COURSE OUTLINE

Department & Faculty: **Dept. of Built Environment** **Centre For Diploma Studies SPACE**	**Page : 1 of 6**
Course Code : Applied Valuation (DDPF 2443) **Total Contact Hours : 56 hours** **Pre-requisite : Real Estate Investment Valuation (DDPF 2433)**	**Semester: II** **Academic Session: 2012/2013**

Lecturer	:
Room No.	:
Telephone No.	:
E-mail	:
Synopsis	: This course introduces students to applied valuation with reference to "Manual of Valuation Standards" produced by the Board of Valuers, Appraisers and Estate Agents, Malaysia. It covers determining factors affecting value, collecting, selecting and analyzing data to be used in property valuation, application of appropriate valuation methods in valuing residential properties, commercial properties, industrial properties, agricultural properties, development land, special properties, and valuation for insurance purposes and also forced sale value. At the end of this course, students should be able to use and apply their professional knowledge and skills, in choosing the appropriate method of valuation when carrying out property valuation according to the type of property while advocating the "Manual of Valuation Standards". Through assignments and project work, students are led to develop skills to communicate effectively, to lead and cooperate as team members, be highly motivated, disciplined and ethical.
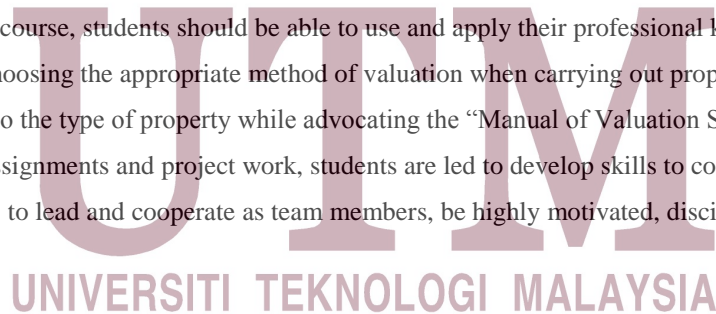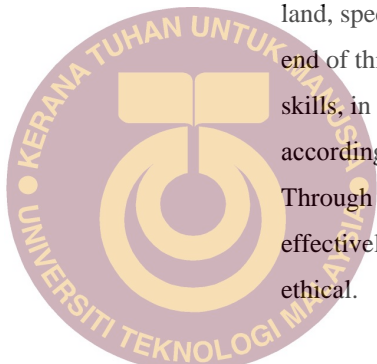
LEARNING OUTCOMES

By the end of the course, students should be able to:

No	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Taxanomy and KI levels	Assessment Methods
1.	Identify and evaluate the factors which affect property value, referencing on all relevant data about the subject property to be valued and select suitable comparable data to value the subject property.	PO1	C4	Project, Tests and Final Examination
2	Use the suitable method of valuation according to the purpose and different types of properties such as residential, commercial, agricultural, and industrial properties and calculate and write a full valuation report according to the requirements of the industry and 'Manual of Valuation Standards'	PO3	P1-P3 CTPS1-CTPS3	Project, Test and Final Examination

Department & Faculty: **Dept. of Built Environment** **Centre For Diploma Studies SPACE**	**Page : 2 of 6**
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3.	Practise moral values, ethics and professionalism towards oneself and one's work	PO8	A3 EM1-EM2	Project

STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (hours)

A. Face-to-face Learning
    1. Lecture
    2. Tutorial
    3. Student Centered Learning
	
	30
	14
	12

B. Self Directed Learning
    1. Non face-to-face : project
    2. Revision
    3. Assessment Preparation
	
	41.5
	10
	7.5

C. Formal Assessment
    1. Continuous Assessment : test
    2. Final Exam
	
	2.5
	2.5

Total	**120**

TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Group Project.

LECTURE WEEKLY SCHEDULE

Week 1	**1. : FACTORS AFFECTING PROPERTY VALUE** a) Micro – location, the type of building (improvement) structure, topography of the land, real estate management & maintenance, size and shape of parcel, building accommodation, building finishes/facilities, the age of the building, consumer taste, public utility, legal nature of property- ownership, interest, land use and others. b) Macro – politic/government policies, surrounding development/neighbourhood, economy, legislation, social, planning and new technology c) Understanding the different definitions of property value such as Open Market	**3 hrs**

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Department & Faculty: Dept. of Built Environment Centre For Diploma Studies SPACE	Page : 3 of 6
Course Code : Applied Valuation (DDPF 2443) Total Contact Hours : 56 hours Pre-requisite : Real Estate Investment Valuation (DDPF 2433)	Semester: II Academic Session: 2012/2013

	Value, Forced Sale Value, Value in Use, Special Value and others.	

