

### Module, Deadline and Feedback Details

<b>Academic Year</b>	2023/24
<b>Module Code and Title</b>	PRMD 20021/28
<b>Module Leader and contact details</b>	Fernanda Antunes <a href="mailto:fernanda.antunesbatistadasilva@ntu.ac.uk">fernanda.antunesbatistadasilva@ntu.ac.uk</a>
<b>Level of study (4, 5, or 6)</b>	Level 5
<b>Coursework Number, type and Title</b>	1/1 Portfolio
<b>Is this group work?</b>	No
<b>Coursework weighting within element</b>	100% of the module
<b>Coursework Brief Authors</b>	Fernanda Antunes
<b>Date Issued to Students</b>	September 2023
<b>Work to be submitted before</b>	10am on 29 <sup>th</sup> April 2024
<b>Submit to</b>	Module Learning Room Dropbox
<b>Feedback date</b> (15 working days after submission)	15 working days after the submission date
<b>Maximum Word Limit</b>	Around 3,000 excluding tables, headings, references
<b>Link to the Module Specification</b>	The module specification can be found under Content – Module Information in the NOW learning room for Valuation PRMD20021/28

### Assessment and Module Learning Outcomes

The table below gives details of the module learning outcomes that will be assessed by this coursework.

<b>Module Learning Outcomes Assessed</b>	<p><u>Knowledge and Understanding</u></p> <ul style="list-style-type: none"> <li>Analyse, apply, and evaluate the principles, methods, techniques and practices of valuation of a range of interests in the property</li> <li>Review approaches appropriate to valuation and explain the bases for applying such approaches to specific cases.</li> <li>Apply standards and guidelines as necessary in the preparation of property valuations.</li> <li>Gather information, undertake project analysis and provide advice</li> </ul>
	<p><u>Skills Qualities and Attributes</u></p> <ul style="list-style-type: none"> <li>Identify and solve problems; devise appropriate solutions to suit circumstances.</li> <li>Gather data, analyse, evaluate and interpret information, consider alternatives and reach conclusions / make recommendations and /or advise.</li> <li>Communicate information, ideas and concepts effectively in clear, articulate fashion, utilising information technology and aids where appropriate.</li> </ul>

	<ul style="list-style-type: none"><li>• Utilise personal and interpersonal skills and competencies, and work constructively and co-operatively with others (team working), applying ethical and professional values to situations encountered.*</li><li>• Undertake self-directed reading and time management, acting independently in planning, organising and directing your personal academic and professional development.</li></ul>
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## Coursework Task and Additional Guidance

### Valuation portfolio report:

The questions detailed below are based on the sort of tasks you will be asked to do **in industry** be it working for investors, developers, occupiers, consultancies (not just in the Valuation team but in Investment, Development Consultancy, Leasing, Occupier Services etc), lending institutions or the council. If you choose not to work in Real Estate these analytical, technical, research, communication and technical skills are extremely transferable to other areas of work.

Good **attendance** is crucial for passing the module and doing well not least because we will work through similar scenarios during the seminar (Scale-Up) sessions which are not recorded.

Although the work needs to be very much your own and you are not allowed to collude you are encouraged to **form working groups** to help each other through the module.

Please look at the Content section on the NOW module learning room which provides you with an approximate timing of when topics were covered (these may change though). **Lectures are recorded** which will also help somewhat.

You may **require support** with your professional writing skills and style, mathematical skills and/or use of Excel which you need to seek early on (via the library and the Blended Teaching platform if related to their content).

You are expected to use plenty of **references** (Harvard style) detailing all the sources you have consulted. You are reminded that you must reference all sources that have informed a point you are making, not just specific quotes or data. This should result in a comprehensive set of references. You are encouraged to seek support on referencing via the library if necessary. You are also encouraged to use a referencing software to make it easier for you (e.g., RefWorks). The library can support you with this too.

It is advisable to use a **report-style layout** utilising a front cover, table of contents and page numbers. You are advised to download a MS Word report template to ensure the layout is of industry standard. You are encouraged to

use graphs, market data and examples where appropriate to add further depth to your arguments. You are expected to write succinctly.

