

**For Teachers: Meaning of the key terms in Activity 1**

1. **Property Value –**  
is an estimate of what a property is actually worth in the market; the price may be higher or lower, depending on who has the best bargaining skills and who wants the deal.
2. **Building Value –**  
This value estimate includes structures, buildings, and anything which has been added or appended to a property and becomes an inherent part of the property that are not considered land.
3. **Land Value –**  
Land value is the measure of how much a plot of land is worth, not counting any buildings but including improvements such as better drainage.
4. **Building Area -**  
means the total area of floor space within a building measured between the external sides of walls or in the case of party walls, between the centre of the party walls.
5. **Factors Affecting Value**  
Various factors that determine the value of any kind of property include:
  - a) Structural attributes e.g. numbers of bedrooms, bathrooms, fireplaces, garages, square footage of house, lot size, age of structure, existence of pool
  - b) Neighbourhood attributes e.g. socio-economic characteristics of neighbouring residents, quality of neighbouring structures, ownership/rental, ethnic composition
  - c) Community attributes e.g. school and police station
  - d) Locational attributes e.g. proximity and accessibility to various (dis)amenities including waste sites, powerlines, highways, shopping centres, churches, schools, cultural opportunities, airport, public transportation
  - e) Environmental attributes e.g. view from property, noise levels, pollution levels,
  - f) Time-related attributes e.g. month and year of sale, number of days on market.
6. **Price – cost to buy a property.**  
The amount paid might not represent that property's market value. Sometimes, special considerations may have been present, such as a special relationship between the buyer and the seller where one party had control or significant influence over the other party. In such case, the price paid for any particular piece isn't its market 'value' but rather its market 'price'.

7. Market Value -

The most probable price a buyer and seller could agree on if both were interested in making a deal. The definition assumes that both parties have sufficient information about the market and the property, and that the property has been on the market for a reasonable period of time.