



Market Appraisal and Valuation Relating to Residential Estate Agency (MAVREA)

Sample Questions

propertymark
QUALIFICATIONS

MARKET APPRAISAL AND VALUATION RELATING TO RESIDENTIAL ESTATE AGENCY (MAVREA) SAMPLE QUESTIONS

The unit starts by looking at aspects of market forces and the valuation process. It explores the use of comparables and the process of appraisal, including a consideration of the range of factors needed to appraise residential property and advise customers. It examines the three principal methods of valuation and their application, concluding with an overview of aspects of statutory evaluation and compulsory purchase.

Questions, and answers where provided, are correct as at time of publishing.

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ASSESSMENT INFORMATION

Assessment Method	Short essay style exams 2 hours
Availability of assessment	Set times of the year as identified within the qualification page on the Propertymark Qualifications website

Examinations are manually marked by an examiner and moderated by an experienced and qualified moderator.

The pass mark for each unit is **45%**.

The successful achievement of all units will result in either a final certificate showing a Pass or Distinction Grade.

In order to obtain an overall grade of Distinction, you need to achieve an **overall average mark of 70% across all examinations**.

SCENARIO 1

An established client who is a regular investor in residential property has asked for general advice.

Question 1

How would you explain to your client the difference between market value and projected market value?

SCENARIO 1 (CONTD.)

Question 2

Your client has expressed concern about future changes in market conditions. Use demand and supply theory to predict what you might expect to happen in the housing market if interest rates start to rise.

SCENARIO 2

A client is considering purchasing a detached house constructed 15 years ago, as part of a large development on the site of a former industrial estate. The house has been extended to include a double garage, a fifth bedroom, and an en suite bathroom.

Question 1

Outline the contamination issues that need to be explored before undertaking such a purchase.

SCENARIO 2 (CONTD.)

Question 2

On checking your records, you note that you sold the house five years ago just after the extensions were carried out. The only other sales evidence on the development relates to houses with three and four bedrooms. How would you approach a market value appraisal?

SCENARIO 3

You have been instructed to value a number of Victorian terraced houses let on long leaseholds at nominal ground rents.

Question 1

Explain why leasehold interests are generally considered to be less valuable than freehold interests.

SCENARIO 3 (CONTD.)

Question 2

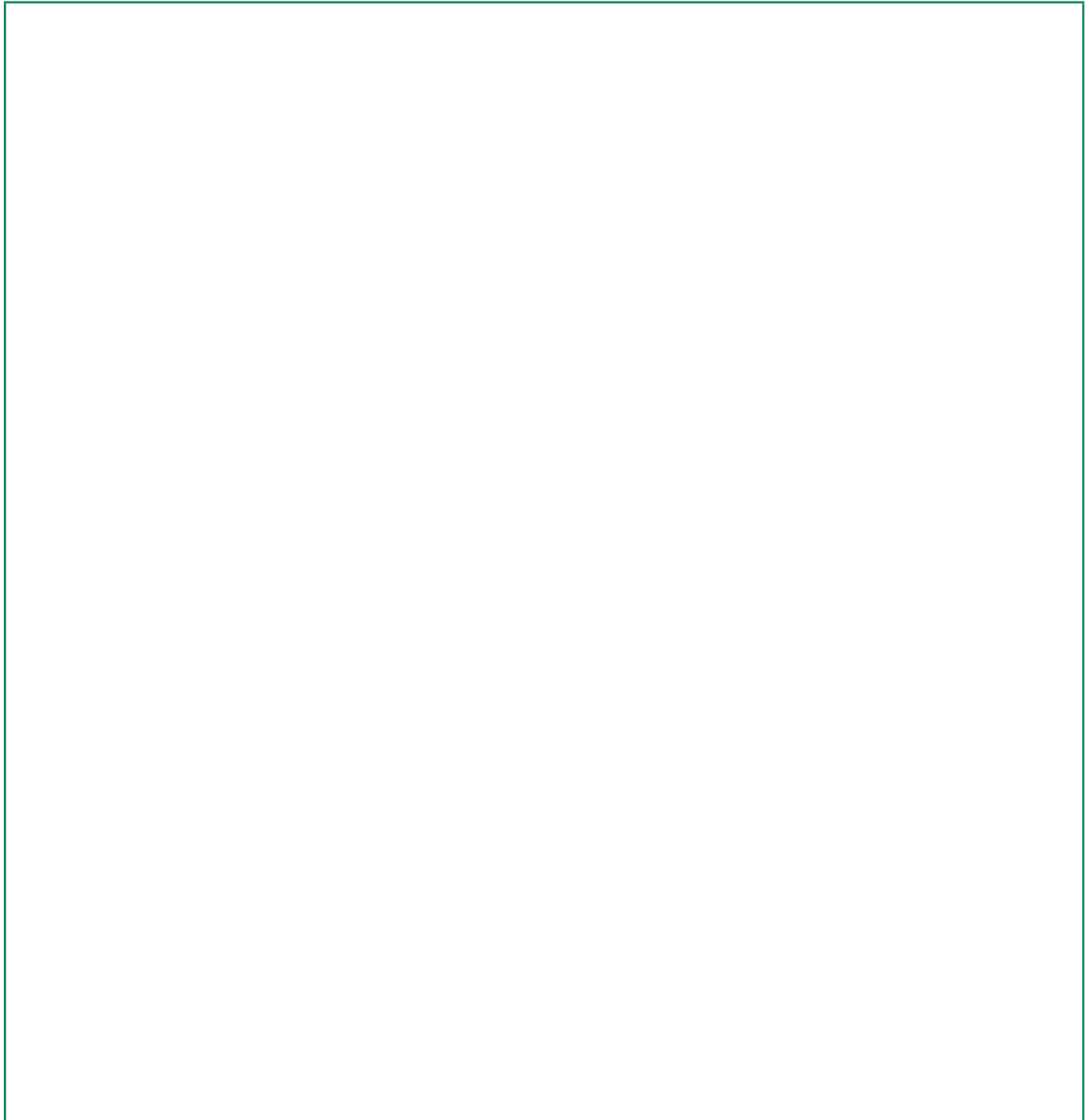
Define what is meant by a long lease for the purpose of the Leasehold Reform Act 1967 and outline the qualifying conditions affecting the property and the tenant.

SCENARIO 4

You have been asked to value a three bedroom semi-detached house located on a large suburban estate built between the wars.

Question 1

A search of your office records reveals a number of potential comparables. Other than price and date sold, what information do you need to know, and how might you present this?



SCENARIO 4 (CONTD.)

Question 2

Your client is considering purchasing the property as a buy to let investment. Explain the characteristics of property as an investment when compared with other investment classes such as gilts or equities.

SCENARIO 5

Your client owns a large house on the edge of a village. It has extensive grounds including a large paddock to the rear. The house is close to a proposed relief road scheme. There are two possible routes.

Route A runs within 100 metres of the edge of the paddock but would not require the acquisition of any land from your client.

Route B is closer and would take 550 square metres from the rear corner of the paddock.

Question 1

What are the main heads of claim for compensation if route A goes ahead?

SCENARIO 5 (CONTD.)

Question 2

What are the main heads of claim for compensation if route B goes ahead?