

# CA3230: PROPERTY VALUATION AND INTEREST THEORY

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## Effective Term

Semester A 2022/23

## Part I Course Overview

### Course Title

Property Valuation and Interest Theory

### Subject Code

CA - Civil and Architectural Engineering

### Course Number

3230

### Academic Unit

Architecture and Civil Engineering (CA)

### College/School

College of Engineering (EG)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course aims to introduce the principles of real estate property valuation and interest theory. Basic property valuation methods, housing prices, hedonic analysis; interest rates, valuation of periodic payment, loan repayment, amortization method, bonds, economic, legal and financial framework regarding real estate property valuation would also be introduced. The course aims at providing students fundamental property valuation and financial method.

### Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if DEC-A1 DEC-A2 DEC-A3 app.)		
1	analyze the basic principles of real estate valuation and interest theory for real estate property appraisal;		x	
2	critically evaluate the different appraisal approaches of real estate valuation and basic financing principles relating to real estate property;		x	x
3	apply the real estate valuation and financing logic in the context of Hong Kong market;			x
4	investigate the economic, legal and financial framework relevant to real estate property valuation.	x	x	

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Teaching and Learning Activities (TLAs)

	TLAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	On topics related to property valuation	1, 2, 3, 4	
2	Tutorials	In class discussions and activities on problems related to lecture themes	1, 2, 4	
3	Case Studies	Using Hong Kong' s case to illustrate property valuation methods	1, 2	
4	Workshops	On topics related to property valuation	3	

**Assessment Tasks / Activities (ATs)**

ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Quiz (in-class assignment)	1, 2, 3, 4	30
2	Group project and presentation	1, 2, 3, 4	40

**Continuous Assessment (%)**

70

**Examination (%)**

30

**Examination Duration (Hours)**

1

**Additional Information for ATs**

To pass a course, a student must obtain minimum marks of 30% in both coursework and examination components, and an overall mark of at least 40%.

**Assessment Rubrics (AR)****Assessment Task**

Quiz (in-class assignment)

**Criterion**

Ability to understand and apply theories and knowledge to topics related to property valuation

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

**Assessment Task**

Group project and presentation

**Criterion**

Capacity to explore, investigate and organize knowledge and ideas in an real work problem on property valuation

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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**Assessment Task**

Examination

**Criterion**

Ability to understand all theories and topics related to property valuation

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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## Part III Other Information

**Keyword Syllabus**

Appraisal process and real estate markets; housing price; property analysis; sales comparison approach; cost approach; discounted cash flow models; interest rates; valuation of periodic payment; loan repayment; amortization method; real estate industry in Hong Kong.

**Reading List**

**Compulsory Readings**

Title	
1	Nil

**Additional Readings**

Title	
1	Kellison, Stephen G. 1991, The Theory of Interest, 2nd Edition, Irwin, Burr Ridge
2	Millington, A.F. 2000, An Introduction to Valuation, Estates Gazette

3	Brown, G.R. & Matysiak, G.A. 2000, Real Estate Investment, Financial Times Prentice Hall, Essex.
4	Fraser, W.D. 1993, Principles of Property Investment and Pricing, 2nd Edition, Macmillan, London.
5	Li, L.H. 1997, Development Appraisal of Land in Hong Kong, The Chinese University Press, Hong Kong.
6	Blackledge, Michael 2009, Introducing Property Valuation, Routledge, London
7	<a href="http://www.hkis.org.hk">http://www.hkis.org.hk</a>
8	<a href="http://www.rics.org">http://www.rics.org</a>