



CERTIFICATE IV IN PROPERTY (REAL ESTATE AGENCY PRACTICE) – 21525VIC PRDRE11A Conduct property appraisal EXAMINER REPORT (May 2007)

1. OVERVIEW

The exam comprises multiple-choice questions (10 marks), short-answer questions (50 marks) and case studies (40 marks), totaling 100 marks. To pass the examination, a candidate must achieve a score of 60 or more marks out of 100.

This examination is two hours in duration (plus 15 minutes reading time) and no Acts, books or other material are permitted in the examination.

Version
Number

????

Candidate Name: _____
 Candidate Number: _____
 RTO: _____
 Date of examination: _____

**Certificate IV in Property
(Real Estate Agency Practice) - 21525VIC**

PRDRE11A Provide property appraisal

Instructions to Candidates

- Complete the candidate information in the spaces provided above.
- Do not start writing until told to do so.
- Time allowed:
 - Reading Time: 15 minutes
 - Writing Time: 2 hours
- **To pass this examination a candidate must achieve a score of 60 or more marks out of 100.**

Mark Allocation (Examiner's Use Only)		
Part	Possible Marks	Actual Marks
Part 1: Multiple-choice	10	
Part 2: Short-answer	50	
Part 3: Case Studies	40	
Total possible marks	100	

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PRDRE11A Examination

INSTRUCTIONS TO CANDIDATES

1. You should attempt ALL questions in the SPACES provided in this booklet.
2. Rulers and drawing instruments may be brought into the examination.
3. You are permitted to use a silent, battery operated, non-programmable calculator.
4. You are NOT permitted to bring a mobile phone and/or any other electronic device into the examination room.
5. You are NOT permitted to bring any legislation, reference books or written notes into the examination room.
6. During reading time you may study the questions. You must NOT begin to write on or mark your examination paper in any way, or use a calculator, until you are told to commence writing.
7. Do NOT use pencil. Papers submitted in pencil will NOT be accepted for marking.
8. Do NOT remove any part of this question booklet from the examination room.
9. Do NOT remove staples - the question booklet must remain intact.
10. At the end of the examination return your completed question booklet to the supervisor.

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2. COMMENTS ON QUESTION TYPES

2.1 Multiple-choice questions

The first part of the exam has 10 multiple choice questions worth 10 marks. These questions are generally well answered with most candidates scoring from 7 to 10 marks. The average mark is 8.2 with many candidates scoring 10/10.

The questions that candidates find most difficult are still those with the word 'NOT' in them. eg Which of the following is NOT an appropriate reason Candidates are encouraged to read all questions carefully.

An area of the subject that still sometimes confuses the candidates concerns the terminology around 'depreciation'.

Candidates appear to like the multiple choice type of question and have few common problem areas. The questions cover most of the syllabus for the subject and overall candidates appear to handle the topics reasonably well.

2.2 Short-answer questions

The second part of the exam is out of 50 marks. Most candidates appear to receive marks in the 30 to 45 range with the average being 34.8.

Problems still occur when questions seek specific answers rather than generalised answers. Candidates lose points when they do not provide the specific detail the question requires. Candidates also need to be careful in remembering terms. eg: instead of remembering just the phrase 'age sex ratio's' they should be remembering the term 'demographics' and then know what that term means.

Many candidates have difficulty remembering information about planning provisions. In general they have problems regarding the differences between local and state planning issues and find it hard to answer questions about why we have State Planning Policies - for example, the reasons why we have State Planning Policies compared to Local Planning Schemes and what these terms mean. Some candidates find it hard to remember the differences between

the various unit ownership types such as stratum, strata, cluster and company share. For example, remembering the names given to the areas of common or residual land, and whether this is in the same title as the unit or not should achieve greater scores. A recent change to the Learners Guide (Version 2.1) should assist in giving candidates greater knowledge in the differences of unit ownership.

