PSI Services LLC

https://test-takers.psiexams.com/inre

GUIDELINES FOR LICENSE APPLICATION/QUALIFICATION

For specific information about the licensing procedures, contact the Indiana Real Estate Appraiser Licensure & Certification Board at the following address:

Indiana Professional Licensing Agency
Indiana Real Estate Appraiser Licensure & Certification Board
http://www.in.gov/pla/appraiser.htm

For Certified Residential, all candidates must have:

1. 200 creditable class hours in the Required Core Curriculum
2. Complete college-level education requirements—Bachelor's degree.*
3. 2,500 hours of qualifying experience obtained in no fewer than 24 months.

For Certified General, all candidates must have:

1. 300 hours creditable class hours as specified in the Required Core Curriculum
2. Complete college level education requirements—Bachelor's degree or higher.*
3. 3,000 hours of qualifying experience obtained in no fewer than 30 months.

Download the Real Property Appraiser Qualification Criteria. More detailed education requirements are available in Section III. A., "Qualifying Education".

For Trainee Appraiser, all candidates must have:

If you are applying for a trainee appraiser license, you must complete the following prerequisite courses before submitting an application to the professional licensing agency.

COURSE	HOURS
Basic appraisal principles	30
Basic appraisal procedures	30
15 hour Uniform Standards of Professional Appraisal Practice course or its equivalent	15
Any additional elective course found on the following list	15
Supervisor/Trainee Course (approved by the Board or AQB)	Any
TOTAL	90

The courses listed above must be Appraisal Qualifications Board (AQB) approved to qualify for credit towards the issuance of a trainee appraiser license. To locate a list of courses approved by the AQB, please follow these directions:

1. Click on the following link: http://www.appraisalfoundation.org/
2. Select "Education Programs" on the left menu bar
3. Select "AQB Course Approval Program"
4. Select "AQB Approved Real Property Courses"
5. Choose to download the .pdf file

Once you have completed the courses above, you may submit an application for a trainee appraiser license (http://www.in.gov/pla/2780.htm). The following must be submitted to the professional licensing agency:

1. Completed application form*
2. $100.00 application fee (this fee is nonrefundable and nontransferable)
3. Certificates of completion for the above required courses
4. Fingerprint background report - DO NOT apply for your fingerprint report before you mail or drop off your application. (For more on this process go to http://www.in.gov/pla/2780.htm)

** The application includes a section to be completed by the certified appraiser who will associate with you as your supervising appraiser.*

This appraiser must also have completed the supervisor/trainee course and must have been licensed in Indiana for at least 3 years.

If your application is approved, you will receive a letter allowing you to sit for the trainee appraiser examination. The registration process for the examination is described in that letter.

Once you have passed the examination, the following must be submitted to the professional licensing agency:

1. $110.00 license fee (this fee is nonrefundable and nontransferable)
2. Original examination score sheet

After the above have been submitted, and your license is approved, you will receive a license number.

After passing the examination, candidates must submit the proper application forms and fees to the Indiana Professional Licensing Agency. Application requirements can be found on the Professional Licensing Agency's website at https://www.in.gov/pla/appraiser.htm.

EXAMINATION SCHEDULING AND PAYMENT PROCEDURES

Examination Fees

Exam Fee	**$60.00**

NOTE: REGISTRATION FEES ARE NOT REFUNDABLE OR TRANFERABLE.

INTERNET REGISTRATION

For the fastest and most convenient test scheduling process, PSI recommends that candidates register for their exams using the Internet. In order to register over the Internet, candidates will need to have a valid credit card (VISA, MasterCard, American Express or Discover). Candidates may register online by accessing PSI's registration website at https://test-takers.psiexams.com/inre. Internet registration is available 24 hours a day.

Log onto PSI's website and select Sign in / Create Account. Select Create Account. You are now ready to pay and schedule for the exam. Enter your zip code and a list of the testing sites closest to you will appear. Once you select the desired test site, available dates will appear.

