

UGANDA MARTYRS UNIVERSITY
FINAL EXAMINATION FOR THE DEGREE OF
BACHELOR OF REAL ESTATE MANAGEMENT
ACADEMIC YEAR 2021/2022

COURSE NAME: VALUATION OF REAL ESTATE. YEAR OF STUDY: TWO

COURSE CODE: REM 2104

DATE: 18/07/2022

SEMESTER: ONE

TIME: 9:30am-12:30pm

INSTRUCTIONS:

Answer any **FOUR QUESTIONS**.

DO NOT WRITE on the question paper.

All the questions carry **EQUAL MARKS**.

QUESTION ONE

Property Inspection and Valuation reporting are part of the six-steps-sequential valuation process.

- a) Describe **THREE** types of data collected at property inspection stage. **(09 Marks)**
- b) Give explanation of other **FOUR** stages not mentioned in the above. **(10marks)**
- a) Describe the **SIX** roles of a Valuer. **(06 Marks)**

QUESTION TWO

Liens and easements have a negative effect on the market value of the underlying property and must always be investigated and reported during the valuation process.

- a) State and discuss any **FIVE** liens that affect property values. **(10 Marks)**
- b) State and discuss any **FIVE** easements that affect property values. **(10 Marks)**
- c) Indicate how the easements in (b) above can be terminated. **(05 Marks)**

QUESTION THREE

In property valuation, we are always advised to apply the three "Approaches" to give "Three Indicative Value Estimates" and then reconcile them to get the "Final Value Estimate".

- a) State and explain these approaches. **(12 Marks)**
- b) Discuss the different shortcomings of each of the approaches mentioned in (a) above. **(13 marks)**

QUESTION FOUR

- a) As a professional valuer, discuss the different types of valuation and reasons as to why each of them is carried out. **(10 marks)**
- b) Fredrick owns a plot of land in Upper Kololo. However, he plans to sell this plot of land so as to buy another piece of land of similar size in Naalya. However, he is not sure of how much his land in Kololo is worth. As a real estate professional, advice Fredrick of the valuation process to come up with a standard value of his land using the sales comparison approach. **(15 marks)**

QUESTION FIVE

Write short notes on the following and each has 5 marks. (25 Marks)

- a. Governments' interests in private real estates.
- b. Encumbrances
- c. Tenancy for years
- d. Easements
- e. Servitudes

QUESTION SIX

When valuing a newly built commercial property, the Valuer is advised to study the market and ascertain the following; rent payment delinquency rate, rent payment default rate, vacancy rate, natural vacancy, local construction rates and market rent.

- a) Define each of the above mentioned requirements and explain its importance in the valuation model. **(12 Marks)**
- b) In the process of determining market value of a property, valuers tend to attach different values to a property in the course of the transaction, discuss the different forms of market value that valuers attach to the different forms of property. **(13 marks).**

THANK YOU SUCCESS