I am Mark Sunderman and I will be your guide on this exciting journey this semester. Even though I feel like an "old timer" when it comes to online education (I have been teaching online since Spring 1999), I am still learning more every semester (I try not to make the same mistake twice). Since many of you are new to online instruction, I am sure this will be a learning experience for all of us. One thing I have learned while teaching online - that is to be FLEXIBLE. I have also learned how critical communication (i.e., e-mail, the class message center, threaded discussion, chat room) is in online education. So please don't hesitate to communicate with me and each other this semester!

Have you ever wondered how real estate is valued? What about why property in one part of town seems to increase faster in value than in another? How does the County Assessor come up with the valuation of your property for tax purposes? Or have you ever looked at an appraisal and wondered how the value was arrived at? Well, this class should help answer these
questions. In fact, I hope at the end of this semester, you will know more about appraisal than you EVER WANTED!

Let me stress that online education has many benefits. But it is still in many respects self-directed learning. It requires a high level of responsibility, dedication and self-discipline on your part. Even though we do not have class meetings, there are still weekly assignments and deadlines to meet. In this class you will be responsible for your own work, your own progress, and your own grade. What you get from this class will be in direct relationship to what you put in! I really enjoy the flexibility of online education, but it is also VERY easy to get behind. However, where possible I will be there to help!

**Syllabus**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Professor:</strong></td>
<td>Dr. Mark Sunderman</td>
</tr>
<tr>
<td>Mailing Address:</td>
<td>Mark Sunderman</td>
</tr>
<tr>
<td>Address:</td>
<td>University of Memphis, Department of Finance, Insurance and Real Estate</td>
</tr>
<tr>
<td></td>
<td>Memphis, TN 38152-3120</td>
</tr>
<tr>
<td>Class TA:</td>
<td>Wei Sun</td>
</tr>
<tr>
<td>Office:</td>
<td>Fogelman Administration Building, Rm 436</td>
</tr>
<tr>
<td>Office Hours:</td>
<td>Since I am only teaching online, I do not have any set office hours.</td>
</tr>
<tr>
<td></td>
<td>However, I am on campus usually every few days so a time can be arranged</td>
</tr>
<tr>
<td></td>
<td>to meet with you if needed. The best way to reach me is with class e-mail</td>
</tr>
<tr>
<td></td>
<td>(sent from the class shell).</td>
</tr>
<tr>
<td>Office Phone:</td>
<td>(901) 678-5142 (with voice mail) - please note that class e-mail is the best way to reach me!</td>
</tr>
<tr>
<td>Calculator:</td>
<td>A calculator in this class is required. A financial calculator is not</td>
</tr>
<tr>
<td></td>
<td>mandatory, but one is helpful (if you are planning to purchase one, the HP-12C is recommended). Calculators will be needed to work the quizzes and the problems assigned in class.</td>
</tr>
</tbody>
</table>
Course Requirements

1. There will be 7 quizzes (there will be a quiz for each unit of material). Each quiz will be worth 50 points and can be taken three times. Your grade with be the average of your attempts. When the quiz is retaken, even though most of the questions remain the same, there will be some variation. Feel free to use your text / notes while taking these quizzes. Again, these quizzes are individual assignments -- teamwork is not permitted.

2. An important aspect of this class will be communication. Your involvement in this class, through conference threads, will be evaluated at the end of each unit. 25 points are available for Units 1 through 7 (and the Introduction Thread) for a total of 200 points for the course. To receive credit for your threaded discussion, your posts must be made by midnight on the due date of the unit of material. Threads will not only be used for discussion, but I will also use the threads to cover questions about the subject material.

3. There will be a "Computer Assisted Mass Appraisal" (CAMA) assignment using actual housing data from Shelby County. This assignment will be based on Multiple Regression Analysis (MRA). More information regarding this assignment will be given later in this class. This project will be worth 150 points.

4. In addition to the above, there will be two problem sets due during the semester. Each problem set will be worth 75 points. Late assignments will not be accepted. After the due date the solutions to the problem set will be posted. It is suggested you make a copy of your assignment prior to turning it in (with electronic submission of assignments - things can always go wrong). Instructions on how to turn this assignment in will be discussed later.