TELEPHONE REGISTRATION

Call PSI at 855-746-8172 to schedule an appointment for the test. The times of operation for live operators are as follows:

	Monday - Friday	Saturday - Sunday
Eastern Time	7:30am - 10:00pm	9:00am - 5:30pm
Central Time	6:30am – 9:00pm	8:00am - 4:30pm
Mountain Time	5:30am – 8:00pm	7:00am – 3:30pm
Pacific Time	4:30am – 7:00pm	6:00am - 2:30pm

To register by phone, you will need a valid credit card (VISA, MasterCard, American Express or Discover.)

EXAMINATION ACCOMMODATIONS

All PSI examination centers are equipped to provide access in accordance with the Americans with Disabilities Act (ADA) of 1990, and exam accommodations will be made in meeting a candidate's needs. Applicants with disabilities or those who would otherwise have difficulty taking the examination should request for alternative arrangements by **Clicking Here**.

CANCELING OR RESCHEDULING AN APPOINTMENT

You may cancel and reschedule an examination appointment without forfeiting your fee if your cancellation notice is received 2 days before the scheduled examination date. For example, for a Monday appointment, the cancellation notice would need to be received on the previous Saturday. You may call PSI at 855-746-8172 or use the PSI Website.

It is not possible to make a new examination appointment on the same day you have taken an examination due to processing and reporting scores.

Note: A voice mail message is not an acceptable form of cancellation. Please use the PSI Website or call PSI and speak to a Customer Service Representative.

MISSED APPOINTMENT OR LATE CANCELLATION

Your registration will be invalid, and you will not be able to take the examination as scheduled, and you will forfeit your examination fee, if you:

- ❑ Do not cancel your appointment 2 days before the scheduled examination date; or
- ❑ Do not appear for your examination appointment; or
- ❑ Arrive after examination start time; or
- ❑ Do not present proper identification when you arrive for the examination.

EMERGENCY EXAMINATION CENTER CLOSING

In the event that severe weather or another emergency forces the closure of an examination center on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation; however, you may check the status of your examination schedule by calling (855) 746-8172. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You may also check our website at https://test-takers.psiexams.com/core.

EXAMINATION SITE LOCATIONS

Ivy Tech Community College
815 East 60th Street
Certification and Assessment Center
Anderson, IN 46013

Ivy Tech Community College
7508 Beechwood Center Rd., Room 103
Avon, IN 46123

Ivy Tech Community College
4555 Central Ave
Columbus, IN 47203

Ivy Tech Community College
410 East Columbus Drive, Room 220 D
East Chicago, IN 46312

Ivy Tech Community College
3401 N First Avenue
Evansville, IN 47710

Tom Wood Aviation Inc
9913 Willow View Rd
Fishers, IN 46038

Ivy Tech Community College
3701 Dean Drive- North Campus
Harshman Hall Room 0126
Fort Wayne, IN 46805

Ivy Tech Community College
22531 County Rd 18
Elkhart County Campus
Goshen, IN 46528

New Horizons Aviation Inc.
17229 County Rd 42
Goshen, IN 46526

PSI Indianapolis
9302 N. Meridian St, Suite 194
Indianapolis, IN 46260

Ivy Tech Community College
9301 E 59th St
Lawrence Fairbanks Bldg Room 147
Indianapolis, IN 46216

Kokomo Ivy Tech

1815 E. Morgan Street, Room M100
Kokomo, IN 46901

Ivy Tech Community College
3101 S Creasy Lane, Ivy Hall Building Room 1135
Lafayette, IN 47906

Ivy Tech Community College
50 Walnut St., Room 439
Lawrenceburg, IN 47025

Ivy Tech Community College
590 Ivy Tech Dr
Madison, IN 47250

Ivy Tech Community College
4301 South Cowan Rd Room 125
Muncie, IN 47302

Ivy Tech Community College
2357 Chester Blvd
McDaniel Hall, Room 1128
Richmond, IN 47374

Ivy Tech Community College
220 Dean Johnson Blvd
South Bend, IN 46601

Ivy Tech Community College
1700 E Industrial Drive
Terre Haute, IN 47802

Ivy Tech Community College
3100 Ivy Tech Drive
Valparaiso, IN 46383

Ivy Tech Community College
2545 Silveus Crossing
Warsaw, IN 46582

Merrillville Training and Testing Center
1443 East 84th Place
Merrillville, IN 46410

REPORTING TO THE EXAMINATION SITE

On the day of the examination, you should arrive at least 30 minutes prior to your scheduled appointment time. This allows time for the sign-in and identification verification procedure.

