

Additional Teaching, Degree Thesis and Job Placement

Seminar:

"**Estimating Costs with BIM Technology**", featuring scholars, experts and professionals of the sector.
The Seminar is coordinated by Rocco Murro.

Laboratory and exercises

The laboratory activity relates to the conduct of evaluation experiments. Simulating appropriate contexts, the laboratory deals with problematic aspects of the assessments of inclusive goods, with the direct deliberative approach, and assessments of exclusive goods of implicit price, through the configuration of hypothetical markets.

Following the approach of problem solving, individual or group exercises consist of: a) the elaboration of market oriented real estate appraisals or statistical, financial and economic analyses; b) the appraisal of building costs with BIM technology.

Degree Thesis

In the present academic year the issues on which require the assignment of the Thesis are: a) the real estate appraisal with international methods and techniques; b) the valuation of social appreciation of community goods.
Students can require the co-tutoring for Theses carried out in other disciplines of the degree course.

Job Placement

The names of the students who complete their degree in Economics and Valuation Technology are reported, with the consent of the interested parties, to institutions, companies and public and private organizations involved in the field of evaluation.

Teaching Structure



Prof. Saverio Miccoli

He carries out his teaching and research in the fields of Product and Process Evaluation in Civil Engineering and Urban, Regional and Environmental Evaluation.

Full Professor at the University of Rome "La Sapienza". Director of the Master in "Feasibility Valuation of Projects" and of the Training Course in "Real Estate Economic Valuation", teacher in the Master Degree in "Real Estate Economics and Management" – University of Rome "Torvergata", in PhD Courses, in the Specialisation School in "Natural and Territorial Heritage".

National Coordinator of the Research Programs of Relevant National Interest (PRIN), co-financed by Ministry of Education, University and Research, he is author of 295 Results of Scientific Research.

Member of the Scientific Committee of the Italian Association of Appraisers and Land Economists (Ce.S.E.T.), Co-Director of the Journal "Aestimum", Founding Member of the Italian Real Estate Appraisal and Investment Decision Society (SIEV).

Teacher at the High School of Economy and Finance "Ezio Vanoni" of Ministry of Economy and Finance, Member of the Central Cadastral Commission of Ministry of Economy and Finance.

Institutions and Public Companies of primary importance confer him professional assignments.



Rocco Murro, Ph.D

Adjunct Professor in "Economic Valuation Technology" at the Degree Course of "Building and Land Engineering" of the Faculty of Engineering - "La Sapienza" University of Rome. He obtained the National Scientific Qualification of Associate Professor in the Academic Discipline "ICAR/22- Estimo".

Ph.D in "Urban Recovery and Regeneration", he carries out his research on the topics of inclusive valuations and real estate appraisal under conditions of market instability, uncertainty and risk; he is authors of several publications. Freelancer of Ministry of Cultural Heritage and Activities, he cooperated in the organization and scientific coordination of Seminars and Meetings.

ECONOMICS AND VALUATION TECHNOLOGY

Academic Year 2019-2020

PROF. SAVERIO MICCOLI



SAPIENZA
UNIVERSITÀ DI ROMA

FACULTY OF CIVIL AND
INDUSTRIAL ENGINEERING

Infocenter

University of Rome "La Sapienza"
ECONOMIC VALUATION
OF PROJECT AND REAL ESTATE
Via Eudossiana 18 - Rome
Students' Reception: Tuesday, h. 15.00 - 20.00



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Web sites

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Aims and Teaching Objectives

The Course provides the fundamental themes of valuation, setting out the most innovative developments of the discipline.

This means the answers that, in recent years, the discipline of the valuation gave to issues posed by cultural and environmental economics, by the principles of sustainable development, by the effects of climatic change, by the complexity of large projects. The most innovative approaches are focused on evaluations linked to the inclusion of citizens in decision-making regarding the production and the fruition of community goods.

Specifically, the Course provides the theoretical-methodological tools for three areas of operation: a) the valuation of goods in building, civil and environmental sector; b) the valuation of economic feasibility and overall sustainability of projects, carried out during the design elaboration, in the conceptual/preliminary phase; c) the valuation in settlement production processes: from the design phase of intervention, to the execution of the works, to the operative phase.

