UNIVERSITÀ DEGLI STUDI DI PALERMO

SCHOOL	POLYTECHNIC SCHOOL
ACADEMIC YEAR	2016/2017
FIRST CYCLE COURSE	CIVIL AND BUIDING ENGINEERING
SUBJECT	ECONOMICS AND LAND VALUATION
TYPE OF EDUCATIONAL ACTIVITY	C
AMBIT	10653-Attività formative affini o integrative
CODE	10647
SCIENTIFIC SECTOR(S)	ICAR/22
HEAD PROFESSOR(S)	CIUNA MARINA Ricercatore Univ. di PALERMO
OTHER PROFESSOR(S)	
CREDITS	6
INDIVIDUAL STUDY (Hrs)	96
COURSE ACTIVITY (Hrs)	54
PROPAEDEUTICAL SUBJECTS	
YEAR	2
TERM (SEMESTER)	2° semester
ATTENDANCE	Not mandatory
EVALUATION	Out of 30
TEACHER OFFICE HOURS	**CIUNA MARINA** Monday 10:00 13:00

DOCENTE: Prof.ssa MARINA CIUNA

TEACHING METHODS	The lectures are performed either in a traditional way, using the board, or with the aid of a computer and a video projector. Most of the material is available in the textbooks and as files edited by the teacher to load from the site of the university. Students carry out individually the evaluation of a property (usually their own house).
ASSESSMENT METHODS	The examination consists in a written test and an oral test final. The tests written is constituted by two parts: a) the resolution of a valuation case according to the standard methodology and with the use of the computer; b) questions to multiple answer on the themes of the Course. The objective of the written test is to consider the ability of the student to interpret the valuation cas , to plan the deductive trial and to apply the correspondent methodological approach (resolution of the case). The multiple answers are directed to strategically verify the ability and the knowledges of the student through the choice of the or the answers held exact among those offers to every question. Stimulus and answer allow to determine during the construction of the test the score to assign to every question second that the answer results exact, wrong or omitted. To the written test a provisional vote is assigned in thirtieths. The least duration of the test is 4 hours. In the oral test the student must respond to least three questions orally set, on all the parts object of the program, with reference to the recommended texts. To the oral test a preliminary vote is assigned in thirtieths. The final vote in thirtieths is represented by the average of the two tests with a judgment of synthesis.
LEARNING OUTCOMES	Knowledge and ability of understanding. The knowledge concerns the appraisal methodology applied to the valuation of the real estate and the environmental resources. The appraisal of the real property is developed through the illustration of practical cases and the carrying out of a valuatiom report. In this way the student is solicited to develop a specific ability of analysis of the practical case, of methodological organization and of resolution of the evaluation, with the application of quantitative tools. The evaluation of the environmental resources concerns the public (environmental) goods, the external effects and the pollution damage. The first ones in the context of the choices of investment the second in the measure of the indemnifications, Ability to apply knowledge and understanding. The student acquires in practice the qualification corresponding to that of qualified real estate valuer, able to apply the principles, the criterions and the procedures of appraisal in the concrete circumstances according to the international standards. Autonomy of judgment. At the end of the Course, the student will have developed a specific critical ability to identify the pertinent solutions: a) the practical case of appraisal in relationship to the question of valuation, to the carrying out of the valuation trial, to the finalities of the clients and the different contexts in which the real estate valuations are in demand; b) the decisions of investment in the sector of the environmental resources. Through the study of the national and international standards, the student is conducted to formulate the judgment of appraisal, according to uniforms methodological canons applied to the particular knowledge of the real estate and building market. Communicative ability. During the frontal lessons, the student is solicited to interact with the teacher to develop his abilities of comparison on thematic of general and specifies character. Besides the student is solicited to acquire a rigorous language owing himself to turn professional subjects of different cultural and professional areas (judges, notaries, etc.) conducting the interlocutor to a clear understanding of the appraisal results and showing clarity, transparency and coherence of approach. Ability of learning. During the Course the student will understand as the theoretical and methodological bases of the discipline is progressively applied in the appraisal private and public (of market and not). The student will be solicited besides by the underlying concepts to the due diligence and the best practice in the real estate field. In this run the student will be accompanied by a plurality of references to the scientific literature, to the administrative and fiscal normative, to the commercial handbook and to the specialized magazines that will convince him of the professional updating and of the importance of a permanent formation, also to the purpose in the
EDUCATIONAL OBJECTIVES	The course aims at providing students with the tool to assess the value of property, plant and companies,costs in construction and the value of environmental resource. Specific aims are: learning the foundations of political economics (microeconomics); understanding the specific context related to real estate and construction processes; learning and applying the principles and procedures of valuation; learning from case history of a cost appraisal; developing the ability to carry out a practical appraisal; prepare a valuation report (appraising), a feasibility study (counseling) and technical consultancy in civil and criminal matters; Asseverate the code of ethical conduct in the work practise.