Click here for a video of the Test Center Experience

REQUIRED IDENTIFICATION AT EXAMINATION SITE

You must provide 1 form of identification. The identification must match the name you scheduled with.

NOTE: ID must contain candidate's signature, photo, be valid and unexpired.

- State issued driver's license
- State issued identification card
- US Government Issued Passport
- US Government Issued Military Identification Card
- US Government Issued Alien Registration Card
- Canadian Government Issued ID

If you cannot provide the required identification, you must call (855) 746-8172 at least 3 weeks prior to your scheduled appointment to arrange a way to meet this security requirement. ***Failure to provide ALL of the required identification at the time of the examination without notifying PSI is considered a missed appointment and you will not be able to take the examination at that time.***

SECURITY PROCEDURES

The following security procedures will apply during the examination:

- Candidates will not be permitted to use any calculator that is alpha programmable. In addition, as stipulated by the AQB, each candidate is required to bring the **written instructional manual** that was provided with the programmable calculator when purchased by the candidate or instructions downloaded from the manufacturer's website so that the test center proctor can ensure that all numeric programs previously stored in the calculator are cleared before the candidate is permitted to use the calculator during the examination. If you do **NOT** bring these instructions, you will not be permitted to use the calculator. Moreover, all programmable calculators must be cleared upon conclusion of the examination by the test center proctor to prohibit potential security breaches. **Note:** Candidates need to bring their own financial calculator. One is not available at the test center. Candidates may not share a calculator during the exam.
- Candidates may take only approved items into the examination room.
- All personal belongings of candidates should be placed in the secure storage provided at each site prior to entering the examination room. Personal belongings **include**, **but are not limited to**, the following items:
  - **Electronic devices of any type, including cellular / mobile phones, recording devices, electronic watches, cameras, pagers, laptop computers, tablet computers (e.g., iPads), music players (e.g., iPods), smart watches, radios, or electronic games.**
  - **Bulky or loose clothing or coats** that could be used to conceal recording devices or notes. For security purposes outerwear such as, but not limited to: open sweaters, cardigans, shawls, scarves, hoodies, vests, jackets and coats are not permitted in the testing room. **In the event you are asked to remove the outerwear, appropriate attire, such as a shirt or blouse should be worn underneath.**
  - **Hats or headgear not worn for religious reasons** or as religious apparel, including hats, baseball caps, or visors.
  - **Other personal items**, including purses, notebooks, reference or reading material, briefcases, backpacks, wallets, pens, pencils, other writing devices, food, drinks, and good luck items.
- Although secure storage for personal items is provided at the examination site for your convenience, PSI is not responsible for any damage, loss, or theft of any personal belongings or prohibited items brought to, stored at, or left behind at the examination site. PSI assumes no duty of care with respect to such items and makes no representation that the secure

storage provided will be effective in protecting such items. If you leave any items at the examination site after your examination and do not claim them within 30 days, they will be disposed of or donated, at PSI's sole discretion.

