

LEC 1207 Real Estate Valuation I

Hours Per Week			Hours per Semester	Weighted Total Mark	Weighted Exam Mark	Weighted Continuous Assessment	Credit Units
LH	PH	TH	CH	WTM	WEM	WCM	CU
4	0	4	60	100	60	40	4

Rationale/Course Description

This course introduces the student to the property market, the methods and techniques used in assessing real property, and the pertaining legal issues.

Objectives/Aims

- To enlighten the student on the local property market
- To equip the student with property valuation techniques

Course Outline

1. The Nature of Real Estate and Real Estate Markets
[08CH]
 - 1.1 The Nature of Real Estate
 - 1.2 Real Estate Markets
 - 1.3 Participants in Real Estate Markets
 - 1.4 Characteristics of Real estate and Real estate markets
2. Types of Property, Functions and Use (Functional Utility)
[06CH]
 - 2.1 Real Estate Functional Utility
 - 2.2 Types of Real Estate and their Functional Utility
3. Organizations and Individuals that Acquire and Trade in Real Property
[02CH]
4. Real estate Appraisals/Valuations
[04CH]
 - 4.1 Definition of Real Estate Appraisal/Valuation
 - 4.2 Uses of Real Estate Valuations
5. The Nature of Value
[05 CH]
 - 5.1 Distinction among Price, Cost and Value
 - 5.2 Types of Value
 - 5.3 Factors that create Value
 - 5.4 Factors that influence Real Property Values
6. The Valuation Process
[10CH]
 - 6.1 Definition
 - 6.2 Procedures in the Valuation Process
7. Approaches to Value/Valuation Methods/Techniques

[25CH]

- 7.1 Direct Sales Comparison Method
- 7.2 Cost Method
- 7.3 Income (Investment) Method
- 7.4 Profit Method
- 7.5 Residual Method

Learning Outcomes

On completing the course the student should be able to:

- Appreciate the nature of real estate markets and the different roles of real estate professionals in the Real estate and construction industries
- Understand the different uses of real estate appraisals and valuations
- Carry out property valuations for different purposes

Mode of teaching/delivery

The course shall be conducted through lectures and tutorials.

Mode of Assessment

Assessment will be done through continuous interim assessments (assignments and tests) and a final examination. Interim assessment will carry a total of 40% and final examination will carry 60% of the final grade mark.

Reading/ Reference Materials

Diane Butter (2001) Applied Valuation 2nd Edn. Palgrave Publishers. ISBN 0 33 641 33 7

Richard R. Almy (1978) Improving real property assessment: a reference manual; International Association of Assessing Officers

Terrence M. Clauretje, G. Stacy Sirmans (2002) Real Estate Finance: Theory &

Practice Douglas Scarrett (2008) Property Valuation: The Five Methods; Routledge

A. R. Macleary N. Nanthakumaran (2007) Property Investment Theory; Spons Architecture Price Book