Questions about the purpose of inspections by agents, information to be included in appraisal and marketing reports, sources of data and information to assist agents, the four forces that create value and the rights provided in owning a title, continued to be answered quite well overall.

2.3 Case studies

The third area of the exam is marked out of 40. This series of questions generally achieves marks in the 30 – 40 range. The average score for 2006 was 25.5.

While this area of the exam relates to a basic part of the theory of appraisal, it is the area that achieves the lowest average marks.

Part of this area of the exam relates to working out an appraisal amount or value by comparing sales information. In a major case study example, candidates are generally asked to appraise / value the subject property by three methods ie summation, capitalization and direct comparison and give a reason for selecting the answer. While some candidates achieve good results, a number have difficulty in arriving at three separate values. They appear to be able to get results for one or two methods, but have problems with the third. Some candidates carry out two or three of the methods without realising what they have done. They sometimes fail to recognise that they arrived at an appraisal figure using the direct comparison approach.

Candidates do not always arrive at the correct value of the property. Candidates can perform poorly if they are not confident of the way to analyse the sales evidence and then apply that information to arrive at a certain appraisal figure. This is an important part of the subject and more concentration on this area of the syllabus should increase overall results.

There are some candidates who find the calculation of the areas of land and buildings very easy, but there are still candidates who have trouble in calculating the area of a house or a block of land.

The exam usually has six fairly simple calculations that provide around twelve marks. Generally, not all candidates achieve this.

Some candidates find it difficult to multiply width by length measurements to get an area. A few candidates still find it difficult to allow for the 'splay' area on a corner of a lot when calculating the area of a block of land, but this group of questions was generally better answered than in 2005. When answering a question about 'how many units can be built' candidates sometimes forget that you can only build whole units. They should remember to calculate the number of units to the nearest whole unit.

3. AREAS OF STRENGTHS AND WEAKNESSES DISPLAYED BY CANDIDATES

3.1 Strengths

For the second year of this revised course the overall results have been very good and many candidates have achieved marks of over 80%. The results for the multiple choice questions have generally been well answered.

Most of the short answer questions achieve success, especially where there are only three or four 'dot point' answers to give.

Candidates do well with the 'four forces' questions, the 'physical features at inspection' questions, the 'key headings in appraisal reports' and the reasons why inspections are important to landlords.

3.2 Weaknesses

It appears that some candidates are not reading the questions thoroughly enough when they first get the paper. Some candidates appear to commence answering questions without reading all options.

The area of the differences between State Planning Policies and Local Planning Schemes still causes candidates some concern. They should know the role of each and how they work together. There is sufficient information in the study notes and on the recommended web sites to be able to answer the exam questions better.

A better understanding of the different depreciation types would be an advantage to some candidates. Some candidates get confused

regarding the different types of obsolescence e.g. functional, economic and exhaustion. They sometimes substitute 'overcapitalisation' for one of the other three areas of obsolescence.

Candidates should know some of the differences between Strata, Stratum, Cluster and Company share units. Remembering the names given to areas such as 'surrounding land on the title', who or what is responsible for maintaining surrounding land and the name given to the title that the car park is situated on would be beneficial to candidates.

In the multiple-choice questions, candidates have problems with questions asking for answers where the choice is 'NOT' something.

Candidates in this course are not being trained as surveyors or valuers however, as real estate agents they should be able to work out the overall area of a block of land or a dwelling given some simple length and width measurements. Extra work is required in this area of the syllabus to ensure candidates are more proficient at calculating areas of land and buildings. Some candidates are adding together the wall measurements of a building or perimeter measurements of a vacant lot drawing, to calculate an area. There should be sufficient information in the course notes to assist candidates with this aspect.

In this second year of the revised course, candidates generally appear to be remembering more of the traditional steps to the Turner hypothetical development approach. Only a minority were confused during 2006. However, for any question on the 'Turner method' where candidates are asked to work out a value or a figure based on a number of given facts, candidates generally don't have sufficient knowledge to work through the exercise to achieve a pass result. Not all candidates attempt questions regarding the Turner approach.

