INTRODUCTION TO VALUATION

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SECOND EDITION

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CONTENTS

<i>Preface to the First Edition</i>	viii
<i>Preface to the Second Edition</i>	ix
1 The Concept of Valuation	1
The Function of the Valuer	1
<i>The purchase and sale of property – The letting of property – The granting of mortgage facilities – Rating, insurance, taxation and other specialised purposes</i>	
Factors Affecting the Value of Property	3
The Purpose of Valuation Tables	5
2 The Mathematics of Valuation	7
Arithmetical Progressions	7
Geometrical Progressions	9
Simple Interest	11
Compound Interest	14
Mortgage Repayments	16
Depreciation	18
3 Principles and Sources of Investment	21
The Investment Market	22
Sources of Investment	22
<i>Banks and building societies – Stocks and shares – Unit trusts – Land and property</i>	
Yield and Dividend	26
4 Land and Property as an Investment	27
Legal Estates	27
<i>Equitable interests</i>	
Controls on Land Usage	30
<i>Private control</i>	

Statutory Controls	32
<i>Planning control — Building and other controls</i>	
Characteristics of Land and Property	36
<i>External influences — Deterioration of the structure —</i>	
<i>Changes in taste and demand — Effect of adjacent</i>	
<i>activities — Economic activities — Changes in legislation —</i>	
<i>Inflation — Relationship to other investment sources —</i>	
<i>Costs of transactions</i>	
Determination of Rental Value	41
Rent and Capital Value	43
Outgoings	44
<i>Rent payable to a superior landlord — Repairs — Insurances —</i>	
<i>Management — Landlord's services — Bad debts and</i>	
<i>voids — Tithe redemption annuity — Rent charges —</i>	
<i>General and water and sewerage rates</i>	
Characteristics of Different Types of, and Interests in, Property	50
<i>Ground rents — Agricultural land — Residential prop-</i>	
<i>erties — Shops — Offices — Industrial premises — Other</i>	
<i>types of property</i>	
Patterns of Yields	55
 5 Construction and Analysis of Valuation Tables	 57
Single Rate Tables	
<i>Amount of £1 (A) — Present Value of £1 (PV) — The</i>	57
<i>Amount of £1 per annum — Annual Sinking Fund (s) —</i>	
<i>Years' Purchase (YP) or present value of £1 per annum —</i>	
<i>Years' Purchase in perpetuity (YP) — Years' Purchase of</i>	
<i>a reversion to a perpetuity — Interest at intervals of less</i>	
<i>than one year — Income to be received at intervals of</i>	
<i>more than one year</i>	72
Dual Rate Tables	
<i>Years' Purchase or present value of £1 per annum (YP) —</i>	
<i>The effect of tax on the sinking fund element of the</i>	
<i>dual rate YP — The annuity £1 will purchase</i>	
Mortgage Instalment Table	80
Valuation Formulae and their Inter-relationship	82
Adjustment of Formulae for Incomes other than	
Annually in Arrears	92

	<i>Contents</i>	vii
6	The Valuation of Freehold and Leasehold Interests	95
	Freehold Interests	95
	<i>Perpetual income — Varying and deferred incomes</i>	
	Leasehold Interests	102
	<i>Fixed income for the period of the lease — Varying and deferred incomes during the period of the lease — Non-tax-paying investors</i>	
	Profit Rent	108
	Premiums	110
	<i>Calculation of the premium or reduction in rent</i>	
	Combined Freehold and Leasehold Valuations	113
	Double Sinking Fund	118
7	Methods of Valuation	123
	The Investment Method	123
	The Comparison Method	123
	The Residual Method	127
	The Profits or Accounts Method	129
	The Reinstatement Method	130
	The Contractor's Method	130
8	Discounted Cash Flow Techniques	133
	Net Present Value	133
	Internal Rate of Return	134
9	Inflation and Growth	137
	<i>Valuation methods — Constant rent — Bibliography</i>	
	<i>Answers to Questions</i>	142
	<i>Index</i>	176

PREFACE TO THE FIRST EDITION

The main purpose of this book is to assist those studying the subject of valuation for the Part 1 Examination of the Royal Institution of Chartered Surveyors and other relevant professional bodies, and for degrees and diplomas in estate management at universities and polytechnics. I also hope that it will be helpful to quantity, building and mineral surveying students, who require a knowledge of valuation in their studies, and others interested in the principles and techniques of property valuation.

Most examinations in valuation contain a number of questions involving calculations. In this connection the reader may benefit from attempting the questions included in chapters 3, 6, 7 and 8, the answers being provided at the end of the book. The chapter on mathematical aids should be of value for purposes of revision.

When answering questions with tax implications, the reader should apply the tax rates current at the time. I have used different tax rates throughout the book, so that the reader will appreciate that tax rates can vary according to the differing financial and personal circumstances of investors, and Finance Act changes.

I would like to express my thanks to Dr I. H. Seeley for his invaluable advice and encouragement; also to many other colleagues at Trent Polytechnic for their helpful comments.

Sincere thanks are also due to the Royal Institution of Chartered Surveyors and the Universities of London and Reading for permission to use past examination questions as examples and test questions.

*Nottingham,
Spring 1975*

D. RICHMOND

PREFACE TO THE SECOND EDITION

It is nine years since the First Edition of this book appeared, and during that time there has been considerable developments in valuation techniques and research.

In this edition I have taken out my original chapter on mathematical aids, due to the widespread use of calculators. I have updated the main text and extended chapter 5 (originally chapter 6) to take account of payments receivable other than annually in arrears.

Two new chapters have been produced on discounted cash flows and allowing for inflation and growth.

I have received helpful comments from both my students and my colleagues at Trent Polytechnic, for which I am very grateful. I would especially like to thank my 'partner' in valuation teaching, Neil Crosby, for his assistance in the preparation of chapter 9.

I would also like to thank Professor Ivor H. Seeley, the Series Editor, for his continued encouragement and assistance.

In the preface to the First Edition, I omitted to thank my mother for her help with proof-reading and indexing. I can now rectify this and thank her, rather belatedly!

*Nottingham,
Spring 1984*

DAVID RICHMOND