Course Overview

This course will cover the basics of appraisal, the three main approaches to valuation (sales comparison approach, cost approach, and the income approach), reconciliation, and the reporting of results. The topic of mass appraisal and multiple regression will also be considered. This class is designed as an advanced course in real estate, as such; topics in real estate appraisal (introduced in FIR 3310 - Real Estate Principles) are examined in more detail. However, FIR 3310 is not required for success in this class. This class is designed to be beneficial to the university student needing an
By successfully completing this course, students will be able to:

1. Know the definition of market value and its role in real estate valuation.

2. Realize that an appraisal is an unbiased estimate of value and even if it is well supported and efforts have been taken to show it is statistically valid, it is still first and foremost an ESTIMATE of value.

3. Recognize the different purposes and the varied uses of a real estate appraisal.

4. Recognize the importance of value influences and different principles of value and how they provide the foundation that an appraiser carries about the market place into the appraisal process.

5. Understand how a property's value is a function of its expected use, as well as the criteria used in expected use analysis.

6. Recognize and understand how locational effects contribute to differences in property value.

7. Know the different property specific characteristics of the site and improvements that will impact the real estate valuation.

8. Understand the mechanics (including the sequence of steps) of the cost, sales comparison and income approach to property valuation and when each approach is most appropriate.

9. Understand the techniques used in the valuation of land.

10. Understand time value of money and it's application to the valuation of real estate.

11. Understand the difference, as well as the application of direct capitalization and discounted cash flow models of property valuation.
12. Have an understanding of "mass" appraisal and its application.

13. Be able to use SAS to build a regression model to value single family real estate (mass appraisal) and be able to explain the results.

14. Understand the role and the mechanics of reconciling value estimates in order to arrive at a supportable single estimate of market value.

15. Be able to discuss the different types and uses of various forms of appraisal value reporting.

**Fogelman College: Learning Outcomes for Your Degree**

This course is designed to help you to meet the overall learning objectives for the BBA, as well as the MBA and MS degrees offered by the Fogelman College. You should take the time to become familiar with the overall learning objectives as a student in your degree program. Fogelman College Degree Outcomes are located at: [https://www.memphis.edu/fcbeassessment/](https://www.memphis.edu/fcbeassessment/).

**Other Important Information**

- **COVID-19 Information** - An information page on the FCBE website has been developed that includes important considerations for students related to the ongoing COVID situation. The URL for this webpage: [https://www.memphis.edu/fcbe/faculty/covid_19_notice.php](https://www.memphis.edu/fcbe/faculty/covid_19_notice.php).

- **FCBE Academic Internship Credit** - In FCBE, all majors offer an academic internship course option as a substitution for a required elective in a student's major. To apply for academic credit, students must obtain an internship highly related to their major, register prior to the start of their internship and have their internship approved by departmental internship faculty. To review the requirements for applying for academic credit, visit [https://www.memphis.edu/professional/internships/academic_credit.php](https://www.memphis.edu/professional/internships/academic_credit.php). Students should allow approximately two weeks for the review and processing of an academic internship application through the Fogelman Internship Network.

- **University Scholarships** - Even though it is too early to apply for University Scholarships for 2021/2022, the site will open later this semester. However, when the site opens, please consider applying for scholarships for the 2021/2022 school year. I am on the committee for the FIR Department and I am always shocked by how few students apply for our scholarships - check out [https://www.memphis.edu/scholarships/](https://www.memphis.edu/scholarships/) for more information.
• **Student Accommodations** - Students with accessibility issues or learning accommodation issues due to a disability should contact Disability Resources for Students (DRS) to submit an official request for course accommodations. Contact DRS at 901.678.2880 or at drs@memphis.edu. ([https://www.memphis.edu/drs/index.php](https://www.memphis.edu/drs/index.php))

• **Student Health** - Students who have a positive COVID-19 test should contact the Dean of Students at deanofstudents@memphis.edu.

• **Student Resources** - Students who need additional resources can visit the Dean of Students Office website at [https://www.memphis.edu/deanofstudents/crisis/index.php](https://www.memphis.edu/deanofstudents/crisis/index.php).