Your **word limit (guide)** is around 3,000 words excluding references, tables etc. You can split the word count across the questions as you like.

It is essential that you **consider the assessment criteria** that will be used to mark your work which will provide you with clarity and transparency with regard to what is required of you. Please carefully look at the weightings discussed and note that individual questions are not weighted as such. These can be found at the end of this document.

Please note that you can use Turnitin to provide you with a similarity report prior to your final Dropbox submission. This will provide you with an opportunity to reconsider your referencing and writing.

### **Rationale for the assessment:**

Valuation is the cornerstone of our profession and although there is no getting around some dry aspects once these are applied to real life scenarios the topic becomes very interesting and relevant to your future career success. The questions set replicate the sort of tasks you are expected to do in industry as graduate surveyors (or on the client side working as an analyst, portfolio manager, developer etc). You will also need to be able to carry out these tasks for your APC (Assessment of Professional Competence) to become a qualified Chartered Surveyor (MRICS) and you will be building on these same themes in your final year so all the effort you put in now will pay off. Moreover, report writing and answering specific questions precisely, using critical analysis based on research as well as the application of mathematical skills and the use of Excel will be extremely useful in professional employment inside and outside the industry.

Before you start:

- Sign up to the **Blended Teaching training platform** using your NTU email.  
<https://library.blended-teaching.com/enroll/ntuvrg-valuation-ntu-prmd20021?offer=NTUREVRG>
- Ensure you have access to research reports by the **large consultancies**. You may need to set up a login. There are too many to list but the following provide a good starting point: JLL, CushWake, CBRE, Savills.
- Ensure you can **access Excel** on your device. You can get this for free via the university using Office 365.  
<https://myntuac.sharepoint.com/sites/DT/SitePages/SupportUserGuides/General/Office-365%20-%20The%20one%20stop%20shop%20for%20all%20guides.aspx>
- Ensure you have a calculator to use (this needs to have some scientific functions and could be the one on your device rather than an actual calculator)

- Ensure you know how to access the online resource list on my module learning room which contains easy access to the online text books such as Blackledge
- Ensure you can access the RICS isurv database via the NTU library <https://llr.ntu.ac.uk/choose-los/>
- Know how to reduce the file size of images if necessary, otherwise you may struggle to upload your final report.
- Know how to format a report and check your uploaded report is formatted correctly
- Know how to use the NTU Harvard referencing system. The library has provided a guide (search for NTUY Library Citing References). Here is the link:  
<https://now.ntu.ac.uk/d2l/lor/viewer/view.d2l?ou=6605&loIdentId=25435>

**If you are struggling:**

Contact me ([fernanda.antunesbatistadasilva@ntu.ac.uk](mailto:fernanda.antunesbatistadasilva@ntu.ac.uk)) if you are struggling and need support. If you feel unable to attempt to answer all questions this is also something we can discuss to find a strategic approach to enable you to pass the module.

Here are the questions to answer in your report (you may copy the questions into the report without this adding to your word count for added clarity). If you opt to skip questions or sub-questions you must not change the numbering so the marker can easily see that something is missing.

**COURSEWORK QUESTIONS**

**Subject property:** North West House - 119-127 Marylebone Rd, NW1 5QD

Tenant	Area [sqf]	Start date	Rent [psf p.a.]	Expiry date	Next rent review date
WeWork	42,078	28/02/2018	62.50	27/11/2038	28/11/2025

Source: adapted from CoStar (2023).  
Observation: expiry date and next review date were adapted for the purpose of this exercise.

**Valuation date: 28/11/2024**

**1. Due diligence:** Considering the subject property, answer the questions below:

a) Complete the following table:

Use	
Current occupier	
NIA	
Age	
Number of parking spaces	
Conservation area	
Listing status	
Planning authority	
Planning applications in 2018	

Flood risk	
Rateable value	
EPC	

b) Based on your previous answer and further research, discuss the factors that might impact the value of the subject property.