As in 2005, very few results were above 90%. Candidates tend to make some small mistakes that keep their overall marks down. On the other hand, over 130 out of a sample of 160 have passed quite well (over 80% passed) which was a better result than 2005. Of those who failed, over 20 achieved scores in the 50's and probably would have passed with a little more knowledge about some of the items mentioned in this report. The mean / average mark was 68.6 % for 2006 compared to 64.5 % for 2005.

Those who failed in 2006 included a number of candidates who did not complete all questions or did not attempt some questions. In a number of cases the calculation questions (parts 2 and 3 of the exam) were not attempted at all.

4. GENERAL COMMENTS

Overall it appears that the second year's results for this revised subject are positive. The pass rate for this subject is generally good. Of those who failed, most only failed by a few marks and should pass with a little more effort.

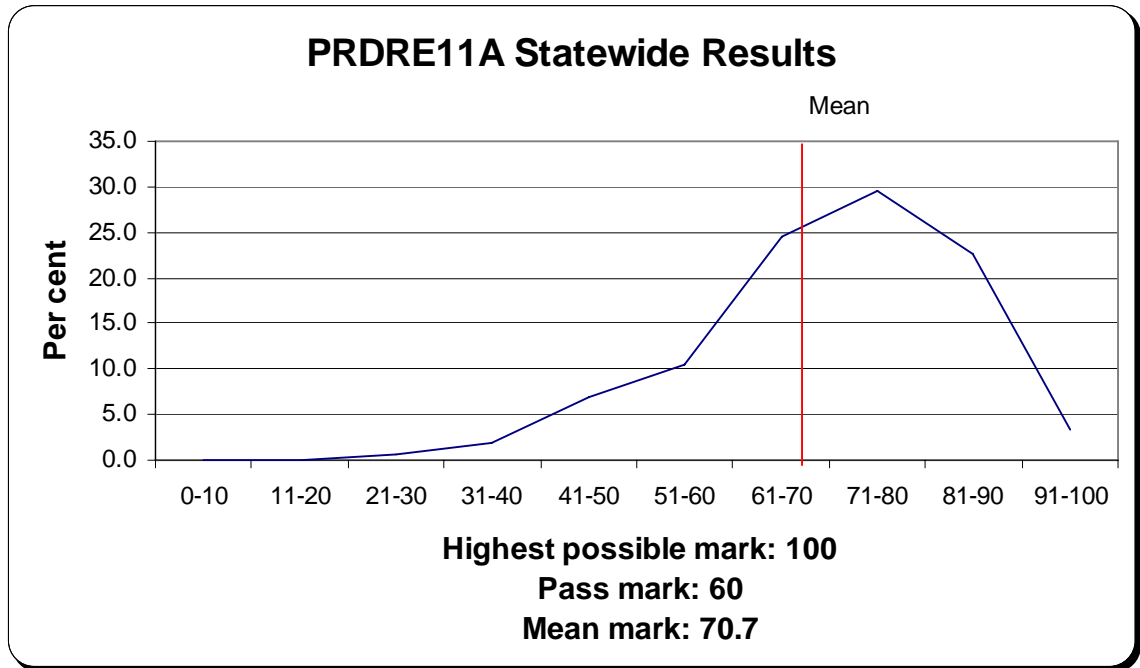
Generally, candidates appear to be following instructions quite well although candidates should learn to provide answers in the spaces provided, as requested.

Apart from the multiple choice questions that have 'NOT' in them, candidates have interpreted the majority of questions quite well.

There are no major concerns to the Examiners at this stage. It appears that there has been an increase in the pass rate between the first and second year of the course in this subject and this is a very positive result.

It is hoped that the information in this report can be used by teachers / tutors in assisting them to teach the subject to an even higher level.

5. STATEWIDE RESULTS



PASS/FAIL RATES	
Pass	83.27%
Fail	16.73%