

The University of Melbourne

Semester Two, 2006

Faculty of Architecture, Building and Planning

Subject Number: 702-652
Subject Title: Advanced Property Analysis (PG)

Exam Duration: Three (3) hours
Reading Time: 15 minutes
This paper has 3 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 six (6) questions.

Paper to be held by Baillieu Library

QUESTION 1

Public Private Partnerships (PPPs) are an increasingly popular means of procuring a major project. Explain what a PPP is and where it occurs in the property market. State your understanding of a Special Purpose Vehicle (SPV) and how it affects a PPP. Show your knowledge of risk with regards to PPPs and include examples in your answer.

(15 marks)

QUESTION 2

When undertaking property analysis it is important to refer to reliable and up-to-date sources of information. Discuss the various sources of information available for property analysts, as well as disadvantages and advantages associated with each source. In your answer give examples where possible.

(15 marks)

QUESTION 3

Using statistics in property analysis is an expanding area. Explain exactly what multiple regression analysis (MRA) actually is, how it works and how computer programs can be used. Show your knowledge of standard deviation and variance, as well as other measures that can be used to understand property markets. Discuss the relevance of MRA to property research and use examples to highlight its strengths and weaknesses.

(20 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 detailed depreciation graph in your answer and explain where each variable come from.

(15 marks)

QUESTION 5

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

- (a) A lighthouse;
- (b) A national park;
- (c) Farm machinery;
- (d) A grazing property;
- (e) A house under construction.

(20 marks)

QUESTION 6

Valuing plant and machinery is a specialised form of property valuation. Exactly what is plant and machinery and distinguish between the two different classifications? List the varying types of obsolescence that affect this property type. Use working examples in your answer where possible.

(15 marks)

Total for Examination Paper

(100 marks)

END OF EXAMINATION PAPER