



UTHM

Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2013/2014**

COURSE NAME : ECONOMY FOR REAL ESTATE
COURSE CODE : BPE 33902
PROGRAMME : 3 BPD
EXAMINATION DATE : DECEMBER 2013 / JANUARY 2014
DURATION : 2 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **THREE (3)** PAGES

Q1 Rent is the price of occupying real estate. Rental value is the market's going rate for rents, ie, the rent that would tend to be paid if a property was offered to let on the open market at some point in time. Rental value is the current price of occupation.

(a) What causes rent to be paid for the use of land?
(5 marks)

(b) What determines the amount of rent paid for the use of land?
(10 marks)

(c) What causes rental value to change over time?
(10 marks)

Q2 Real Estate Market is a part of a country's economy. For all areas of economic activity, there are times of growth, inactivity and retraction : we talk of cycles because these trends observe recurrent patterns. **Appendix I** shows a graph of a complete property cycle. Explain the four stages of property cycles namely depression, recovery, boom and recession.

(25 marks)

Q3 When we talk about government intervention in the Real Estate Market, we mean involvement by Federal Government, publicly – owned agencies or corporations and Local Authorities. There are a number of ways in which the public sector can be involved in the Real Estate Market. Discuss with reference to Malaysia. Include comment on policies in our country.

(25 marks)

Q4

(a) Housing stock, housing supply and new housing are the most common terms when discussing housing market. Distinguish briefly the terms accordingly.
(10 marks)

(b) By providing an appropriate example, illustrate the working of the housing system in Parit Raja.
(15 marks)

-END OF QUESTION-

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The Property Cycle

