

AGRICULTURAL ECONOMICS 453

Agricultural and Rural Property Appraisal

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Purpose of the Course

This course provides students the opportunity to develop an understanding of the theory of real estate value and the processes of using market information to estimate this value. It also provides the experience of applying this understanding by creating an appraisal report. Students will also be provided with the opportunity to broaden their knowledge of the field of appraisal by being given the opportunity to interact with accredited professional appraisers and other related practicing real estate professionals.

Course Objectives

This course meets the Achievement-Centered-Education (ACE) Learning Outcome #10 (Integration):

Generate a creative or scholarly product that requires broad knowledge, appropriate technical proficiency, information collection, synthesis, interpretation, presentation, and reflection.

Achievement of this learning outcome will be measured through student performance of a farm appraisal assignment. The farm appraisal assignment will provide students with the experience of conducting a thorough farm appraisal and preparing a comprehensive appraisal report. Students will also meet with an accredited professional farm appraiser and other practicing real estate professionals in the process of applying key economic and business concepts to the valuation of real estate.

The course provides opportunity for the student to:

1. Identify forces responsible for current and historical farm and rural real estate market conditions.
2. Recognize and understand factors which influence the market value of agricultural and rural property along with the concepts of value and related economic theory which provide a basis for estimating present market value.
3. Understand the process of identifying, gathering, evaluating, and organizing information and data necessary for conducting an agricultural property appraisal.
4. Follow the farm appraisal process, employing the three valuation approaches to estimate the present market value of an agricultural property.

5. Complete a comprehensive appraisal analysis and write a professional-level farm appraisal report.
6. Understand special uses and unique aspects of farm loan appraisal, tax assessment appraisal, insurance appraisal, and condemnation appraisal.
7. Develop skills in analyzing the economic feasibility, profitability, and repayment ability of alternative farm real estate investments.

Grading

Grading will be based on performance on a midterm exam, assignments, quizzes, and a farm appraisal report. Graduate students taking the course will also be required to prepare a paper and make a class presentation on an issue relevant to the appraisal process. Course grade will be weighted as follows:

	Undergraduate (453)	Graduate (8XX)
Midterm Exam(s)	40%	36%
Final Appraisal Report	40%	36%
Assignments/Class Participation.....	20%	18%
Paper and Class Presentation.....	---	10%
	100%	100%

NOTE: If a student elects to conduct a second farm appraisal on a property of particular interest, it will be graded and count as 10 percent of the course grade, with the remainder of the performance components prorated at 90 percent of the levels indicated above.

Grading policy will be on the basis of:

Grade Ave.	Course Grade	Grade Ave.	Course Grade
92-100	A	72-75	C
90-91	A-	70-71	C-
86-89	B+	66-69	D+
82-85	B	62-65	D
80-81	B-	60-61	D-
76-79	C+	<60	F

Students electing to take the course **Pass/No Pass** will be expected to complete all the requirements and earn a grade average of at least **70%** in order to receive a **Pass**.

Class Policy

Regular class attendance and participation are important and expected. It is the student's responsibility to acquire all materials, should a class absence be necessary.

Three field trips are scheduled to examine real estate. They are on the course agenda and may take more time than the normal class period. Students will need to make arrangements to attend these days as it will be difficult or impossible to complete the course requirements without viewing these properties and no other opportunities to see them are scheduled.

Collaboration among students to create the appraisal report is encouraged and students may form small groups to write the final report. However, each final product must be original except that a limited amount of material in the report may be taken verbatim from other published sources if proper credit is given.

Course Accreditation

Students have the option of using the course for meeting the **Capstone Course** requirements for both the Agribusiness and Ag Economics majors.

This course meets Achievement-Centered-Education (ACE) Learning Objective #10:

Generate a creative or scholarly product that requires broad knowledge, appropriate technical proficiency, information collection, synthesis, interpretation, presentation, and reflection.

Class Materials

All class material will be available online on blackboard.

Website Resources

1.	Nebraska Farm Real Estate and Land Market Analysis agecon.unl.edu/realestate (Valuable trend information of land in Nebraska)
2.	Web Soil Survey, NRCS, USDA http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm (Soil resource information)
3.	Federal Reserve Bank of Kansas City http://www.kansascityfed.org/ (Agriculture, Manufacturing, Economic Outlook Survey and Analysis for Nebraska, Kansas, Oklahoma, Wyoming, Colorado, and parts of New Mexico and Missouri)
4.	National Agricultural Statistics Service https://www.nass.usda.gov/ (National State and County Agricultural Statics – Historical)
5.	Nebraska Department of Natural Resources http://www.dnr.ne.gov/ (Registered well info, groundwater levels, rainfall records, and more by geographic area)
6.	Nebraska Department of Economic Development http://www.neded.org/index.php (Population data by county)
8.	USDA NASS Survey Cash Rents by County https://www.nass.usda.gov/Surveys/Guide to NASS Surveys/Cash Rents by County/ (Cash rent for irrigated, non-irrigated, and pasture land from 2008 through 2012)
9.	Nebraska Real Estate Commission http://www.nrec.ne.gov/ (Real Estate regulations and licensing in Nebraska)
10.	Nebraska Real Property Appraiser Board http://www.appraiser.ne.gov/ (Administers and enforces Nebraska Real Property Appraiser Act. Real property appraisal credentialing requirements)
11.	Nebraska Department of Revenue Property Assessment Division http://www.revenue.ne.gov/PAD/ (Regulates county assessors, publishes periodic reports on land values and changes)
12.	American Society of Farm Managers and Rural Appraisers http://www.asfmra.org/ (Professional Society that provides educational opportunities and certifications)