PREREQUISITES	
SUGGESTED BIBLIOGRAPHY	M. SIMONOTTI: Metodi di stima immobiliare. Dario Flaccovio, Palermo, 2006. RICS: Standard di valutazione RICS. 6° edizione. The Royal Institution of Chartered Surveyors, Coventry, 2008. TECNOBORSA: Codice della valutazioni immobiliari IV. Tecnoborsa, Roma, 2011. M. SIMONOTTI: Valutazione immobiliare standard. Stimatrix, Mantova, 2011. R.K. TURNER, D.W. PEARCE, I. BATEMAN: Economia ambientale. Il Mulino, Bologna, 2003. IVSC: International valuation standards. IVSC London, 2007. APPRAISAL INSTITUTE: The appraisal of real estate. 13° edizione. Appraisal Institute, Chicago, 2008. G. STELLIN, P. ROSATO: La valutazione economica dei beni ambientali. Metodologia e casi di studio. Utet Libreria, Torino, 1998. AM. FREEMAN: The Measurement of Environmental and Resource Value. Resources for the Future, Washington DC, 1993. RICS (2008): Appraisal and valuation standards. Rics Book, Coventry.

SYLLABUS

Hrs	Frontal teaching
5	Consumer theory. Demand function. Measures of elasticity. Theory of production. Factors of production. Company and industry. Cost in construction. Supply function. Market forms. Perfect competition. Monopoly. Monopolistic competition. Oligopoly. Bilateral monopoly. Segmentation process. Analysis of the market construction and real estate. Parameters of the market segments.
2	Principles of welfare economics. Surplus and willingness to pay and to accept. Public goods. Free goods. External effects.
3	Market value and bases other than market value. International Valuation Standards.
4	Appraisal postulates. Postulate of the price. Postulate of forecasting. Postulate of purpose. Postulate of ordinariness. Postulate of comparison. Measurement scales.
1	Process of real estate development and construction process.
4	Financial transactions. Interest rate. Loans and discounts. Equivalent rates. Assessment of income. Present value and total amount of typical rent.
5	Problem of income capitalization. Net present value. Internal rate of return.
5	Unti-in-place methods. Inventory. Properties sheet. Means of producttion sheet. Unit price analysis. Cost base calculation on the contract. Cost appraisal on building process. Apprasial criteria of provisional cost (approximate and itemized cost). Adjusted cost. Apprèciation rapide des couts de construction (ARC). Méthode d'Estimation Rapide (MER). Advanced costing methodology (DAC).
8	Appraisal procedures. Market comparison approach. Appraisal sample. Statistical sample. Sales summary grid. Adjustments analysis. Market rates and ratios. Appraisal ratios. Sales adjustment grid. Reconciliation.
5	General appraisal system. Compari-son function. Conditions of resolution. Generalized inverse Moore-Penrose. Appraisal system and market comparison approach. Repartition system.
6	Income Approach. Direct capitalization. Yield capitalization. Discounted cash flow analysis. Search for the capitalization rate. Band of investment. Yield and change formulas. Property balance (measuring net income of building).
3	Cost approach. Appraisal of built up area. Residual techniques. Appraisal of building land.
3	Construction cost. Reconstruction cost. Depreciation. Depreciated reconstruction cost.
3	Economic total value. Use value. Option value. Existence value. Cost-benefit analysis. Cost-efficacy analysis.

Hrs	Practice
5	Consumer balance calculation. Calculation of elasticity. Cost curves. Company balance calculation. Financial mathematics. Calculation of interest and discount. Calculation of the present value and annuities. Internal rate of return calculation. Appraisal methodology. Applications to practical cases of the main appraisal methodologies, Exposure: Protocols of expertise. Code of ethics. Standards.