

**Answer Guide No. 3  
Property Analysis**

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**This assignment is a Multiple Choice Assignment**

Marks: 1 mark per question.

1.     Answer: 2  
Pedestrian and vehicular traffic counts are least likely to be an important characteristic in the analysis of an apartment district. Pedestrian and vehicular traffic is a much more important characteristic when considering the analysis of office or retail districts that rely on the surrounding area for employees and customers.
2.     Answer: 1  
Option (1) is correct. Social preferences are not considered in the market delineation process. All the other options are true.
3.     Answer: 4  
Option (4) is correct. Vacancy, capitalization and rental rates, and changes in supply and home price changes are all market statistics that can help measure trends in real estate markets.
4.     Answer: 2  
Option (2) is false because standards of functional utility vary with the type and use of the property not the age and use of the property. Specific considerations for different types of property must be taken into account by appraisers, for example, functional utility varies within residential, commercial, industrial and special-purpose properties.
5.     Answer: 3  
Option (3) is correct. The foundation, or substructure, is a building's entire foundational structure, which is below grade and provides a support base on which the superstructure rests. Foundation supports include footings, foundation walls, piles, and columns, piers and beams.
6.     Answer: 3  
Option (3) is correct. Plottage is the term used when two or more properties are combined under one ownership and their combined value is greater than their separate values. Therefore, plottage is a value increment. Assemblage is the combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use. Assemblage is the process that creates plottage value.
7.     Answer: 4  
Option (4) is false because surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. Options (1), (2), and (3) are true.
8.     Answer: 2  
The original site dimensions are reduced because of the zoning requirements for the setbacks. The width is reduced by 6 metres to a 12 metre width and the depth of 35 metres is reduced by 15 metres to an effective depth of 20 metres. Therefore, the maximum buildable area is 240 square metres (12 × 20 metres).

9. Answer: 1  
The lot and block system was developed as an outgrowth of the rectangular survey system and can be used to simplify the locational descriptions of small parcels. The system was established when land developers subdivided land in the rectangular survey system and assigned lot numbers to individual sites within blocks. Applying the lot and block system to old, unsurveyed communities helped to identify each owner's site or parcel of land.
10. Answer: 2  
Wood is the most common structural material used in the construction of homes in North America.
11. Answer: 2  
Gentrification is a phenomenon in which middle- and upper-income earners purchase properties in a residential neighbourhood to renovate or rehabilitate them. The residents displaced by this process are often lower-income individuals who moved into these older, urban neighbourhoods when middle and upper-income groups left because they found the neighbourhoods unappealing and unattractive.
12. Answer: 3  
Option (3) is true. In appraisal, the width of the property facing the main street, stream, railroad, or some other feature is called the frontage. The frontage may or may not be the same as the width of the property because a property may be irregularly shaped or have frontage on more than one side.
13. Answer: 2  
In market area analysis, relevant social and demographic characteristics include such things as the following: population density, skill levels or employment categories, age levels, employment status, extent of crime, and extent of litter. Option (1) is incorrect because street width is an environmental influence. Option (3) is incorrect because rent is an economic influence. Option (4) is incorrect because property tax is a government influence.
14. Answer: 1  
Topographical studies provide information about the land's contour, grading, natural drainage, soil conditions, view, and general physical usefulness. Sites may differ in value due to these physical characteristics. For example, steep slopes often impede building construction and natural drainage can be advantageous or, if a site is downstream from other properties or is a natural drainage basin for the area, it may have severely limited use.
15. Answer: 2  
If the highest and best use of a site is based on a predicted zoning change, the appraiser must investigate the probability that such a change will occur. The appraiser should interview planning and zoning staff and study patterns of zoning change to assess the likelihood of a change. Appraisers can generally eliminate those uses that are clearly not compatible with existing uses in the area as well as uses that have previously been denied. After reviewing available public and private land use information, appraisers may also prepare a forecast of land development for the area. If the zoning of the subject site is not compatible with the probable forecast use, the likelihood of a change in the zoning is especially high and speculative. However, appraisers should recognize that a zoning change is never 100% certain and should alert the client to that fact if it is relevant to the purpose of the appraisal.

16. Answer: 4  
Option (4) is not part of the quality and condition survey. In the condition component of a quality and condition survey, the appraiser generally distinguishes among three types of building components: items in need of immediate repair on the date of the appraisal (deferred maintenance items), items that may be repaired at a later time (short-lived items), and items that are expected to last the full economic life of the building (long-lived items).
17. Answer: 4  
All the statements are true as an appraiser must understand all the physical and locational attributes and research extensively to produce a credible opinion.
18. Answer: 4  
Development density, use of renewable materials, and innovate design all relate to green building practices.
19. Answer: 4  
The municipal office is the location where information with regards zoning and land use information for that jurisdiction would be assessed
20. Answer: 3  
Option (3) is false because real estate salespeople in Canada do not have a building measurement standard and have not adopted the Appraisal Institute Guidelines. Options (1), (2), and (4) are true.
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- 20 Total Marks