

**Syllabus for AREc 382
Farm & Ranch Appraisal
Fall 2008**

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Course Credits: 4 hours

Course Objective: The course has five major learning outcomes:

- To know the basic terminology used by real estate appraisers in conducting and reporting their appraisal work;
- Understand the basic theory that underlies the three approaches used by appraisers to value property;
- Be able to write a descriptive overview consistent with those found in farm appraisals;
- Be able to apply basic valuation techniques to example problems and valuation situations; and
- Analyze and reconcile values generated using the three different methods to arrive at a final estimate of value;

Prerequisites: The course is taught assuming students have had a principles of microeconomics course. Courses in farm management (AREc 211) and business finance (BA 340) will be useful in a more rapid understanding of the material. Students should be at the junior level or higher in college. Students who do not have junior standing or above and who have not taken ECON 201 or AREc 250 will be blocked from registering and will be allowed in only with approval from the instructor.

Accommodation for Students with Disabilities: Accommodations are collaborative efforts between students, faculty and Services for Students with Disabilities (SSD). Students with accommodations approved through SSD are responsible for contacting the faculty member in charge of the course prior to or during the first week of the term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval through SSD should contact SSD immediately at 737-4098.

Academic Honesty: The goal of Oregon State University is to provide students with a general education so that they will acquire knowledge, skills, and wisdom to deal with and contribute to contemporary society in constructive ways. All

members of the University community have a strong responsibility to protect and maintain an academic climate in which the freedom to learn can be enjoyed by all. Each student is to do his/her own work on assignments, participating in class and on exams. If an individual's conduct does not meet University standards, the possibility of disciplinary action arises. If you are caught cheating on an exam, you will be given a zero on that exam and will be reported to the Office of Student Conduct. See <http://oregonstate.edu/admin/stucon/achon/htm> for more information.

Assessment of Learning

Outcomes:

Class performance will be evaluated using

- (1) two 1 hour exams, each worth 12.5% of the final grade;
- (2) a 2 hour final exam, worth 35% of the final grade;
- (3) an appraisal project, worth 10% of the final grade; and
- (4) several homework assignments, worth 30% of the final grade.

Achievement of the four learning outcomes will be assessed as follows:

Outcome One (Understanding of terminology) The first quiz and the final will contain questions that pertain to terminology.

Outcome Two (Understanding appraisal theory) Homeworks for Chapters 1-4, the first exam and the final exam contain questions that will test each student's understanding of different aspects of appraisal theory.

Outcome Three (Writing a descriptive overview) The appraisal project is targeted at assessing the student's ability to write a descriptive overview.

Outcome Four (Applying appraisal techniques) The second exam and the final exam will evaluate how well students understand and can apply appraisal techniques. Homeworks for Chapters 9, 11, 14 and 16 focus on applications and will also be used to teach and gauge understanding.

Outcome Five (Reconciling results) Achievement of this outcome will be assessed on the final exam.

Exams:

There are two midterm exams and a final exam in the class. All Exams are closed book, closed notes and are offered on-line. A proctor is needed to take these exams. Students living outside the Corvallis area will need to make arrangements through the Distance Education office to take the exams on the scheduled days or weeks. Exam #1 should be taken by 5:00 pm PST of the fourth week of school. Exam #2 should be taken by 5:00 pm PST of the eighth week of school. The final exam is to be taken on December 9th.

Students living in the Corvallis area will take the exam in Ballard Hall, Room 205, on the following days:

Exam #1 – October 23rd, 5:30-6:30 pm

Exam #2 – November 20th, 5:30-6:30 pm

Final – December 9th, 5:00-7:00 pm

Licensure Credit: This course has been approved for 30 hours of credit in Oregon under the Category of Basic Appraisal Principles & Practices. Licensure credit will only be given if a student earns a C- or better in the class.

Text: **Farm and Ranch Appraisal.** Available in the OSU Bookstore in Corvallis. The textbook contains all chapters and all homework assignments. Handouts are posted on Blackboard.

CLASS SCHEDULE

Week 1	Chapter 1 (Appraisal Profession, Licensing, and Code of Ethics) Chapter 2 (Legal Concepts of Land and Property) Homeworks for Chapters 1 & 2 due Monday, October 6 th
Week 2	Chapter 3 (Standards of Professional Practice) Chapter 4 (Concepts of Value) Homework for Chapters 3 & 4 due Monday, October 13 th
Week 3	Chapter 5 (Legal Descriptions and Maps) Chapter 6 (Mathematics of Finance) Homework for Chapter 6 due Monday, October 20 th
Week 4	Chapter 7 (The Valuation Process) Chapter 8 (Data Collection for Area Analysis) Appraisal Project available, must be turned in on Monday, October 30 th Quiz #1 over Chapters 1-8, Monday, October 27 th at 5 pm
Week 5	Chapter 9 (The Cost Approach – Valuing Land) Chapter 10 (The Cost Approach – Valuing Improvements) Homework for Chapter 9 due Monday, November 3 rd at 5 pm
Week 6	Chapter 11 (The Cost Approach – Depreciation) Handout – Case Study for The Cost Approach Homework for Chapter 11 due Monday November 10 th at 5 pm
Week 7	Chapter 12 (The Sales Comparison Approach – Overview) Chapter 13 (Sales Comparison Approach – Application to Land)
Week 8	Chapter 14 (The Sales Approach – Dealing with Improvements) Handout – Case Study for the Sales Approach Chapter 15 (The Income Approach – Introduction and Estimation of Gross Income) Homework for Chapter 14 must be turned in before the quiz Quiz #2 over Chapters 9-14, Monday, November 24 th at 5 pm
Week 9	Chapter 16 (The Income Approach – Estimating Expenses and Cap Rate) Handout – Case Study for the Income Approach Homework for Chapter 16 due Monday, November 26 th at 5 pm
Week 10	Chapter 17 (Appraisal Reconciliation) Chapter 18 (Residential Design and Construction)