- Person(s) accompanying an examination candidate may not wait in the examination center, inside the building or on the building's property. This applies to guests of any nature, including drivers, children, friends, family, colleagues or instructors.
- No smoking, eating, or drinking is allowed in the examination center
- During the check in process, all candidates will be asked if they possess any prohibited items. Candidates may also be asked to empty their pockets and turn them out for the proctor to ensure they are empty. The proctor may also ask candidates to lift up the ends of their sleeves and the bottoms of their pant legs to ensure that notes or recording devices are not being hidden there.
- Proctors will also carefully inspect eyeglass frames, tie tacks, or any other apparel that could be used to harbor a recording device. Proctors will ask to inspect any such items in candidates' pockets.
- If prohibited items are found during check-in, candidates shall put them in the provided secure storage or return these items to their vehicle. PSI will not be responsible for the security of any personal belongings or prohibited items.
- Any candidate possessing prohibited items in the examination room shall immediately have his or her test results invalidated, and PSI shall notify the examination sponsor of the occurrence.
- Any candidate seen giving or receiving assistance on an examination, found with unauthorized materials, or who violates any security regulations will be asked to surrender all examination materials and to leave the examination center. All such instances will be reported to the examination sponsor.
- Copying or communicating examination content is violation of a candidate's contract with PSI, and federal and state law. Either may result in the disqualification of examination results and may lead to legal action.
- Once candidates have been seated and the examination begins, they may leave the examination room only to use the restroom, and only after obtaining permission from the proctor. Candidate will not receive extra time to complete the examination.

TAKING THE EXAMINATION BY COMPUTER

The examination will be administered via computer. You will be using a mouse and computer keyboard.

Click here for the Tutorial in English

EXAMINATION REVIEW

AQB will be consistently evaluating the examinations being administered to ensure that the examinations accurately measure competency in the required knowledge areas. While taking the examination, examinees will have the opportunity to provide comments on any questions. Comments may be entered by clicking the Comments link on the function bar of the test question screen. These comments will be analyzed by AQB examination development staff. AQB does not respond to individuals regarding these comments. All substantive comments are reviewed. This is the only review of examination materials available to candidates.

SCORE REPORTING

In order to pass the examination, you must achieve a minimum scaled score of 75. You will receive your score report immediately following the completion of the examination.

Candidates passing the examination will receive ONLY a score indication of PASS. Passing numeric scores are not available. Candidates who do not pass will receive an individual score for each of the major sections in the examination outline. Candidates should use this information to assist them in studying for the re-examination.

Scaled scores can range from 0 to 110, with 75 and above representing passing. Scores are reported to candidates as scaled scores. The scaled scores are computed from raw scores. Raw scores, or percentage scores, are the actual number of questions answered correctly. Raw scores are mathematically converted to scaled scores to maintain a consistency in the meaning of scores, regardless of when the examination was taken. Examinations change over time. Each examination may vary in difficulty with one examination easier or more difficult than other examinations.

However, when converting raw scores to scaled scores, it should not make a difference whether candidates take an easier or more difficult examination. With the mathematical adjustment, the scaled score accounts for differences by adjusting the scores up or down depending on the difficulty of examinations. When these adjustments are made, the effect is to produce an unbiased and constant passing standard that does not change from one examination to another. A scaled score is not a percentage score, but simply a transformation of a raw score to report comparable results when examinations vary in difficulty.

You may print the score report from your online account.

DESCRIPTION OF EXAMINATIONS

The National Uniform Licensing and Certification Examinations are developed by the Appraiser Qualifications Board (AQB). For further information or to express concerns about the examination content, please contact:

The Appraiser Qualifications Board
C/O The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
www.appraisalfoundation.org
Telephone: 202-347-7722

EXAMINATION SUMMARY TABLE

Examination	Number of Scored Questions	Number of Non-Scored Questions	Passing Scaled Score	Time Allowed
Certified Residential Appraiser (CR)	110	15	75	4 hours
Certified General Appraiser (CG)	110	15	75	6 hours
Appraiser Trainee	100	10	75	4 hours

In addition to the number of questions per examination, a small number of one to ten experimental items, generally, approximately 10% of the number of questions, may be administered to candidates during the examination. These questions will not be scored. However, these questions will count against examination time. The administration of such unscored, experimental questions is an essential step in developing future licensing examinations.

