



Education Resources, LLC

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Supporting Adjustments in Residential Appraising **7 hour Seminar Outline**

Course Description: This is a seven (7) hour seminar designed to help participants improve their abilities to develop and support reasonable adjustments in the Sales Comparison Approach to Residential Appraising.

Instructor(s):

Jason Tillema, SRA, AI-RRS, is an Indiana approved Appraiser Instructor #INST002078 and Indiana Broker Instructor #INST200562.

Nick Tillema, MAI, SRA, AI-GRS, AI-RRS, CCIM, Attorney at Law is an Indiana approved Appraiser Instructor #INST001456 and Indiana Broker Instructor #INST200200.

- I. Opening: (30 minutes total for Section I)
 - a. Is an adjustment necessary? (5 minutes)
 - b. Collateral Underwriter (5 minutes)
 - c. Secondary market guidelines (5 minutes)
 - d. How were adjustments completed in the past? (5 minutes)
 - e. What is the goal for applying adjustments? (5 minutes)
 - f. Four common methods for developing an adjustment (5 minutes)

- II. Paired data (Matched Pairs) (90 minutes total for Section II)
 - a. Most recognizable amongst appraisers (5 minutes)
 - b. Relatively easy to develop – provide examples/illustrations (10 minutes)
 - c. Rarely is this a “textbook” analysis (5 minutes)
 - d. Multiple sales utilized in the development (10 minutes)
 - e. Group Data Analysis theory and method (10 minutes)
 - f. Group Data Analysis examples (15 minutes)
 - g. Sensitivity Analysis – a type of Paired data analysis (15 minutes)

- h. Good method for developing – provide examples (5 minutes)
- III. Break (15 min)
- IV. Statistical Analysis (90 minutes total for Section III)
- a. Regression Analysis theory (10 minutes)
 - b. Regression Analysis examples using Excel (20 minutes)
 - c. Common statistical analyses methods (10 minutes)
 - d. Common statistical analyses examples (20 minutes)
 - e. Use market segmentation for best results (5 minutes)
 - f. Rural Areas – minimal data to develop statistical analysis (5 minutes)
 - g. Good method for developing – provide examples (20 minutes)
- V. Cost Analysis (90 minutes total for Section IV)
- a. How does it work? (10 minutes)
 - b. Depreciation – what is it? (5 minutes)
 - c. Depreciation – getting the information (10 minutes)
 - d. Depreciation – how to apply it development of adjustments (10 minutes)
 - e. Depreciation - which rate to utilize? (15 minutes)
 - f. Depreciation – examples (15 minutes)
 - g. Rural areas – this may be the best available option (5 minutes)
 - h. Good method for developing – examples – group exercises (5 minutes)
- VI. Break (15 min)
- VII. Personal Interviews/Discussions (60 minutes total for Section V)
- a. How does it work 5 minutes)
 - b. Easiest in terms of developing because it requires little to no math (5 minutes)
 - c. Hardest if you are an introvert...requires a lot of interaction (5 minutes)
 - d. Can be completed when you are verifying your sales (10 minutes)
 - e. What do we ask? (15 minutes)
 - f. Compiling the data (15 minutes)
 - g. Personal Interview example (5 minutes)
- VIII. Additional Adjustment Methods (15 minutes total for Section VI)
- a. Additional methods should reflect market reactions
 - i. Qualitive (5 minutes)
 - ii. Income (5 minutes)
 - iii. Others (5 minutes)
- IX. Reconciliation (30 minutes total for Section VII)

- a. Goal: minimize the difference between the low & high adjusted sale price (15 minutes)
 - b. Range of adjustment values based on the various methods (5 minutes)
 - c. What combination results in the lowest adjusted sale price difference (10 minutes)
- X. Questions and Answers (15 minutes)