### Course Outline

- **Unit 1 -- The Appraisal Process and Real Estate Markets**
  - Principles of Valuation (Chapter 6 of *Modern Real Estate*)
  - Real Estate Appraisals and the Appraisal Process (Chapter 1)
  - Price and Value in Real Estate Markets (Chapter 2)

- **Unit 2 -- Property Analysis: the Determinants of Value**
  - Property Analysis: Location (Chapter 3)
  - Property Specific Characteristics: The Site and the Improvements (Chapter 4)
  - Expected Use Analysis (Chapter 5)

- **Unit 3 -- Sales Comparison Approach**
  - Direct Sales Comparison (Chapter 6)
  - Sales Comparison With Basic Statistical Analysis (Chapter 7)
  - Sales Comparison Using Regression Analysis (Chapter 8)

- **Unit 4 -- Cost Approach**
  - The Cost Approach: An Overview (Chapter 10)
  - Special Considerations When Valuing Land and Sites (Chapter 9)
  - Estimating Building Costs (Chapter 11)
  - Estimating Depreciation (Chapter 12)
  - *Problem Set 1*

- **Unit 5 -- Income Approach: Direct Capitalization**
  - Estimating A Property's Productivity: Net Operating Income (Chapter 13)
Estimating Value Using Directly Extracted Multipliers and Rates (Chapter 14)
Estimating the Overall Capitalization Rate Using a Weighted Average of First Year Returns to Debt and Equity (Chapter 15)

• **Unit 6 -- Income Approach: Discounted Cash Flow Models**
  - Discounting and Present Values (Chapter 16)
  - DCF Model "Shortcuts" (Chapter 20)
  - Completing the Basic DCF Model: Estimating Future Value (Chapter 17)
  - Financing and Tax Explicit DCF Models (Chapter 18)
  - Residual Models: Leased Fee / Leasehold and Land / Buildings (Chapter 19)
  - Relationships Among Income Approach Models (Chapter 21)
  - Estimating the Discount Rate (Chapter 22)
  - Problem Set 2

• **Unit 7 -- Reconciliation and Appraisal Reporting**
  - Reconciling Value Estimates (Chapter 25)
  - Appraisal Reporting and Professional Practice (Chapter 26)

\footnote{Chapter 6 of Wurtzebach and Miles, *Modern Real Estate*, John Wiley and Sons, 1994, Fifth Edition (this will be available online).}

**Grading Policy**

This course will have a total of 850 possible points. The breakdown of these points are:

<table>
<thead>
<tr>
<th>Graded Item</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Quizzes (7 @ 50 points each)</td>
<td>350</td>
</tr>
<tr>
<td>Introduction Thread</td>
<td>25</td>
</tr>
<tr>
<td>Conference Threads (7 units @ 25 points each)</td>
<td>175</td>
</tr>
<tr>
<td>Problem Sets (2 @ 75 points each)</td>
<td>150</td>
</tr>
<tr>
<td>CAMA Assignment</td>
<td>150</td>
</tr>
</tbody>
</table>

Total points earned by the student will determine the grade assigned. I intend to use a 90 / 80 / 70 / 60 percent grading scale. Individual assignments may be curved; however, at no time will the final grading scale exceed the above listed scale.
Course Policies

As with any course, there are policies that need to be followed. With an online class, since we never meet face to face, these policies tend to be even more important.

Communication Expectations

Since this class meets over the Internet, it is critical that constant communication is maintained. For my part, I will check my e-mail daily (Monday through Friday), usually late afternoon, and will check the Threaded Discussions at least three times a week. From past experience, e-mail communication works best since I am not always in my office (I also enjoy the flexibility of online teaching!) and my TA will have access to my e-mail. To better serve you, PLEASE include in the subject line of your e-mail "FIR 4340/6340". Also, please make sure to include your name in your message - it is often hard knowing who you are when all I have is an e-mail address! This makes it easier to identify each of you. If at all possible, I will respond to your questions / problems within 24 to 36 hours. To send me e-mail - be sure to send it to me from within the online course.

Don't be surprised if you hear from my TA. He will be helping me teach this class this semester.

