

Valuation – The Five Methods

Module Descriptor

Module Code: VAL5TFM

Version: 4.00

Status: Final

Date: 22/07/2020

Summary Module Detail

Module details

Module Title: Valuation – The Five Methods

Module Leader: Mike Whitson

Module Mode: Supported online learning

Semester: Autumn (UK) and Spring (UK)

Level: 5

Credits: 20

Learning Hours: 200

Contact and Study Hours:

Directed Study Time: 90 hrs (45%)

Self-directed Study Time: 50 hrs (25%)

Assessment Study Time: 60 hrs (30%)

Assessment Type:

Coursework: 100%

Computer Marked Assessment: 0%

Self-directed Research Project: 0%

Portfolio: 0%

Module Summary

This module examines the traditional property valuation methods: comparative, investment, residual, profits and cost-based. There is also an introduction to modern methods of valuation. The module is primarily based on calculation and analysis that aims to develop the skills required to undertake valuations of the most common property types, namely residential, offices, retail and industrial. It aims to develop a sound understanding of the methods and their application and, together with the valuation context, underpins Applied Valuation studied at Level 6.

* The module diet is structured to ensure that the delivery of modules supports your learning. However individual student circumstances may mean the sequence of the planned module diet changes. It is therefore strongly advised that you study VAL5VCP Valuation Context and Principles before attempting VAL5FTM Valuation – The Five Methods.

Taken on which Programmes

BSc (Hons) Real Estate Management (C)

Core (C) or Elective (E)

Module Aims

This module aims to:

- develop the investigative and analytical skills required to undertake valuations and to integrate them with a detailed study of the core valuation methods;
- develop a sound understanding of the core methods and their application.

Module Learning Outcomes

- LO1. Examine the principles, approaches and methods of property and investment valuation.
- LO2. Source and analyse information, interpret company accounts, apply market data and make calculations using a range of methods, techniques and tools.
- LO3. Communicate information, arguments and analysis to specialists and non-specialists, present calculations and produce cogently argued valuation advice in a professional format.

Indicative Module Content

Module topics

- **Valuation Methodology: an overview**

The role of the valuer. The evidential basis for valuation. The need to interpret data from diverse sources. The five traditional methods of valuation and property types to which they are applied.

- **The Measurement of Properties**

RICS Property Measurement – application of correct basis for different property types. Zoning of retail properties – national and international variations.

- **Further Applications of Methods**

Exploration of further techniques and application of main property valuation methods. Analysis of market comparable evidence to derive rents and yield information. Yield terminology including initial yield, equivalent yield, reversionary yield and running yield explained and applied.

- **Valuation Tools and Assumptions**

An evaluation of manual calculations, spreadsheets and off-the shelf programs. Advantages and disadvantages of each. Understanding the need for assumptions in valuations.

- **Introduction to Modern Methods**

Theory behind the discounted cash-flow model. Use of cash flows, advantages and limitations.

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This content will be reviewed and updated regularly to reflect the legal, moral and financial changes in professional standards and practice.

Overview of Summative Assessment

Module learning outcomes	Assessment	Word count or equivalent	Weighting
LO1, LO3	Assessment 1 Coursework	1,600	40%
LO1, LO2, LO3	Assessment 2 Coursework	2,400	60%

Module Pass Mark (as a weighted average of all assessments): 40%

Key Module Learning Resources

Core Sources and Texts

The core reading resources within each module will be provided via the specific Virtual Learning Environment (VLE) module pages and within the e-Library. Additional reference material and supplementary resources to support your studies are available through the UCEM e-Library.

Module tools

Students will have access to study materials, dedicated academic support, student forums, and learning activities via an online learning platform (VLE).

The module page on the VLE is broken down into structured study weeks to help students plan their time, with each week containing a mixture of reading, case studies, videos/recordings and interactive activities to go through. Online webinars/seminars led by the Module Leader can be attended in real time and provide opportunities to consolidate knowledge, ask questions, discuss topics and work through learning activities together. These sessions are recorded to support students who cannot attend and to enable students to recap the session and work through it at their own pace. Module forums on the VLE provide further opportunities to discuss topics with other students, complete collaborative work and get extra help from the module team.

Professional online resources

The e-Library provides access to trusted, quality online resources, selected by subject specialists, to support students' study. This includes journals, industry publications, magazines, academic books and a dissertation/work-based library. For a list of the key industry specific and education resources available please visit [the VLE e-Library](#).

Other relevant resources

Access is also provided to further information sources that include the British Library and Open University UK catalogues, as well as providing a monthly current awareness service

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entitled, ***Knowledge Foundations*** - a compendium of news, research and resources relating to the educational sector and the Built Environment.

The module resource list is available on the module website and is updated regularly to ensure materials are relevant and current.