

Liverpool John Moores University

Title: VALUATION THEORY AND APPLICATIONS 1
Status: Definitive
Code: **4008BEUG** (102730)
Version Start Date: 01-08-2011

Owning School/Faculty: Built Environment
Teaching School/Faculty: Built Environment

Team	Leader
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Academic Level: FHEQ4 **Credit Value:** 24.00 **Total Delivered Hours:** 75.00
Total Learning Hours: 240 **Private Study:** 165

Delivery Options

Course typically offered: Standard Year Long

Component	Contact Hours
Lecture	48.000
Seminar	24.000

Grading Basis: BTEC

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Choice of questions	50.0	3.00
Report	AS2	Assignment 1	25.0	
Report	AS3	Assignment 2	25.0	

Aims

To introduce the fundamental concepts and methods used in valuation practice, to establish a firm market basis for the valuation process and to provide an investment perspective to real estate as an income-generating asset.

Learning Outcomes

After completing the module the student should be able to:

- 1 Apply standard analytical techniques to property transactions and use property market data in comparable analysis in the valuation process.
- 2 Explain the methods of valuation and apply them in specified circumstances.
- 3 Describe the theory and relevance of compound interest in the compilation of elementary valuation formulae/tables and use valuation formulae/tables in specified applications of the investment method.
- 4 Identify the special characteristics of property as an investment medium and use conventional methods of income and yield comparison to value real estate via the investment method.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM	1	2	3	4
REPORT	1	2	3	
REPORT	4			

Outline Syllabus

Principles of valuation: RICS Appraisal & Valuation Standards (Red Book), referencing and measurement of buildings (RICS Code of Measuring Practice), valuation reports.

Methods of valuation: outline of comparative, contractors (depreciated replacement cost), residual, profits and investment methods, property outgoings and their valuation treatment, factors affecting rental value and yield, zoning of retail premises.

Investment valuation: competing investment media, property investors, financial modeling and the derivation of elementary valuation tables and formulae, application of investment method to rack-rented and reversionary freeholds, application of investment method to leasehold interests, future receipts and expenditure, split liability for outgoings, premiums and annual equivalents.

Learning Activities

Lectures and seminar.

References

Course Material	Book
Author	Davidson, A.W. (compiler)

Publishing Year	2004
Title	Parry's Valuation & Investment Tables
Subtitle	
Edition	
Publisher	Estates Gazette
ISBN	0728203685

Course Material	Book
Author	Johnson, T., Davies, K., & Shapiro, E.
Publishing Year	2000
Title	Modern Methods of Valuation
Subtitle	
Edition	
Publisher	Estates Gazette
ISBN	0728203464

Course Material	Book
Author	Millington, A.F.
Publishing Year	1988
Title	An Introduction to Property Valuation
Subtitle	
Edition	
Publisher	Estates Gazette
ISBN	0728203502

Course Material	Book
Author	Baum, A., Mackmin, D. & Nunnington, N.
Publishing Year	2002
Title	The Income Approach to Property Valuation
Subtitle	
Edition	
Publisher	Thomson
ISBN	186152501X

Notes

The module provides a wide-ranging and general introduction to property valuation and the property market. The emphasis is on placing the subject in an economic setting which is the basic broad discipline for valuation studies. There is also a firm intention to highlight the special characteristics of property as an investment medium and to establish a clear investment perspective to the holding and appraisal of real estate.