E-mail Policies

To contact me (or my TA), please e-mail me from within the course shell to my class e-mail address. This makes sure that ALL my online e-mail communication goes to one location. This way it makes it easier for me (and my TA) to have access to JUST my online class correspondence. PLEASE do not use my University of Memphis e-mail address - it is too easy for me to loss track of your correspondence! You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility.

E-mail can be a valuable tool; however, it can be easily abused. Each of you has the option to e-mail the entire class; however, PLEASE keep these messages related to course content. Also, I suggest that you do not give the entire class your phone number or address. If you want to share this selectively, that is fine. These policies are designed so each of you are not inundated with junk mail and you are able to maintain some degree of privacy. Further, often posting your question / comment in the threads is better than sending an e-mail message to the entire class.

Finally, please realize that the University of Memphis or this instructor cannot and will not be held responsible for the content of any personal messages which are sent from
one student directly to another student using the online e-mail delivery system. It is expected that all students will adhere to accepted codes of ethical, personal, and civil conduct when conversing online using e-mail or engaging in any real time online chat sessions. Failure to abide by such codes of conduct and etiquette will result in expulsion from the course with a failing grade.

**Threads Policies**

I will not place limits on the use of conference threads other than to clearly state that I will not tolerate rudeness or inconsiderate comments being posted. Please treat each others views with the same amount of respect that you would want your views handled. Remember, it is VERY easy to be guilty of "flaming" in a thread situation. If handled properly, you may find that the "threads" are the most enjoyable aspect of the class.

**Grammar / Spelling**

There is a tendency to become lax when posting responses to threaded discussions and when sending e-mail. This is not an English class; however, I still expect proper grammar and spelling to be used. I do not intend to grade participation based on the quality of your writing style; however, it is disconcerting when it is HARD to understand what someone is expressing because their writing is unclear. As a suggestion, you may want to compose your threaded comments or e-mail messages in a word processing program where you can check spelling, edit, and revise your writing. Once you are finished, you can cut and paste the work into the threaded discussion or into e-mail.

**File Format of Assignments**

When I deliver material to the class for downloading, I will save text files in "pdf" format. This is an easy format to read with a free Adobe Acrobat reader. You can download this reader at [http://www.adobe.com/products/reader/](http://www.adobe.com/products/reader/). Non-text files will be saved in Microsoft Office format. To send files to me, you can send files in either WordPerfect / Word / Adobe Acrobat or Excel format. If you have any concerns regarding my ability to read a file, please contact me. Again, I am very flexible!

**Technical Problems**

If you have technical problems with the course platform, there is information on the initial login screen at eCourseware. In essence, you can contact the ITD help-desk at
901-678-8888. If you have continual problems, please let me know.

If you have problems with the course content, please contact me.

Unfortunately, Internet Service Providers (ISP) periodically have problems. I have also found that all ISPs are not "created equal" - many class problems have resulted from an inferior ISP. These problems are not an excuse for failing to complete assignments or for turning them in late, not being involved in threaded discussion, or having no e-mail access. Since computer crashes and disasters are bound to happen, I encourage you to make hard copies of your assignments and communication. If you have problems with your ISP, notify them immediately. If problems persist, you may have to access this course from another computer or through another ISP. Keep in mind that your ISP is your only link to this class.

**Access to Course**

The way this class is designed, you are not permitted to work ahead; however, I have provided some overlap of the units for flexibility (please check out the schedule shown under "Class Schedule"). After each unit is completed, you will still have access to it; however, work done on prior units (involvement in past threads and quizzes) will not be graded.

**Reporting Illness or Absence**

Due dates and deadlines have been established for each graded assignment. In this course, deadlines are taken very seriously. Please do not wait until the last day to submit assignments or to take quizzes and exams. If an emergency should arise, it is the student’s responsibility to contact the instructor prior to the deadline to discuss the matter. A deadline extension will be considered only if all of the following conditions are met: (1) Extreme emergency and (2) Instructor contacted prior to the due date.