Week 2	2. DATA COLLECTION AND DATA ANALYSIS
	a) Data that can be used;
	    - Sales data
	    - Market value
	    - Valid and bona fide
	b) Data that cannot be used
	c) Equality degree between comparative data
	  - Physical
	  - Income
	  - Date of transaction
	  - Market stability
	  - Planning and legislation
	Submit week 12
		3 hrs

Project		

Weeks 3	d) Comparable data
	  - Identifying sales, obtaining and verifying data on comparables and selecting the most appropriate comparables.
	Collecting other relevant data about the property- title search and application and development approval from Land Office, land use planning and related government policies.
	e) Data analysis
	f) Valuation unit – psf, psm, pf^3, pm^3, pac, pha
	  - Adjustment factors : time, location, size and others
	  - Adjusting the comparables
		3 hrs

Weeks 4	3. **RESIDENTIAL PROPERTIES** a) Types of residential properties b) Factors affecting residential value. c) Data collection and data analysis.	3 hrs

Department & Faculty: Dept. of Built Environment Centre For Diploma Studies SPACE	Page : 4 of 6
Course Code : Applied Valuation (DDPF 2443) Total Contact Hours : 56 hours Pre-requisite : Real Estate Investment Valuation (DDPF 2433)	Semester: II Academic Session: 2012/2013

Weeks 5	d) Comparative method: data collection, data analysis and adjustments needed. e) Cost method: data collection, data analysis and adjustments needed. f) Investment method: Data collection, data analysis and adjustments needed. g) Valuation for residential properties h) Fire Insurance and forced sale value	3 hrs
Weeks 6	**4. COMMERCIAL PROPERTIES** a) Types of commercial properties b) Factors affecting commercial value. c) Data collection and data analysis.	3 hrs
Weeks 7 Test 1	d) Comparative method: data collection, data analysis and adjustments needed. e) Cost method: data collection, data analysis and adjustments needed. f) Investment method: Data collection, data analysis and adjustments needed. g) Valuation for commercial properties	3 hrs
Weeks 8	**MID TERM BREAK**	
Weeks 9	**5. INDUSTRIAL PROPERTIES** a) Types of industrial properties b) Factors affecting value. c) Data collection and data analysis.	3 hrs
Week 10	d) Comparative method: data collection, data analysis and adjustments needed. e) Cost method: data collection, data analysis and adjustments needed. f) Investment method: Data collection, data analysis and adjustments needed. g) Valuation for industrial properties	3 hrs
Weeks 11	**6. AGRICULTURAL PROPERTIES** a) Types of agricultural properties b) Factors affecting value.	3 hrs

Department & Faculty: Dept. of Built Environment Centre For Diploma Studies SPACE	Page : 5 of 6
Course Code : Applied Valuation (DDPF 2443) Total Contact Hours : 56 hours Pre-requisite : Real Estate Investment Valuation (DDPF 2433)	Semester: II Academic Session: 2012/2013

	c) Data collection and data analysis.	
Weeks 12 **Submit Project**	d) Comparative method : data collection, data analysis and adjustments needed. e) Investment method : Data collection, data analysis and adjustments needed. f) Valuation for agricultural properties	3 hrs
Weeks 13	**8. SPECIAL PROPERTIES** a) Characteristics of special properties: hotel, cinema and others. **b)** Appropriate methods of valuation: Profits Method.	3 hrs
Weeks 14 **Test 2**	**7. DEVELOPMENT PROPERTIES (LAND)** a) Characteristics of development land b) Factors affecting value. c) Data collection and data analysis. **d)** Comparative method: data collection, data analysis and adjustments needed.	3 hrs
Weeks 15	e) Residual method: Data collection, data analysis and adjustments needed. f) Discounted cash flow : NPV and IRR **g)** Valuation for development land	3 hrs

REFERENCES

1.   The Board of Valuers, Appraisers and Estate Agents, Malaysia, *Manual of Valuation Standards.*

2.   Andrew Cherry, *A Valuer's Guide to the RICS Red Book 2010,* RICS BOOKS

3.   Tony Johnson, Keith Davies, Eric Shapiro (2009) *Modern Methods Of Valuation, 10th Edition*, RICS   BOOKS

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4.   Isaac, D and Steley, T (1999) *Property Valuation Techniques*, 2nd edition, Macmillan, London.

5.   Azahari Husin, (1996) *Kaedah Penilaian Harta Tanah,* Dewan Bahasa dan Pustaka,
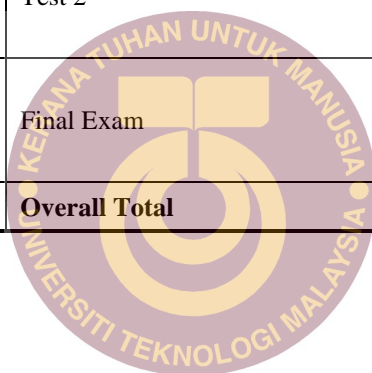
Other Refernces

1.   Douglas Scarret (2008*), Property Valuation: The Five Methods, 2nd Edition,* Routeledge,

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Department & Faculty: Dept. of Built Environment Centre For Diploma Studies SPACE	Page : 6 of 6
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GRADING

No.	Assessment	Number	Each Assessment %	Overall %	Dates
1	Project	1	20 C1-C3 CTPS1-CTPS3 EM1-EM2	20	Weeks2 - 12
2	Test 1	1	10% C1-C3	10	Week 7
3	Test 2	1	15% C1-C3	15	Week 14
4	Final Exam	1	60% C1-C3	60	
	Overall Total			**100**	