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. Clauretie, 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