NATIONAL UNIFORM AND CERTIFICATION EXAMINATION CONTENT OUTLINES

The examination content outlines have been prepared by the AQB. Use the outline as a guide for pre-examination review course material. The outlines list the content domains and sub-domains that are on the examination and the percentage of questions for each domain. Do not schedule your examination until you are familiar with the topics in the outline.

APPRAISER TRAINEE EXAMINATION CONTENT OUTLINE

I. INFLUENCES ON REAL ESTATE VALUE (5%)
- A. Physical and environmental
- B. Economic
- C. Governmental and legal
- D. Social

II. LEGAL CONSIDERATIONS IN APPRAISAL (8%)
- A. Real estate vs. real property
- B. Real property vs. personal property
- C. Limitations on real estate ownership
- D. Legal rights and interests
- E. Forms of property ownership
- F. Legal descriptions
- G. Transfer of title

III. TYPES OF VALUE (5%)
- A. Market value
- B. Price
- C. Cost
- D. Investment value
- E. Value in use
- F. Assessed value
- **G.** Insurable value

IV. ECONOMIC PRINCIPLES (9%)
- A. Anticipation
- B. Balance
- C. Change
- D. Competition
- E. Conformity
- F. Contribution
- G. Increasing and decreasing returns
- H. Substitution
- I. Supply and demand
- J. Surplus productivity

V. REAL ESTATE MARKETS AND ANALYSIS (10%)
- A. Characteristics of real estate markets
- B. Absorption analysis
- C. Role of money and capital markets
- D. Real estate financing

VI. VALUATION PROCESS (10%)
- A. Definition of the problem
- B. Collection and analysis of data
- C. Analysis of highest and best use
- D. Application and limitations of each approach to
- E. value
- F. Reconciliation and final value estimate
- G. The appraisal report

VII. PROPERTY DESCRIPTION (12%)
- A. Site description
- B. Improvement description
- C. Basic construction and design

VIII. HIGHEST AND BEST USE ANALYSIS (12%)
- A. Four tests
- B. Vacant site or as if vacant
- C. As improved
- D. Interim use
- E. Consistent use rule

IX. APPRAISAL STATISTICAL CONCEPTS (5%)
- A. Mean
- B. Median
- C. Mode
- D. Range
- E. Standard deviation

X. APPROACHES TO VALUE (12%)
- A. Cost approach
- B. Income approach
- C. Sales comparison approach
- D. Site Value

XI. USPAP (12%)

Appraiser Qualifications Board National Uniform Licensing and Certification Examinations Content Outline				
		CG	CR	LR
1	Real estate market	18%	14%	20%
1A	Types of influences on real estate value			
1A1	Agents of production			
1A2	Factors of value (e.g. desire, utility, scarcity, effective purchasing power)			
1A3	Forces on value (e.g. social, economic, governmental, environmental)			
1A4	Principles of real estate			
1B	Types of government power			
1B1	Police power			
1B2	Eminent domain			
1B3	Escheat			
1B4	Taxation			
1C	Types of value			
1C1	Value in use			
1C2	Market value			
1C3	Going concern			
1C4	Investment value			
1C5	Ad valorem / assessed			
1C6	Liquidation / disposition			
1C7	Insurable value / replacement cost for insurable purposes			
1C8	Cost vs. Price vs. Value			
1D	Allocation of value between intangible property and real estate			
1E	Date of value premise			
1E1	Retrospective			
1E2	Current			
1E3	Prospective			
1F	Market analysis			
1F1	Market delineation (e.g. neighborhood, linkages)			
1F2	Market conditions (e.g. supply and demand, absorption, capture rates)			
1F3	Types of market analysis			
1G	Investment analysis			
1G1	Mortgage calculations			
1G2	Financial calculations (e.g. net present value)			
1H	Tests of highest and best use			
1H1	Legally-allowable			
1H2	Physically-possible			
1H3	Financially-feasible			
1H4	Maximally-productive			
1I	Determination of highest and best use			
1I1	As improved			
1I2	As vacant			
2	Property description	11%	12%	10%
2A	Land or site description			

