

Understanding Intangible Assets and Real Estate:

A Guide for Real Property Valuation Professionals



Section 1: Identifying Intangible Assets

- Four Part Test

Identifiable

Legal Ownership

Separate and Divisible

Legally Transferable



Section 2: Why it is necessary to allocate the value of intangible assets

- Accounting purposes
- Business-related purposes
- Real estate purposes.

Section 3: Methods for Estimating or Allocating Intangible Asset Value

- Cost Approach
- Sales Comparison Approach
- Income Approach

Section 4: Selected Property Types and Intangible Assets

Rarely Have Intangible Value	May Have Intangible Value
Office	Fast Food Restaurant
Warehouse	Restaurant
Retail Mall	Auto Dealership
Self-Storage	Auto Repair/Tire Centers
Drugstores	Hotels/Lodging
Corporate Headquarters	Golf Courses
Truck Terminal	Casinos
Flex-Industrial	Convenience Stores
Shopping Mall	Marinas
Shopping Center	Fitness Centers
Apartments	Ski Resorts
Mobile Home/RV Parks	Bowling Centers
Retail	Funeral Homes
Big-Box Retail	Landfill
Used Auto Dealership	Race Tracks
	Movie Theater
	Self-Service Car Wash
	Full Service Car Wash
	Amusement/Theme Parks
	Senior Care
	Telecommunications/Utilities



Section 5: Special Topics

- Skilled/Assembled Workforce
- Start-up costs
- Leases-in-Place and Above/Below-Market Leases
- Goodwill
- Go-dark valuation
- The Business Enterprise Value Approach (BEV)



This presentation was prepared and given by IAAO's Special Committee on intangible valuation, comprising of:

- Mark Kenney, MAI, SRPA, MRICS, MBA
- Peter F. Korpacz, MAI, CRE, FRICS
- Mark R. Linné CAE, MAI, SRA, AI-GRS, CDEI, FRICS
- Toni Viens, MAI, SRA
- Gaylord A. Wood, Jr., JD, CMA
- Tim Wilmath, MAI, SRA
- The committee worked closely with Mary Odom, MLS, IAAO's Director of Library Services, who provided significant assistance and support.



The End

