Department of Finance and Investment Management

Property Valuation and Management A / Fixed Property A

ADPVM01 / BPIF008

LAST ASSESSMENT

June 2014

Time: 2 hours

Marks: 100

Assessor: Mr A Kruger

Moderators: Mr M Le Roux

INSTRUCTIONS:
- This paper consists of 6 pages.
- Answer ALL questions in the **answer book** provided.
- Silent, non-programmable calculators may be used, unless otherwise instructed.
- Where applicable, show all calculations clearly.
- Answers with Tippex and in pencil will **not** be marked.
- Scratch out all open spaces and empty pages.
- All the best.

Question	Topic	Marks	Time
1	Objective test questions – various topics	25	30 minutes
2	Market and Marketability Analysis	30	36 minutes
3	Land and Site Analysis	20	24 minutes
4	Improvement Analysis	25	30 minutes
		100	120 minutes

8) Neighbourhood social influences include all of the following except?
a. Population density
b. Occupant skill levels
c. Occupant age levels
d. Vacancy rates

9) A trade area is?
a. An area where property owners trade rather than sell the properties
b. A geographic area from which a retail centre will draw its customers
c. An area where the owners-inhabitants are generally employed
d. An area where an office building owner will trade tenants with other office building owners

10) Governmental influences include all of the following except?
a. Tax burdens
b. Special assessments
c. Zoning, building, and housing codes
d. Changes in property use

11) Linkages are?
a. The devices used to change a property from one use to another
b. A geographic area from which a retail centre will draw its customers
c. An area where the owners-inhabitants are generally employed
d. The tools necessary to market real estate

12) Highest and best use?
a. Is specified by the client
b. Must be considered in all valuations
c. Includes two parts when the property is improved, the highest and best use as though vacant and the highest and best use as improved
d. Assumes demand for the property within the existing or proposed use

13) The three approaches to value are?
a. Market analysis, market consensus of opinion, and market research
b. Sales extraction, cost replication, and income multiplication
c. Sales comparison, cost, and income capitalization
d. Graphic analysis, linear regression, and statistical analysis

14) The date of the value opinion is?
a. The first date the valuer was on site
b. The last date the valuer was on site (i.e., inspection date)
c. The date stipulated by the client
d. The date the valuer received the order

15) The valuation technique in which the income a property earns is considered is?
a. The income capitalization approach
b. The sales comparison approach
c. The cost approach
d. None of the above

24) Competitive supply sources for housing include?
a. Rental units
b. Houses for sale
c. Houses that will be for sale
d. All of the above

25) Which is the final step of the valuation process?

a. Final reconciliation and estimate the single value estimate
b. Final reconciliation and determine range or single estimate
c. Complete a report with the defined value
d. Application of the three approaches to value

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SUPPLEMENTARY ASSESSMENT

June 2014

Time: 2 hours

Marks: 100

Assessor: Mr A Kruger

Moderators: Mr M Le Roux

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- Scratch out all open spaces and empty pages.
- All the best.

Question	Topic	Marks	Time
1	Objective test questions – various topics	25	30 minutes
2	Site analysis	25	30 minutes
3	Highest and Best Use	25	30 minutes
4	Sales comparison approach	25	30 minutes
		100	120 minutes

1.7) Market value is?

a. Always equal to cost
b. Always equal to sale price
c. The amount of money a property should sell for on the open market
d. A fact that can be reported by the valuer

1.8) A good's capacity to satisfy human desires or needs is known as?

a. Creative demands
b. Utility
c. Functional obsolescence
d. Effective demand

1.9) Estimating market value for financial institutions requires identification of the desires and priorities of?

a. Well-informed buyers and sellers
b. A fully informed seller
c. A typically informed purchaser
d. A typically informed seller

1.10) Market value can be described as?

a. The price a person paid for real property
b. The cost of the land plus the cost of the building
c. The present worth of future benefits
d. Whatever someone will pay for something

1.11) The four agents of production are?

a. Land, labor, capital, improvements
b. Land, labor capital, entrepreneurship
c. Land, labor, capital, money
d. Land, improvements, labor, materials

1.12) Supply of single-family residential properties is most affected by?

a. An increase in employment in the area
b. A decrease in mortgage interest rates
c. An increase in the number of apartments built
d. An increase in the number of homes built

1.20) A mortgage is a?

a. Document that makes a borrower promise to repay the money
b. Document that gives the interest rate and terms of a loan
c. Pledge of collateral for a real estate loan
d. Pledge of collateral for a car loan

1.21) A gross lease is?

a. A lease in which the landlord receives stipulated rent and is obligated to pay all or nearly all operating expenses and real estate taxes
b. A lease in which the landlord receives stipulated rent and is obligated to pay none of the operating expenses nor taxes
c. A lease in which the landlord receives stipulated rent and passes through all or nearly all operating expenses and taxes
d. A lease in which the tenant pays some expenses and the landlord pays some

1.22) Property (real estate) is?

a. The rights in property
b. The physical land and improvements affixed to the land
c. What transfers on the day of registration
d. The "bundle of rights"

1.23) The value of improved residential property is most influenced by?

a. Passage of time
b. Brokers opinions of the value of properties
c. Changes in shopping patterns for consumers of goods and services
d. Cost of construction increases

1.24) Which of the following is not a part of the market value definitions used by financial institutions?

a. Buyer and seller are typically motivated
b. The property sells in 90 to 120 days
c. Payment is made in cash or cash equivalent terms
d. Both parties are well informed

1.25) Investment value means?

a. The value of a specific property to anyone
b. The value of a property within a specific use
c. The value of a property to a specific buyer with specific investment criteria
d. The value that lenders will base loans on