2A1	Physical, economic, and functional description			
2A2	Legal description			
2B	Improvement and building component description			
2B1	Physical, economic, and functional description			
2B2	Personal property items vs. fixtures			
2C	Legal interest			
2C1	Fee simple			
2C2	Leased fee			
2C3	Leasehold			
2C4	Partial interest			
2C5	Types of ownership (e.g. joint tenancy, tenants in common)			
2D	Rights to use			
2D1	Public restrictions			
2D2	Private restrictions			
2D3	Zoning and entitlement processes			
2E	Property taxation influence on value			
3	**Land or site valuation**	**4%**	**5%**	**5%**
3A	Land or site valuation methodology			
3A1	Allocation			
3A2	Extraction			
3A3	Residual			
3A4	Subdivision			
3A5	Sales comparison			
3A6	Ground rent capitalization			
3B	Influences on land or site valuation			
4	**Sales comparison approach**	**14%**	**16%**	**25%**
4A	Identification and selection of properties suitable for comparison			
4B	Units of comparison			
4C	Elements of comparison			
4C1	Transactional			
4C2	Property			
4D	Quantitative adjustments			
4D1	Paired data			
4D2	Cost analysis			
4D3	Income capitalization			
4D4	Regression / trend analysis			
4E	Qualitative comparisons			
4E1	Ranking analysis / bracketing			
4E2	Relative comparison analysis			
4E3	Interviews with market participants			
4F	Reconciliation to indicated value by the sales comparison approach			
5	**Cost approach**	**11%**	**14%**	**9%**
5A	Sources of cost information			
5A1	Cost manuals			
5A2	Actual costs			

5A3	Market-extracted			
5B	Cost components			
5B1	Direct			
5B2	Indirect			
5B3	Entrepreneurial incentive			
5B4	Reproduction and replacement cost			
5C	Physical deterioration			
5C1	Curable			
5C2	Incurable			
5D	Functional obsolescence			
5D1	Curable			
5D2	Incurable			
5E	External obsolescence			
5E1	Locational			
5E2	Economic			
5F	Methods of estimating depreciation			
5F1	Age-life and modified age-life			
5F2	Breakdown			
5F3	Market extraction			
5G	Reconciliation to indicated value by the cost approach			
6	**Income approach**	**19%**	**8%**	**5%**
6A	Sources of income generation			
6A1	Rent and leases			
6A2	Reimbursements			
6A3	Owner/Operator income			
6B	Occupancy / vacancy analysis			
6C	Expenses			
6C1	Fixed			
6C2	Variable			
6C3	Replacement allowance / reserves / capital expenditures			
6D	Direct capitalization methods			
6D1	Multipliers			
6D2	Overall rates			
6D3	Reconstruction of operating statement			
6E	Derivation of capitalization rates			
6E1	Band of investment			
6E2	Market-extracted			
6F	Yield capitalization			
6F1	Discounted cash flow			
6F2	Property models			
6F3	Yield rates			
6G	Indicate value through direct capitalization			
6G1	Fee simple			
6G2	Leased fee			
6G3	Leasehold			

6H	Indicate value through yield capitalization			
6H1	Fee simple			
6H2	Leased fee			
6H3	Leasehold			
6I	Reconciliation to indicated value by the income approach			
7	**Reconciliation of value indications**	**1%**	**5%**	**2%**
7A	Reconciliation of value indications among developed approaches			
8	**Uniform standards of professional appraisal practice (USPAP)**	**17%**	**18%**	**22%**
8A	Definitions and preamble			
8B	Ethics rule			
8C	Record keeping rule			
8D	Competency rule			
8E	Scope of work rule			
8F	Jurisdictional exception rule			
8G	Standard 1 (development of assignment scope and value opinion)			
8H	Standard 2 (communication of results)			
8I	Standard 3 (appraisal review development)			
8J	Standard 4 (appraisal review reporting)			
8K	USPAP Advisory Opinions and FAQs as guidance			
8L	Extraordinary Assumption and its use			
8M	Hypothetical Condition and its use			
8N	Valuation bias and fair housing laws and regulations			
8N1	Understanding historical and contemporary real estate bias			
8N2	Federal fair housing and antidiscrimination laws and regulations			
8N3	Valuation bias			
9	**Emerging appraisal methods**	**3%**	**5%**	**0%**
9A	Appropriate use of property and market information sources			
9B	The appropriate use of alternative inspection techniques			
9C	The appropriate use of Valuation Models (including AVMs)			
10	**Appraisal statistical methods**	**3%**	**5%**	**3%**
10A	Statistical Measures of Central Tendency			
10B	Statistical Measures of Variation			
10C	Advanced Statistical Techniques Used in Appraising			

