



PAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

Faculty of Natural Resources and Spatial Sciences

Department of Land and Property Sciences

QUALIFICATION(S): BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	QUALIFICATION(S) CODE: 08BPRS 06DPRS
COURSE NAME: INTRODUCTION TO VALUATION	COURSE CODE: ITV521S
EXAMS SESSION/DATE: JANUARY 2019	NQF LEVEL: 5
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY/SUPPLEMENTARY EXAMINATION QUESTION PAPER	
EXAMINER(S)	Mr. A. Issa
MODERATOR:	Mr. S. A. K. Hayford

THIS QUESTION PAPER CONSISTS OF 7 PAGES
(Including this front page)

INSTRUCTIONS

1. Read the entire question paper before answering the Questions
2. Please write clearly and legibly!
3. The question paper contains a total of 4 questions
4. You must answer **ALL QUESTIONS**.
5. Make sure your Student Number is on the EXAMINATION BOOK(s)

PERMISSIBLE MATERIALS

Use of non-programmable scientific calculator is permitted.

- k) In the private sector valuations facilitate property transactions, financing deals and accounting procedures while from the government's point of view, valuation could be an effective or efficient tool for raising revenue as well as regulating the land market.
- l) Various photographs (both of the interior and the exterior) of a property being valued provide enough evidence to a valuer to make him/ her arrive at the value of the said property.
- m) A property may have different values depending on the purpose of valuation as well as the method of valuation used.
- n) A property located in a blighted area will definitely have a positive effect on its value.
- o) In order for property sales to be truly comparable in terms of time, they must occur within an appropriate time frame. The time variable is relative to the property under consideration.
- p) Demand for real estate is uneven, stratified, and volatile and is a function of population, employment, and income.
- q) The supply side of the real estate market equation is considered to be relatively fast or responsive, at least in the long run, as supply is particularly price-responsive.
- r) Given two identical properties, one located in a formal settlement and the other in an informal settlement, the property located in the formal settlement would be likely to command a higher price, assuming all other things remain equal.
- s) The valuation of squatter rights is often based on the value of improvements only bearing in mind the risk factor.
- t) An easement does not give the holder part of the right to use the real estate within the

- c) What amount should be invested annually at an annual interest rate of 10% to accumulate to N\$1 000 in 5 years? (3)
- d) How much would be needed to be invested at an annual interest rate of 10% in order to receive a series of equal cash flows of N\$1 000 for 5 years. (3)
- e) You are appraising a residential property in Tauben Glen with a total area of 120 square metres. The cost to build a local, comparable 130 square metre residence was N\$630 000. Using construction costs from the comparable, estimate the construction costs of the subject residence. (4)
- f) Mr Katjiua needs to do roof repairs to his house in four years' time at a cost of N\$28,688. Advise him on how much money he should set aside each year assuming that he can invest money at a rate of return of 4% p.a. (3)
- g) There are major repair works planned in eight years' time for the entire industrial estate that you hold in your investment portfolio. Assuming that you can invest money at an average rate of return of 6.5% per annum, how much will accrue if you invest N\$50,000 at the end of each year for the next eight years? (3)
- h) Calculate the present value of N\$1 per annum at 5% for 20 years given that the present value of N\$1 in 20 years at 5% is 0.3769 (3)

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Question 3

- a) Using the Cost Method of Valuation, calculate the value of a property with the following information:
- Floor Area of the building = 120m²
- Construction Rate per metre square = N\$4 500

- b) What are the criteria that a good valuation report must comply with? Mention any six. (3)
- c) Briefly explain any three (3) requirements of a good sketch plan. (3)
- d) What six (6) rules should a valuer adhere to when inspecting properties? (6)
- e) Depending on the purposes of valuation, a valuer has to take measurements when inspecting properties. What are the four (4) main types of measurements that need to be taken? (4)
- f) What are the various roles of a valuation surveyor at central government level? List any five roles. (5)

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Good Luck !