**Personal Involvement and Time**

There is often a misconception that taking a course online is easier since you don't have to physically go to a classroom. It is true that there are some things that become easier for online students. However, it is also easier to get behind. Even though you have flexibility in attending class, the work still needs to be done. Further, you have to take more responsibility for your learning. Finally, an online course requires more personal involvement where participation is the KEY. For success, don't put off your assignments. When possible, get an early start on each unit of material.
How much you learn in this class will be in direct relationship to the amount of time spent on this material. Even though this class will be a lot of work, I also hope it can be an enjoyable experience!

Finally, I ask that you check your e-mail daily. I may be making adjustments to the course from time to time depending on the needs of the class. I will use e-mail and the message center to keep you informed. Also, I ask that you access conference threads several times during the week. Don't be surprised if you find most of your learning results from this form of communication.

**Class Attendance / Involvement**

This is NOT A CORRESPONDENCE class! We don't have class meetings, but we have weekly assignments AND deadlines! We will move through this material AS A CLASS, not as individuals. You will find that I stress communication. This is not possible if everyone is at a different place in the material. My TA and I are here to help you, but you will likely find your classmates can help a lot as well! Get to know them.

I would suggest that you set aside a time each day that you plan on working on this class. If you need to miss a day, that is fine, but the work still needs to be done! The way this class is designed, you have approximately 17 days to complete a unit of material. Even though this may sound like a lot of time, it really isn't considering the amount of material that needs to be covered in each unit. I had considered breaking these units up into smaller pieces; however, leaving them larger gives each of you more flexibility (or more rope to hang yourself with!).

I realize that problems occur. I am usually fairly flexible; however, if you are having problems (technical or otherwise) it is **YOUR** responsibility to **contact me**.

**Student Services**

Please access the FCBE Student Services page at [http://www.memphis.edu/fcbe/students/services.php](http://www.memphis.edu/fcbe/students/services.php) for information

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance

**Syllabus Changes**
The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.

Course Schedule

Shown below is the schedule we will be following this semester. Remember, you cannot enter a unit until the "Beginning Date". Even after a unit is completed, you can still access it; however, any work done AFTER the "Ending Date" will not be graded.

### Class Schedule for FIR 4340 / 6340

<table>
<thead>
<tr>
<th>Unit - Material Covered</th>
<th>Beginning Date (at 8:00 AM)</th>
<th>Ending Date (at Midnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit 1</strong> - Chapters 1, 2 and Chapter 6 of <em>Modern Real Estate</em></td>
<td>Tuesday, 8/18</td>
<td>Thursday, 9/3</td>
</tr>
<tr>
<td><strong>Unit 2</strong> - Chapters 4 and 5</td>
<td>Friday, 8/28</td>
<td>Sunday, 9/13</td>
</tr>
<tr>
<td><strong>Unit 3</strong> - Chapters 8 and 9</td>
<td>Friday, 9/11</td>
<td>Sunday, 9/27</td>
</tr>
<tr>
<td><strong>Unit 4</strong> - Chapters 10, 11, 16 and 17</td>
<td>Friday, 9/25</td>
<td>Sunday, 10/11</td>
</tr>
<tr>
<td><strong>Unit 5</strong> - Chapters 19, 20 and 21</td>
<td>Friday, 10/9</td>
<td>Sunday, 10/25</td>
</tr>
<tr>
<td><strong>Unit 6</strong> - Chapters 6 and 7</td>
<td>Friday, 10/23</td>
<td>Sunday, 11/8</td>
</tr>
<tr>
<td><strong>Unit 7</strong> - Chapters 13, 14, 22 and 23</td>
<td>Friday, 11/6</td>
<td>Sunday, 11/22</td>
</tr>
</tbody>
</table>
Except for Unit 1, new units will open on Friday and are due 16 days later, on a Sunday (by midnight). Note that there is some overlap in the units to provide more flexibility - however, please do not leave the material to the last day! Even though I have attempted to have these units approximately of equal size, you will find that some are harder than others. Due to a slightly shorter semester schedule, Unit 1 opens on Tuesday, August 18th and it (and the introduction thread) will close 16 days later on Thursday, September 3rd. Note that Unit 1 and Unit 2 will both be open from August 28th till September 3rd - SORRY.

Syllabus Updated 8/7/2020