Framework of the Course and Contents

The Course is divided into five thematic sessions and deals with the following topics.

1. Elements of Economics and Economic Theories of Value

In the framework of basics of Microeconomics, initially, elements are provided on the theory of supply, demand, market price formation, general economic equilibrium, welfare economics, new welfare economics. Referring to the diversions from rationality assumed by neoclassical economics, the contributions of Cognitive Economics and Experimental Economics will be specifically treated: the first, aimed at increasing the psychological realism of the economic models of the decision-making also thanks to the most recent contributions from the neuroeconomy; the second, intended to improve, with the method of controlled experiment, the empirical basis of economics.

Then, the economic theories of value are treated. The economic value concepts are reviewed as they were developed in ancient civilizations, in Greek, Roman and medieval period. The fundamental contents are shown of the theories of the value of mercantilism and physiocracy system; of the classical theory, based on objective requirements; of socialist theory, that introduces the concept of surplus value; of theories which are critical of Ricardian reflection; of neoclassical theory, based on a subjective, marginal and psychologistic interpretation; of the theories that have developed the neoclassical approach, characterized by the principles of partial and general market equilibrium. The main senses of the economic value (Cost Value, Exchange Value, Use Value, Esteem Value) are then exposed.

The thematic session ends with the presentation of characters, purposes, relations concerning the value judgment, aimed at estimating the economic value of a good, and the choice judgment, tending to select, among several alternatives, the one which provides greater economic convenience: each convenience judgment is preceded by a value judgment.

2. Theoretical and Methodological Foundations of Appraisal and Operational Approaches for Goods Estimation

Preliminarily the role of Appraisal is outlined as a discipline aimed at advancing and developing the concepts of economic theories of value, based on the principle that the economic value of goods depends on the purpose for which the valuation is accomplished.

It is followed by the illustration of the appraisal epistemological paradigm based on a phenomenological, behavioural, probabilistic and critical view, based on the valuation subject's judgement: a) the principles of Appraisal (Purpose, Forecasting, Price, Comparison, Ordinarity); b) the appraisal procedures (direct, indirect and intermediate); c) the appraisal techniques of the various aspects of the economic value based on revealed historical data, through the Revealed Preference (RP) Techniques, or on stated hypothetical data, through the Stated Preference (SP) Techniques. A specific focus will be reserved to the approaches of the Willingness to Pay and the Willingness to Accept, fundamental to appraise the monetary measure of economic values with the SP Techniques. Finally, the classical statistical-mathematical-financial tools used by the discipline of appraisal are recalled, highlighting the correct conditions of use and the limits of applicability.

Then, it deals with the valuation criteria in the sector of natural and built goods, exclusive, inclusive or mixed: Cost Value, Market Value and Secondary Values; Use Value; Esteem Value. For appraisals based on the criteria of Market Value, for which it is possible to have clear and secure market information, real estate valuation procedures commonly used in international practice are proposed: Sales Comparison Approach, Income Capitalization Approach, Cost Approach, Profits Approach, Residual Approach. For the appraisal of goods without or lacking in explicit market data, the RP Technique of Hedonic Pricing and the SP Techniques of Contingent Valuation and Choice Modelling are proposed.

Finally, after outlining some automated and large-scale evaluation systems (Automated Valuation Models and Computer Aided Mass Appraisal), rules, developments and orientations of the Italian Cadastral Appraisals for fiscal purposes are described.

3. Evaluation Methods and Techniques for Projects, Plans and Programmes

Evaluation methods and techniques in the activity of designing, planning and programming are exposed, highlighting the related application issues. The valuation is taken as an active component in the process of design elaboration and as an incentive to design creativity. Financial (Investment Analysis), economic (Cost-Benefit Analysis) and multi-dimensional (Multi-criteria Analysis) techniques are examined.

4. Civic Appraisal: Shared Economic Value of Community Goods

After introducing the definition, the purpose and the practical reason of the Civic Appraisal, in the first part of the thematic session, the issue of inclusive approaches for the economic estimation of goods of collective fruition, in particular those goods placed in urban areas, is framed; goods totally, or for some of their components, without market price are treated. The limits of conventional economic techniques in the assessment of the impacts of these goods on the community are pointed out and the socio-economic and political-institutional contexts generating new civic valuation techniques are recalled, highlighting how they are motivated by the priority requirement to take into account interests, opinions and judgments expressed directly by the community in which the goods are located. Then, an overview of the participatory and deliberative techniques of greater diffusion is presented, accompanied by a critical-comparative analysis of these techniques in order to optimize the choice of the procedure that is more consistent with the objectives of the estimation and the resources available to perform it.