SAMPLE QUESTIONS

The following questions are offered as examples of the types of questions you will be asked during the course of the examination. The examples do not represent the full range of content or difficulty levels found in the actual examinations. They are intended to familiarize you with the types of questions you can expect to find in the examinations. The answer key is found at the end of the sample questions.

1. The subject property is a 10,000-sf office building encumbered by a full-service lease with a contract base rent of $1.25 per square foot monthly. Stabilized vacancy/credit loss allowance for similar properties within the market area is 7% of PGI. The operating expense ratio for similar properties is 30% of EGI, plus reserves for replacement of $0.15 per square foot. What is the projected net operating income?

   A. $93,000
   B. $94,500
   C. $96,150
   D. $97,650

2. The subject assignment is to appraise a vintage house built in 1880 using the cost approach. The house has metal stamped ceilings, lath, and plaster walls, which are items not easily available in today's construction. The estimated replacement cost using modern materials is $120 per square foot. Contractors charge $15 more per square foot to work on older houses. The estimated reproduction cost is $185 per square foot. What is the estimated loss in utility?

   A. $15 per square foot
   B. $33 per square foot
   C. $65 per square foot
   D. $80 per square foot

3. The occupants of a dwelling have been granted a life estate by their daughter. What interest does the daughter hold in the property?

   A. Life tenant
   B. Remainder
   C. Trustee
   D. Trustor

4. A client requires the cost approach be completed for a warehouse located in an industrial park. There are no vacant land comparable in the market area. There are three sales of commercial buildings in the industrial park with similar lots that the appraiser has researched extensively. The appraiser found the following information:

   Sale 1 sold for $1,750,000. The buyer allocated 20% of the value to the site and 80% to the value of the structure.

   Sale 2 sold for $1,000,000. The buyer was not available for verification, but the seller was available. The seller had just built the structure after holding the lot for 10 years as an investment property.

   The seller paid $100,000 for the lot and had earned 25% straight line annual return on his investment over the cost of the structure and its entrepreneurial profit.

   Sale 3 sold for $3,500,000. The buyer estimated that 90% of what he paid was for the structure.

   What is the indicated value of the lot using the allocation approach?

   A. $125,000
   B. $135,000
   C. $350,000
   D. $500,000

5. A homeowner purchased two adjacent lots in a tract subdivision 20 years ago, and built a single-unit dwelling entirely on one lot, utilizing the second lot as a side yard. The homeowner has decided to build a smaller home on the vacant side lot and retain the existing home as a rental. What term applies to the second yard?

   A. Excess land
   B. Surplus land
   C. Underutilized site
   D. Vacant site

6. While working on an appraisal of a residential property in a new home subdivision, the appraiser finds that the builders have a total of 100 home sites currently offered for sale. In measuring market demand, the appraiser notes that all of the builders combined are currently averaging two new sales contracts per month, and are expecting to sell 24 dwellings within the next year. What conclusion can be drawn with regard to the 100 available home sites and a market period of the next 12 months?

   A. The market is in a condition of supply and demand
   B. The market is in a condition of balance
   C. The market is in a condition of undersupply
   D. The market is in a condition of oversupply

ANSWERS: 1 = C, 2 = C, 3 = B, 4 = C, 5 = A, 6 = D