Syllabus of Module

6. Real Estate Valuation

Lecturer: Ing. Petr Ort, Ph.D.

Module Annotation

- Introduction - purpose and application of modern valuation methods
- Valuation theory - valuation of assets as a reflection of reality. Understanding the relationship between a thing and its utility.
- The comparative method - the importance of the comparative method in market valuation
- Issues in defining the comparator
- Methods of applying adjustment factors
- Specifics of the application of the comparative method in land valuation
- Specifics of the application of the comparative method in the valuation of property as a whole
- Valuation by the comparative method in special cases
- The income method - the importance of the income method in market valuation
- Methods and principles of correct creation of a lease database
- Issues of cost items and depreciation
- Correct determination of gross, effective and net operating income

- Capitalisation rate and how to calculate it
- Methods and variations of discounting income
- Valuation by the income method in special cases
- Cost method - importance of cost method in market valuation
- Methods and principles for the correct creation of a cost database
- Material and technical characteristics
- Service life - technical, moral, effective
- Wear and tear calculation methods - linear, non-linear, analytical
- Calculation of built-up area and other dimensions
- Methods of calculation of replacement cost - itemised, aggregated, highly aggregated
- Methods of determining the construction standard - analytical and aggregated
- The role of economic deficiencies in cost method valuation
- Special cases - valuation methods in special cases
- Conclusion - summary of issues, further questions and problems, future perspectives

Module Objective:

The aim of the module is to introduce students to the theory and general methodology of the basic three groups of valuation methods - comparative, income and cost. Valuation theory is based on principles and definitions that are embedded in the European Valuation Standards and other standard-setting documentation and are applicable in all markets including the European Union and the USA.

In the second part of the course, the basics of practical application of valuation theory in pricing documentation and argumentation will be discussed, e.g. in valuation in loan collateral, facility management, mergers and acquisitions, insurance and other cases.

The module will also include an overview and interpretation of the basic legislation on pricing law.

Literature

1. ORT, Petr. Oceňování nemovitostí - moderní metody a přístupy. Praha: Leges, 2013. Praktik (Leges). ISBN 978-80-87576-77-9.

2. ORT, Petr a Olga ŠEFLOVÁ ORTOVÁ. Oceňování nemovitostí v praxi. 2. aktualizované vydání. Praha: Leges, 2022. Praktik (Leges). ISBN 978-80-7502-571-5.

3. ORT, Petr. Analýza realitního trhu. Praha: Leges, 2019. Praktik (Leges). ISBN 978-80-7502-364-3.

4. ORT, Petr. Oceňování nemovitostí ve zvláštních případech. Praha: Leges, 2022. Praktik (Leges). ISBN 978-80-7502-595-1.

European School of
Business & Management SE
Londýnská 376/57, 120 00 Prague 2
IČ: 29299306, DIČ: CZ29299306
+ 420 603 836 740
info@esbm.cz www.study-esbm.com