The second part of the thematic session begins with the presentation of the main notions of economic theory on public goods and of collective choice theory. Subsequently, the characteristics that denote community goods are defined and the principle of willingness to pay to collectively dispose of an inclusive good, is specified. In conclusion, the criterion of the esteem value, connected to the importance attributed to the good by the valuation subject, is treated in the double aspect of absolute value and relative value.

In the third part of the thematic session the results of a laboratory experimentation are presented and commented; the experiment deals with the economic estimation of goods for collective fruition, based on the "community deliberative esteem value", specified through an informed, dialogical, inclusive and democratic appraisal process. The discussion of the theoretical and methodological contents of the valuation technique is completed with the illustration of an application case.

5. Valuation in Settlement Production Processes

The management activities related to the entire settlement production process are regarded, identifying decision-making and valuation procedures to make rational choices in the stages of: a) programming and planning of the project; b) carrying out the works (entrusting, direction and testing); c) exercise of the works. Specific attention is paid to activities in the field of public works. A series of specific exercises concerns the building costs appraisal by adopting the innovative BIM - Building Information Modeling technology.

Conditions of the Course and Method of Examination

The Course, based on the practice of critical-interpretative thinking, is structured through lectures, exercises, laboratory experiments and seminary activities.

The student has to take the exam individually through theoretical and applicative tests. In addition, he may discuss a monograph on topics agreed upon with the teacher. The student can get exemptions of the topics contained in the five thematic sessions of the program, at the conclusion of each of them. On the basis of their own interests and with the approval of the teacher, students attending the course can personalize disciplinary learning by modifying or partially integrating Course program, outlining their own educational path consistent with teaching objectives.

Activities appropriate to earn credits are planned in accordance with the regulation in force.

To facilitate a direct and immediate communication of information, students are invited to register formally to the Course by providing name, e-mail address and a telephone number.

The timetable of the Course is determined by the official calendar of the Faculty. Teaching activity is specified in a time schedule distributed at the beginning of the Course.

Bibliography

On essentials of economics

- Sloman J., Garratt D., "Essentials of Economics", Pearson Education Ltd, Harlow, 2013.

On theoretical and operational issues of valuation

- Appraisal Institute, "The Appraisal of Real Estate", 14th ed., Appraisal Institute, Chicago, 2013.
- Miccoli S. (edited by), "APPRAISALS - evolving proceedings in global change", FUP, Firenze, 2012.
- Bateman I. J. et al., "Economic valuation with Stated Preference Techniques: A Manual", Edward Elgar, Cheltenham, 2002.

On settlement production processes issues

- D.P.R. 5/10/2010, n. 207 - "Regolamento di esecuzione ed attuazione del D.lgs. 12/04/2006, n. 163".

Lecture notes, Academic Year 2019-2020

Back to Classics: optional readings for the A.Y. 2019 - 2020

- Condorcet N., Marquis de, "Essay sur l'Application de l'Analyse à la Probabilité des Décisions Rendue à la Pluralité des Voix", Cambridge Library Collection, Cambridge, 2014 (first edition: 1785, Paris, de l'Imprimerie Royale).
- Samuelson P. A., "The Pure Theory of Public Expenditure", The Review of Economics and Statistics, Vol. 36, N. 4. Nov., 1954.
- Downs A., 1957, An Economic Theory of Democracy, New York, Harper & Row, Publishers, Inc., 1957.
- Famularo N., "La stima dei fabbricati", Calderini, Bologna, 1968.
- Forte C., De Rossi B., "Principi di economia ed estimo", Etas Libri, Milano, 1979.

Finally, some journals are indicated to deepen the topics covered by the Course:

"Aestimium", "Appraisal Journal", "Ecological Economics", "Journal of Real Estate Finance and Economics", "Land Economics", "Sustainability", "Territori", "Valori e Valutazioni".