

Course Schedule

SECTION 1

Introduction (20 minutes)
Sign-in Orientation (Classroom Rules and Procedures)
Part 1. Introduction to the Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
Course Direction and Goals Relationship of the Value of a Business to the Value of Its Assets Importance of Being Able to Allocate Value Among Tangible and Intangible Components Aspects of Intangible Asset Valuation That Have Become Controversial
Part 2 Theory of the Firm
Production Process Derived Demand Reasons for Changes in Demand and Supply MORNING BREAK Economic Profit Perfect Competition Examples of Imperfect Competition Imperfect Competition and Real World Markets Role of Competition
Part 3. The Going Concern—Tangible, Intangible, and Financial Assets and Residuals
What Is a Going Concern? Various Tangible, Intangible, and Financial Assets That Can Be Assembled into a Going Concern Components of a Going Concern or Business MORNING BREAK

SECTION 1, cont.

Part 4. Theory of Profit, the Entrepreneur, and Capitalized Economic Profit (CEP)

Economic Profit
Clarification of Terms
Opportunity Cost Payments
Function of the Entrepreneur
Economic Profit Is Related to Market Disequilibria
Capitalized Economic Profit (CEP)
What Are the Characteristics of Entrepreneurship,
Hence CEP?
What Economic Profits (Entrepreneurship Payments)
Are Not
CEP Formula
LUNCH

SECTION 2

Part 5. Theory of the Firm and Real Estate: How Do Intangible Assets Emerge in the Production Process?

Reasons for Economic Profit in Real Estate Enterprises
Innovation May Reap Excess Profits
Characteristic of Value Attributed to Innovation
How Intangible Assets Emerge in a Goods-
Producing Company
How Intangible Assets Emerge in the Real Estate
Development Process
Case Study 1: Senior Apartments with Assisted Living
Case Study 2: Hotel Properties and Case Study
Presentations
AFTERNOON BREAK
Case Study 2: Hotel Properties and Case Study
Presentations, cont.

Part 6. Definitions, Characteristics, and Candidate Properties

Clarifying Definitions
Intangible Asset Vocabulary
AFTERNOON BREAK
Real Estate Intensive Businesses

SECTION 2, cont.

Part 7. Valuing the Total Assets of the Business

Review of Business Valuation Premises
Numerous Methods of Valuing a Going Concern
Case Study 3 Introduction—A Going-Concern
Business Appraisal

SECTION 3

Part 8. Indicators of the Possibility of Intangible Asset Values, Including CEP

Possibility of a Business Enterprise Owning Valuable
Intangible Assets
8.2 Example Assignment—XYZ Motors

Part 9. Measuring the Value of Intangible Assets and Intangible Asset Capitalization Rates

Estimating the Aggregate Value of a Going Concern's
Total Intangible Assets, V_{IPP}
Case Study 3. A Going-Concern Business
Appraisal, cont.
Sometimes Intangible Assets Can Be Valued Separately
Estimation of a Separate Value for CEP
MORNING BREAK
Case Study 4. Convenience Stores and Retail Fuel
Properties

Part 10. Allocation of the Value of the Total Assets of the Business—Methodologies

Potential Applicability of the Three Traditional Methods
Illustration of Concepts Involved in Allocating Income
Summary
MORNING BREAK

Part 11. Iterative Procedure for Property Tax Valuations—Case Study 5: CaveWorld Tourist Destination

Case Study 5 Introduction—CaveWorld Tourist
Attraction (Exercises 1–2)
LUNCH

SECTION 4

Part 12. Iterative Procedure for Property Tax Valuations—Case Study 5: CaveWorld Tourist Destination, cont.

Case Study 5—CaveWorld Tourist Attraction
(Exercises 3–6)
Handling Circular References in Excel
AFTERNOON BREAK

Part 13. Intangibles at Properties Primarily Engaged in Real Estate Rental

Bases of Arguments Concerning Intangible Asset Values
13.2 In-Class Exercise: Specific Arguments and
Assessment of Their Validity
Conclusion

Part 14. Course Review

Preparing for the Exam
Guidance on Taking the Final Exam
Test-Taking Strategies
Study Outline
AFTERNOON BREAK
Self-Study and Review

Exam

Exam