

**The University of Melbourne**

**Semester Two, 2004**

**Faculty of Architecture, Building and Planning**

**Subject Number:** 702-652  
**Subject Title:** Property Valuation and Analysis (Masters)

**Exam Duration:** Three (3) hours  
**Reading Time:** 15 minutes  
**This paper has** 4 pages

**Authorised materials:**

Electronic calculators

**Instructions to Invigilators:**

Standard script books only required.  
Exam paper may be removed from the examination room.

**Instructions to students:**

Write your student number and the question numbers on each answer booklet.  
Answer **all eight (8)** questions.

**Paper to be held by Baillieu Library**

### **QUESTION 1**

You have been asked to deliver a talk on a valuation-related research topic, where the emphasis was based on conducting a literature review.

List the order in which each step must be taken to conduct such research. Pay particular attention to explaining what the differences are between varying sources of information. Also, discuss your options if few or no articles are located.

**(15 marks)**

### **QUESTION 2**

"The valuation of plant and machinery is a specialised area of property analysis".

What exactly is meant by this statement?

In your answer define differences between types of plant and machinery, and discuss varying approaches to valuing this type of asset. Also, describe the different types of obsolescence that affect plant and machinery, and how each type differs.

**(15 marks)**

### **QUESTION 3**

"Making errors when undertaking a statistical analysis may adversely affect the results."

Explain your understanding of this statement, and discuss the various types of errors that can occur. Use examples where possible in your answer.

**(10 marks)**

#### **QUESTION 4**

You have been assigned to undertake a valuation of a house using the 'cost approach'.

Detail the various steps in their correct order that you will take to complete this task. Include a depreciation graph in your answer and explain where each variable come from.

**(10 marks)**

#### **QUESTION 5**

Explain the process you would use to value the following properties:

- (a) A lighthouse;
- (b) Albert Park lake and surrounds;
- (c) St Kilda pier;
- (d) A university campus;
- (e) A national park.

**(10 marks)**

#### **QUESTION 6**

Explain how statistics can assist research into property markets.

In your answer make the distinction between primary and secondary data and use examples where possible.

**(10 marks)**

**QUESTION 7**

An understanding of cycles is an important component of property market analysis.

- (a) Show your understanding of what a property cycle actually is.

**(5 marks)**

- (b) List four different types of cycles from cycle theory, and discuss variables such as their length, their origin and when they are applicable. Use diagrams in your answer.

**(10 marks)**

**Total for Question 6**

**(15 marks)**

**QUESTION 8**

Provide a detailed outline of rural valuation report. Place the emphasis on the headings and subheadings that are required, regardless of the circumstances surrounding each particular property. In the section that includes the valuation calculations, include a working example of how to value a property using the TFW (treated, fenced and watered) approach.

**(15 marks)**

**Total for Examination Paper**

**(100 marks)**

**END OF EXAMINATION PAPER**