

The University of Melbourne

Semester One, 2004

COPY

**Faculty of Architecture, Building and Planning**

**Subject Number:** 702-353  
**Subject Title:** Property 3

**Exam Duration:** Three (3) hours  
**Reading Time:** 15 minutes  
**This paper has** Five (5) pages

**Authorised materials:**

Students may bring into and use in the examination room the following:

- electronic calculators
- a foreign language dictionary

Students **must not** bring into and use:

- text books or photocopies of extracts from text books and articles.

**Instructions to Invigilators:**

Standard script books only required.

Exam paper must not be removed from the examination room.

**Instructions to students:**

Answer **all six (6)** questions.

**Paper to be held by Baillieu Library**

### **QUESTION 1**

You have been approached by a residential property owner to assess the correctness of the assessed rateable value of a property. List in order the detailed steps that you would undertake to complete this task. Discuss the avenues available for the objection and appeal process if the valuation is incorrect, and state the two primary reasons for a successful objection. Use a working example in your answer, as well as referring to the relevant legislation.

**Total for Question 1**

**(15 marks)**

### **QUESTION 2**

Explain the following in regards to the compulsory acquisition of land:

- (a) difference between “severance” and “injurious affection”;
- (b) the concept of “special value”;
- (c) the significance of the Spencer case;
- (d) the underlying aim of compensation;
- (e) the relevance of case law.

**Total for Question 2**

**(20 marks)**

### **QUESTION 3**

Lot 1 on RP1234 is a vacant residential block of land consisting of 2000m<sup>2</sup> located on a quiet suburban Melbourne road. The land is capable of being subdivided into three lots and once subdivided would have a market value of \$25,000 each. In fact the registered proprietor had already paid \$5,000 in surveyors and consultant fees, as well as local Council fees in preparing a submission to the Council for the subdivision. The cost total of achieving three separate titles would total \$7,500. The Town Plan stipulates a minimum area of 600m<sup>2</sup> for detached residential development allotments.

The Constructing Authority wishes to acquire (sever) a 400m<sup>2</sup> strip of land fronting this allotment which reduces the land area to 1600m<sup>2</sup> and under the provision of the Town Plan would reduce the block's sub-divisional capacity. Because of the fumes/noise of the road, etc. the value of the land would also be injuriously affected. To conclude, it has been noted that small blocks of approximately 800m<sup>2</sup> in similar 'noisy' locations nearby have sold for \$20,000 per block. This would be a reasonable assessment of value for the blocks that could be subdivided from Lot 1 on RP1234 after the resumption took place.

From the information above prepare a detailed claim for compensation (including heads of claim) and outline the legal basis (including any relevant cases) for your claim. Show all workings.

**(NOTE: YOU MAY MAKE ANY ASSUMPTIONS YOU MAY CONSIDER NECESSARY TO COMPLETE THE TASK – LIST ALL ASSUMPTIONS)**

**Total for Question 3**

**(20 marks)**

**QUESTION 4**

You have been asked to give a presentation to a group of property professionals about the role of the expert witness. Assume the audience has never been inside a courtroom, let alone involved in a compulsory acquisition case.

Provide an overview of your talk, including an introduction and conclusion.  
In your answer you should also explain the code of conduct in the courtroom for an expert witness.

**Total for Question 4**

**(15 marks)**

**QUESTION 5**

Present a valid argument both for and against Property (or Land) Tax on behalf of (a) the property industry (b) the government and (c) a property owner who pays property tax. Discuss what property tax is, when it applies, and how is it levied. Consider possible changes that could be made to improve the system, and what the implications of such changes would be.

**Total for Question 5**

**(15 marks)**

**QUESTION 6**

Explain the process used by valuers in the Valuer General's office to assess rating valuations on a two yearly basis. Discuss the concept of sales ratios and how they apply. In addition, show your understanding of the COV, COD and PRD including the role of these mathematical tools in the revaluation process. Also, explain exactly how GIS can assist the overall process.

**Total for Question 6**

**(15 marks)**

**Total for Examination Paper**

**(100 marks)**

**END OF EXAMINATION PAPER**