

# Course Schedule

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## SECTION 1. (Day 1 Morning)

<b>Overview</b>		
8:00–8:30	30 minutes	Registration Course Description Classroom Rules & Procedures
<b>Part 1. Introduction to the Income Capitalization Approach</b>		
		Course Structure, Learning Objectives Introduction to the Income Capitalization Approach Definition of Market Value Anticipation and Other Relevant Economic Principles What is Capitalization? Review Quiz MORNING BREAK
<b>Part 2. Time Value of Money and Related Concepts</b>		
		Time Value of Money Simple and Compound Interest Overview to Six Financial Functions or Factors of One Six Functions: Future Value of One MORNING BREAK
<b>Part 3. Time Value of Money and Related Concepts, cont.</b>		
		Six Functions of One: Present Value of One Third of Six Functions: Present Value of One per Period Fourth of Six Functions: Future Value of One per Period Fifth of Six Functions: Sinking Fund Factor LUNCH

**SECTION 2. (Day 1 Afternoon)**

**Part 3. Time Value of Money and Related Concepts, cont.**

Last of Six Functions: Installment to Amortize One  
Practice Test—Section 1

**Part 4. Tables, Six Function Summary and Other Level-Income Problems**

Loan Balances  
Mortgage Capitalization Rate  
Tables and Summary  
Combination Level Annuity Problems  
Solving for Term ( $n$ ) and Yield Rate ( $i$ )  
Review Quiz  
AFTERNOON BREAK

**Part 5. Review and Overview of Income Capitalization**

Review and Overview of Income Capitalization Approach:  
Review of Direct vs. Yield Capitalization  
Bundle of Rights in the Income Capitalization Approach  
Levels of Income  
Review Quiz

**Part 6. Analyzing Income: Income and Leases Introduction**

Income and Leases Intro: Analyzing Income  
Potential Gross Income ( $PGI$ )  
Types of Rent and Related Rent Concepts  
AFTERNOON BREAK  
Parody Game  
Practice Test—Section 2

**SECTION 3. (Day 2 Morning)**

**Part 7. Analyzing Income: Lease Characteristics and Concepts**

Q&A  
Lease Characteristics  
Forecasting Contract Rent Problem  
Other Lease Concepts  
Market Rent Estimates  
Quiz  
MORNING BREAK

**Part 8. Vacancy and Collection Loss and Effective Gross Income**

Discussion Question  
Vacancy and Collection Loss  
Types of Vacancy  
Collection Loss  
Vacancy and Collection Loss Data  
Other Income & Effective Gross Income  
Brooktown Case Study  
MORNING BREAK

**Part 9. Operating Expenses, Reimbursements, Replacement Allowances, Expense Tests of Reasonableness, and Below-the-Line Expenses**

Operating Expenses  
Fixed Expenses  
Variable Expenses and Data Sources  
Reimbursements  
Replacement Allowance: Sources of Cost Estimates and Treatment  
Methods for Treating Replacement Allowances: 1 through 3  
Methods 4 through 7  
Total Operating Expenses and Net Operating Income ( $I_o$ , or *NOI*)  
Tests of Reasonableness: Expense Tests of Reasonableness  
9.11 Problem: Reconstructed Operating Statement with Reimbursements  
Leasing Commissions and Tenant Improvements  
LUNCH

**SECTION 4. (Day 2 Afternoon)**

<b>Part 10. Industrial Building Case Study</b>
Practice Test—Section 3 Case Study AFTERNOON BREAK Case Study Presentation
<b>Part 11. Retail Case Study</b>
Case Study AFTERNOON BREAK Case Study Presentation
<b>Part 12. Financial Functions, Direct Capitalization and Operating Income Review</b>
Practice Test—Section 4

**SECTION 5. (Day 3 Morning)**

<b>Part 13. Converting Income into Value: Deriving and Applying Multipliers &amp; Overall Capitalization Rates</b>
Q&A Types of Multipliers and Rates Direct Capitalization (up to 13.1 Example) Use of Multipliers (13.1 Example and 13.2 Problem) Use of Overall Capitalization Rates MORNING BREAK
<b>Part 14. Converting Income Into Value: Deriving and Applying Capitalization Rates Including Reversions</b>
Debt Coverage Ratio Reversion Loading Capitalization Rates
<b>Part 15. Converting Income Into Value: Band of Investment Techniques</b>
Built-up and Blended Overall Rates: Band of Investment MORNING BREAK Physical-Between Land and Building Financial-Between Debt and Equity Improper Uses of the Band of Investment LUNCH

**SECTION 6. (Day 3 Afternoon)**

<b>Part 15. Converting Income Into Value: Band of Investment Techniques, cont.</b>
Practice Test—Section 5
<b>Part 16. Residual Techniques</b>
Overview of Land/Building and Mortgage/Equity Residual Techniques
Physical Division: Land and Building Residuals
AFTERNOON BREAK
Review Quiz
<b>Part 17. Mortgage and Equity Residual Analysis</b>
Financial Division: Mortgage and Equity Residual
Review Quiz
AFTERNOON BREAK
<b>Part 18. Appropriate Leasehold/Leased fee Residuals and Summary</b>
Legal Division: Leasehold and Leased Fee
Practice Test—Session 6

**SECTION 7. (Day 4 Morning)**

**Part 19. Band of Investment and Residual Review**

Q&A  
Characteristics of Band of Investment and Residual Problems  
Problem Recognition for Band of Investment and Residual Problems  
Solving Band of Investment Problems (19.5 through 19.8)  
Solving Residual Problems (19.9 through 19.12)  
MORNING BREAK  
Other Configurations for Band of Investment and Residual Problems

**Part 20. Review of Income Capitalization and Other Exam Preparation**

Convention for Symbols  
Summary of Options Available for Processing Income and converting Income to Value  
Six Functions of One Summary and Review  
Problem Recognition Tips  
Exam Myths  
MORNING BREAK

**Part 21. Office Building Case Study and Summary of Exam Tips**

Case Study  
Exam Tip Summary  
LUNCH

**SECTION 8. (Day 4 Afternoon)**

**Part 22. Exam Content Review**

Q&A  
Course Evaluations, Self Study, AFTERNOON BREAK  
Exam Preparation  
Exam