STATE REAL ESTATE COMMISSION
POST OFFICE BOX 2649
HARRISBURG, PA 17105-2649
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BROKER COURSE INFORMATION

All real estate courses must qualify in accordance with Section 35.271 of the Rules and Regulations of the State Real Estate Commission in order to be applied toward the 16 credits, 240 hours of instruction, in professional real estate education required for the broker examination.

The Commission strongly recommends that educational institutions implement the Commission recommended uniform titles, minimal content outline and clock hours for courses in the areas of study listed in Section 35.271.(2).

Students submitting transcripts from educational institutions implementing this recommendation should experience no difficulties in the qualification of their credits for the broker examination requirements.

Students submitting transcripts from educational institutions who have not implemented this recommendation could experience difficulty in the qualifications of their credits for the broker examination requirements.

It is the responsibility of the administrator of a college, university or accredited institute of higher learning, or director of a real estate school to determine that the real estate courses offered by that educational institution qualify.

Whenever the responsible administrator of a college, university, or accredited institute of higher learning determines that a qualifying real estate course will be offered as part of the educational institution's curriculum, the responsible administrator should immediately submit to the Commission a COURSE APPROVAL APPLICATION (SPOA 2137.IL or 2137.DE).

Whenever the director of a real estate school determines that a qualifying real estate course will be offered as part of the school's curriculum, the director is required to immediately submit to the Commission a COURSE APPROVAL APPLICATION (SPOA 2137.IL or 2137.DE).

A real estate school is required to maintain at its administrative office all records relative to the qualifications of their courses including the course content outline. These records must be available for review by the Commission's representative when monitoring the real estate program of the school.

VALUATION OF RESIDENTIAL PROPERTY (30 hours)

Minimum Content Outline

I. Introduction to Valuating
   - A. Nature and Types of Valuations
     - 1. Definition of value
   - B. Characteristics of Real Estate Valuating
   - C. Role of Appraisals and Appraisers
   - D. Physical Considerations of Real Estate
   - E. Legal Considerations of Real Estate
   - F. Economic Considerations of Real Estate

II. Market Identification and Market Forces
   - A. Definition and Functions
   - B. Market Analysis and the Price Mechanism
   - C. Economic Theory of a Competitive Market

III. Principles of Real Property Valuation
   - A. Supply and Demand
   - B. Highest and Best Use
   - C. Substitution
   - D. Contribution
   - E. Increasing and Decreasing Returns
   - F. Change
   - G. Anticipation

IV. Area and Neighborhood Analysis
   - A. National, Regional, Community and Neighborhood
   - B. Local Market Area Analysis
     - 1. Physical, economic, political and sociological factors
   - C. Neighborhood Boundaries and Forces
   - D. Trends and Forecasts in Neighborhood Analysis

V. Site Analysis
   - A. Physical Considerations
     - 1. Site area and configuration
     - 2. Excess land
     - 3. Topography
     - 4. Improvements and utilities
   - B. Economic Considerations
     - 1. Appropriate units of comparison (SF, FF, acre)
   - C. Locational Considerations
     - 1. Access
     - 2. Hazards
       - a. Environmental
       - b. Toxic substance
     - 3. Nuisances
     - 4. Amenities
   - D. Legal Considerations
     - 1. Zoning and subdivision regulations
     - 2. Deed restrictions
     - 3. Flood plain restrictions
     - 4. Easements and encroachments

VI. Building Analysis
- A. Residential
  1. Architecture
  2. Design and layout
  3. Traffic pattern
  4. Room sizes
  5. Operating systems and requirements
- B. Commercial and Industrial
  1. Building and structural components
- C. Elements of Acceptability, Marketability
  1. Physical condition
  2. Construction quality
  3. Effective age versus actual age
  4. Remaining economic life
  5. Functional deficiencies
  6. Functional defects
  7. Functional superadequacies

VII. Direct Sales Comparison Approach
- A. Rationale
  1. Valuation principles
  2. Market standards
  3. Adjustment process