



Sample Critical Analysis 3

Valuation

Background

You have been instructed to undertake a valuation on behalf of a Bank. Set out the details of the property and a description. Provide a SUMMARY of the lease.

Explain briefly the process of the valuation and refer to the Red Book (make sure you are familiar with the latest edition).

Aims & Objectives

The client instructed you to provide a valuation of the property for loan security purposes. Within the report you (maybe) required to provide an opinion of the following:

- Market Rent
- Market Value
- Opinion on suitability for loan security and performance

With a valuation Critical Analysis and depending on your aims / objectives, you may want to set it out like this

Market Rent

Key Issues

- i) Inspection / Measurement
- ii) Comparables
- iii) Allowances / Adjustments

Options

- i) Method of valuation

Valuation

This is effectively the 'proposed solution' and you would include the main points of the valuation report

Market Value

Key Issues

- iv) Comparables
- v) The Lease
- vi) Tenancies

Options

- i) Method of valuation
- ii) Yield / Capitalisation Rate

Valuation

This is effectively the 'proposed solution' and you would include the main points of the valuation report

Reflective Analysis

Opinion on suitability for loan security and performance

What was the end result?

Critical Appraisal

Critically appraise your work. What worked well and what didn't work well? What could you have done differently? What have you LEARNT from undertaking this instruction?

What competencies have you achieved?