



IAAO
INTERNATIONAL ASSOCIATION
of **ASSESSING OFFICERS**
Valuing the World

ODF 909 – The Appraisal of Commercial Properties in a Declining Market

Course Description

The purpose of this one-day forum (ODF) is to introduce participants to the problems faced by appraisers/assessors when appraising commercial properties in a declining market. Some of the situations, sources and characteristics of a declining residential market may apply to commercial properties, but often it is more difficult to detect the causes and results of a declining market on income producing properties. A decline in the commercial property market tends to lag begin a declining residential market. This forum is designed to provide some direction and guidance on how to use appraisal methodology and techniques in appraising commercial properties in a declining market.

Objectives

Upon completion of this one-day forum (ODF), you will be able to:

- Understand the definition of a declining market
- Review the definition of market value and other types of values focused on in a declining market
- Recognize ways to determine the state of the market
- Examine sources of economic indicators
- Recognize the effects of supply and demand in a declining market
- Understand the difference between macroeconomics and microeconomics
- Understand how changes in market forces relate to a declining market
- Recognize how a declining market affects highest and best use
- Demonstrate the impact of distressed properties

- Understand how all three approaches to value are affected when appraising commercial properties in a declining market
- Review sample case studies

Timetable

Topic	Time Requirement
Introduction / Orientation	30 minuets
Chapter 1	
What is a Declining Market	60 minutes
Chapter 2	
Market and Other Values	45 minutes
Chapter 3	
Economic and Market Analyses	45 minutes
Chapter 4	
Determining the State of the Market	60 minutes
Chapter 5	
Highest and Best Use	15 minutes
Chapter 6	
Cost Approach	30 minutes
Chapter 7	
Sales Comparison Approach	15 minutes
Chapter 8	
Income Approach	75 minutes
Chapter 9	
Discounted Cash Flow Analysis	15 minutes
Chapter 10 & 11	
Additional Case Studies / Problem Answers	60 minutes