appraised (AI-7); Special problems with Hawaii’s residential leasehold system.

Part III – Scope of Work Determination

29 (Session 7): Scope of Work (AI-8)
Part IV – Data Collection and Property Description

31 (Session 8): Data Collection (AI-9); Economic Trends in Real Estate Markets and Capital Markets (AI-10).

**Writing Intensive Component:** *Economic and Housing Market Analysis* (This report may be written by a group of up to three (3) students. All other sub-reports are individual efforts.)

**Writing Feedback:** Read Chapter 10 and article on real estate cycles. We will go over the best papers on February 14 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.

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FEBRUARY

5 (Session 9): Land and Site Description (AI-12); Hawaii’s TMK system; Highest and Best Use Analysis (AI-16)

7 (Session 10): Building Description (AI-13) **Review for test #1.**

Part V – Data Analysis

12 (Session 11): Economic Analysis is due.

TEST #1

**Writing Intensive Component:** *Neighborhood Analysis*

**Writing Feedback:** Read Chapter 11. We will go over the best papers on February 21 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.

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14 (Session 12): Neighborhoods, Districts, and Market Areas (AI-11); Market Analysis (AI-15); Statistical Analysis in Appraisal (AI-14); we will go over the economic analysis reports.

Part VI – Land Value Opinions

19 (Session 13): Land and Site Valuation (AI-17). **Neighborhood Analysis is due.**
Part VI – Application of the Approaches to Value

21 (Session 14): We will go over the neighborhood analysis. The Sales Comparison Approach (AI-18)

26 (Session 15): Land or Site Analysis is due. The Sales Comparison Approach Continued.

28 (Session 16): We will go over the Land and Site Analysis. Comparative Analysis (AI-19)

March

5 (Session 17): Applications of the Sales Comparison Approach (AI-20).

7 (Session 18): Improvement Analysis is due. Review for Test #2. The Cost Approach (AI-27)
12 (Session 19): TEST #2

14 (Session 20): We will over the Improvement Analysis. Land or Site Valuation is due. Building Cost Estimates (AI-28). CHECKLIST FOR APPRAISAL REPORT WILL BE PASSED OUT IN CLASS; – You should examine the checklist and prepare some of the elements in the checklist that you will need for the report.

SPRING BREAK (March 19-21)

26 Prince Kuhio Day – No class

28 (Session 21): We will go over Land or Site Valuation. Depreciation Estimates (AI-29)

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<td>Writing Feedback: Read Chapters 27, 28 and 29. We will go over the best papers on, April 4 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.</td>
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APRIL

2 (Session 23): Cost Approach is due. The Income Capitalization Approach (AI-21)

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<th>Writing Intensive Component: Sales Comparison Approach</th>
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<td>Writing Feedback: Read Chapters 18, 19, and 20. We will go over the best papers on April 16 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.</td>
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4 (Session 24): We will go over the Cost Approach. Income and expense Analysis (AI-22)
Writing Intensive Component: *Income Approach (GRM)*

**Writing Feedback:** Read Chapters 21, 22 and 23. We will go over the best papers on April 18 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.

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9 (Session 25): **Review for Test #3. Direct Capitalization (AI-23). The Sales Comparison Approach is due.**

11 (Session 26): **TEST #3**

Part VI – Reconciling Value Indications

16 Friday (Session 27): **We will go over the Sales Comparison Approach; the Income Approach is due.** Reconciling Value Indications (AI-30).

Writing Intensive Component: *Reconciliation*

**Writing Feedback:** Read Chapter 30. We will go over the best papers on April 23 (for possible bonus points); You may rewrite your paper if you did not receive the maximum score. Check instructor’s comments on your paper for conceptual or writing issues. You may rewrite as many times as necessary to achieve your maximum score. Please make an appointment with the instructor if you are having any difficulties.

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18 (Session 28): The Appraisal Report (AI-31). **We will go over the Income (GRM) Approach.**

Writing Intensive Component: *Final Appraisal Report*

**Writing Feedback:** Read Chapter 31 and your Checklist.

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<td>Minimum pages:</td>
<td>In addition to the rewritten sub-reports you will probably add another 10 to 15 pages based on the components included in your checklist.</td>
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| Due dates:        | A. Bonus (extra 2 points) Date: May 2.  
                    B. Last date to turn in completed final reports without late penalties being applied: Tuesday, May 13. |
23 (Session 29): **Reconciliation is due** (will be graded and returned in class) *We will go over Reconciliation.*

25 (Session 30). **IMPORTANT:** Last day for all rewrites which must be turned in during class for credit. General discussion on appraisal ethics.

**MAY**

2 (Session 31) Review for Final Exam. Complete Final Reports are due - to get 2 points bonus for reports, these must be turned in during class. Otherwise, B. Last date to turn in completed final reports without late penalties being applied: Thursday, May 13.

**MAY 13 (Thursday): FINAL EXAM 9:45-11:45**

ALL narrative appraisal reports that have not been previously submitted are due during this class. **NOTE: THIS EXAM WILL BE MULTIPLE-CHOICE (BRING A CALCULATOR); (Don’t be late!!! – you may be required to take a different exam if late).**