



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF THE BUILT ENVIRONMENT

DEPARTMENT OF LANDSCAPE ARCHITECTURE AND URBAN DESIGN

PROPERTY VALUATION I

BLP 2102

Examination Paper

December, 2017

This examination paper consists of 3 printed pages

Time Allowed: 3 hours

Total Marks: 100

Special Requirements: Nil

Examiner's Name: Mr A. Chigwenya/ P. Ndhlovu

INSTRUCTIONS

1. Answer any three questions in Section A and Section B is compulsory
2. Each Question Carries **25** Marks

MARK ALLOCATION

QUESTION	MARKS (Any Selected 4)
1.	25
2.	25
3.	25
4.	25
5.	25
6.	25
TOTAL	100

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SECTION A

Question 1

Explain the following valuation terms:

- i) Open market value (5)
- ii) Lease agreement (5)
- iii) Reversion (5)
- iv) Capitalization (5)
- v) Fair value (5)

[25]

Question 2

Distinguish between the following:

- i. Freehold and Leasehold (5)
- ii. Tenancy in common and Joint Share Ownership (5)
- iii. Deed of sale and deed of grant (5)
- iv. Usufruct rights and life interest (5)
- v. Sectional title and block shares (5)

[25]

Question 3

With reference to Zimbabwean property market, discuss how the following factors can affect property values:

- i. Government policies (9)
- ii. Social factors (8)
- iii. Economic factors (8)

[25]

Question 4

You are approached by an investor who wishes to buy a petrol filling station which is along George Silundika street in Bulawayo.

- i. Suggest with reasons the most appropriate method that you are going to apply in the valuation process. (5)
- ii. Give an outline of the steps that you are going to follow when carrying out the valuation (20)

[25]

Question 5

Suppose you have been tasked to value the NUST Guest House, produce a detailed valuation report for your client. (25)

Section B

Question 6

- i. Outline the steps that are taken when carrying out valuation under the investment method. (5)
- ii. You are approached by a potential buyer of Zimre building to carry out valuation of a property in the city centre which is vacant. The following data is available.

The current open market rental for the building is \$30.00/ sqm for the Ground Floor, \$15.00 /sqm for the First Floor and \$10.00/sqm for the Second Floor.

The building has the following spaces: Ground Floor is 100sqm, First and Second Floors are 100sqm each.

The expected rate of return is 12%.

The outgoings are as follows:

Repairs \$1500 per month, security \$500 per month, estate agent fees 5% of the collected rent.

Calculate the capital value of the building. (20)

[25]