**2. Market analysis:** Write a summary about the London office market with a focus on the Marylebone submarket. Your answer should discuss the occupier, investment, and development markets.

**3. Market rent:** Using the comparison method to find the market rent for the subject property, answer the questions below.

a) Complete the following rent comparison schedule:

Address with image	Date of transaction	Tenant(s)	Lease length/break option/repairing terms/incentives	Size [sf]	Rent [£]	Rent psf [£/sf]	Comment

b) What is the market rent for the subject property? Provide rationale.

c) Is the property reversionary, over rented or rack rented? Why?

**4. All risks yield:** Using the comparison method to find the all risks yield for the subject property, answer the questions below.

a) Complete the following yield comparison schedule:

Address with image	Date of transaction	Tenant(s)	Lease length/break option/repairing terms/incentives/WAULT or ULT	Size [sf]	Price [£]	Price psf [£/sf]	Yield [%]	Comment

b) What is the ARY for the subject property? Provide rationale.

**5. Market Value:** Based on your previous answers, calculate the market value using:

- Term and reversion (provide a drawing that shows the tranches of income, along with your calculations)
- Hardcore and topslice (provide a drawing that shows the tranches of income, along with your calculations)
- DCF (considering a target rate of return of 8%, a holding period of 10 years and the rental growth rate of the submarket you identified in question 2)
- Which of the market value figures is the correct one? Justify your answer.

**6. Investment value:** An investor with a target rate of return of 10% is interested in acquiring this property and holding it for 10 years.

Calculate the investment value for this particular investor and advice if he/she should go ahead with this investment. Provide rationale.

- 7. Assumptions and special assumptions:** Provide the definition of assumptions and special assumptions according to the Red Book and provide some realistic examples that could be made for the subject property.
- 8. Scenario A:** Imagine that the ground floor is now being occupied partially by a retailer (say, T.K.Maxx) and partially by a restaurant (say, Wagamama). Which methods would you use to value these units? What are the key considerations for each one?
- 9. Scenario B:** Your client has requested a reinstatement cost assessment. Clearly outline the steps you would take to would take to find the declared value.
- 10. Blended Teaching:** Include screenshots of the completion of the following quizzes: Excel Essentials, RICS Finance Essentials and Traditional Valuations.

### Assessment Criteria

The following assessment criteria will apply to this coursework. You should ensure that the work that you submit appropriately addresses and corresponds with these criteria.

Assessment Criteria	Further Guidance
<p><b>1. Due diligence and market analysis (Weighting: 20%)</b></p>	<p><b>First (excellent):</b> Investigations into the subject property and market are to an excellent standard. Content is comprehensive and most, if not all claims regarding the property and market are supported by evidence/data.</p> <p><b>Upper second (very good):</b> Investigations into the subject property are to a very good standard. Content is detailed and many claims regarding the property are supported by evidence.</p> <p><b>Lower second (good):</b> Investigations into the subject property and market are to a good standard. Content is mainly descriptive with some claims regarding the property and market being supported by evidence. However, key evidence and detail may be missing and there may be questions regarding the property that have gone unanswered.</p> <p><b>Third (sufficient):</b> Investigations into the subject property and market are to a sufficient standard through insufficient use of resources or inappropriate examples in places. You have demonstrated some ability to select and evaluate reading/research however work may be more generally descriptive or incorrectly/insufficiently evidenced in places. There is a strong reliance on set sources or sources obtained via general internet</p>

	<p>searches (rather than appropriate UK valuation or RICS documentation for example) to advance work.</p> <p><b>Fail (insufficient):</b> Investigations into the subject property and market are thin and lack clarity and evidence to justify findings. Content is mainly descriptive. Key evidence and detail are missing and there are many significant questions regarding the property that have gone unanswered.</p>
<p><b>2.Comparable evidence – selection, analysis and understanding (Weighting: 30%)</b></p>	<p><b>First (excellent):</b> Most if not all comparable evidence in the report has been appropriately selected for analysis. Comparable analysis is accurate and sound throughout and fully comprehensive. Consistent analysis and direct comparisons with the subject property throughout. Comparable data has been applied correctly and fully explained.</p> <p><b>Upper second (very good):</b> Many pieces of comparable evidence in the report have been appropriately selected for analysis. Comparable analysis is accurate and comprehensive. Comparable data has been applied to the subject property and rationale has been given, albeit further analysis and insight may be required.</p> <p><b>Lower second (good):</b> Comparable evidence shown in the report is of a good standard. A number of examples have been selected but they may not be the appropriate choice given the status of the subject property. There is analysis to the subject property although important rationale may be missing.</p> <p><b>Third (sufficient):</b> Comparable evidence shown in the report is of a sufficient standard. Some examples have been selected but they may not be the appropriate choice given the status of the subject property. There is some analysis to the subject property although important rationale may be missing.</p> <p><b>Fail (insufficient):</b> Comparable evidence is thin, and figures are therefore unsupported. Many more comparable examples are required, appropriate for the subject property. There are few comparisons with the subject property. Rates have not been correctly applied to the subject property and rationale and critical analysis is missing.</p>
<p><b>3.Valuation techniques, explanation of assumptions and rationale/approach taken in order to produce value of the property (Weighting: 30%)</b></p>	<p><b>First (excellent):</b> The appropriate valuation techniques and methods have been employed to confirm the value of the property. All valuation bases have been addressed fully and accurately. All assumptions, special assumptions and explanations are fully detailed.</p> <p><b>Upper second (very good):</b> The appropriate valuation techniques and methods have been employed to confirm the value of the property. Many valuation bases have been addressed accurately. Many assumptions, special assumptions and explanations are fully detailed.</p>

	<p><b>Lower second (good):</b> Valuation techniques and methods have been employed to confirm the value of the property although key explanations may be missing. The valuation bases have been addressed but require further analysis and data to support the results. Assumptions and special assumptions are noted but further explanations are required. Detail on additional valuations is missing.</p> <p><b>Third (sufficient):</b> Valuation techniques and methods have been employed to confirm the value of the property to a sufficient standard although key explanations may be missing. You may have made some larger errors in the application of methods, calculations or research has been applied incorrectly in places, but overall, the marker is still confident that you have met the Learning Outcomes of the module.</p> <p><b>Fail (insufficient):</b> Valuations are missing and unsupported. Explanations and justification for valuations is missing. Assumptions and special assumptions are missing. Additional valuations are missing.</p>
<p><b>4. Quality of written communication &amp; presentation (Weighting: 20%)</b></p>	<p><b>First (excellent):</b> You have used formal language; appropriate terminology and you present your work professionally throughout. You have included significant, relevant and appropriate graphics i.e., tables, graphs and charts. You have demonstrated an excellent level of professionalism and produced an excellent industry standard report, reflecting current practices and trends.</p> <p><b>Upper second (very good):</b> You have evidenced strong communication skills overall but not entirely. You have written clearly, used appropriate terminology and your presentation skills are to a very good standard throughout. You have included many appropriate graphics i.e., tables and charts. You have demonstrated a very good level of professionalism and produced an industry standard report.</p> <p><b>Lower second (good):</b> Overall, you have written clearly and with confidence and use appropriate terminology, presenting your work well. You have used formal language, but some aspects of the brief have not been answered so well (i.e. demonstrating weaker communication skills) or you have not structured the solutions to the brief clearly throughout (i.e. less succinct answers). You have included some appropriate graphics i.e., tables. You have demonstrated a good level of professionalism and produced a report that is in keeping with some industry standards, current practice and trends.</p> <p><b>Third (sufficient):</b> Your arguments may be poorly constructed. Communication and presentation are generally competent but with some weakness, for example lacking consistent use of appropriate terminology and/or a succinct and appropriate writing style, weaker structuring of arguments or weak presentation.</p> <p><b>Fail (insufficient):</b> Your arguments are weak/weakly constructed and/or lack clarity. Presentation skills may be weak. Your writing</p>



	is not professional, logical, or technical. Visual presentation is in short supply. You have demonstrated a weak level of professionalism and your report is missing key industry practice standards.
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