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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2014/2015**

COURSE NAME : PROPERTY MARKET ANALYSIS
COURSE CODE : BPE 34103
PROGRAMME : 3 BPD
EXAMINATION DATE : DECEMBER 2014/JANUARY 2015
DURATION : 3 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF **FOUR (4)** PAGES

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- Q1** (a) Maslow sought to explain why people are driven by a particular needs at particular times. Maslow's answer is that human needs are arranged in a hierarchy.

Explain Maslow's hierarchy needs.

(5 marks)

- (b) Cultural factors exert a broad and deep influence on consumer demand behavior. Therefore, in order to positioning the real estate product, the marketer needs to understand the role played by the consumer culture, subculture, and social class.

Compare the roles of culture, subculture, and social class.

(10 marks)

- (c) The characteristic of a new real estate product affects its rate of adoption. Some of the products take immediate time to gain acceptance and others take a long time to be accepted in the market. Therefore, people can be categories into five adopter groups.

Explain the **FIVE (5)** adopter categories that based on a relative time of adoption of innovating firms.

(10 marks)

- Q2** The "Situs Analysis" are resting on the perception that land uses are interdependent and economic activities are interrelated.

- (a) Define 'situs'.

(2 marks)

- (b) List **FOUR (4)** steps of the 'situs' process.

(4 marks)

- (c) In location analysis, 'STEP' is used in determining the success or failure of a project.

Analyze each factor in STEP.

(14 marks)

- (d) Describe the relevant information required to carry out competitor analysis.

(5 marks)

- Q3.** (a) Price plays essential roles in real estate business. Setting your property product price correctly will reflect business objectives.

Differentiate the importance of pricing and pricing objectives.

(15 marks)

- (b) Due to the emergence of information and communication technology worldwide, the usage of the internet such as social networking, GIS application likes Google Map or Google Earth, property website such as iproperty and so on, provide a significant impact to the real estate business.

Analyse how these internet applications benefit property market analysis.

(10 marks)

- Q4.** (a) The fixed cost of Chahya Alam development project is RM16 million. The developer proposes to build about 300 units of Model X at a cost of RM120,000 per unit. The selling price of the Model X is RM160,000 per unit. Your market analysis discloses that demand for such type of property is related to its price as follows: $Q = 591 - 0.002 \cdot P$.

$$\text{Formula: } TC = FC + (VC \times Q)$$

$$TR = P \times Q$$

$$Q = FC / (P - VC)$$

$$P = FC / Q + VC$$

With the given information, answer the following questions:

- (i) Calculate the break-even unit for Model X. (3 marks)
- (ii) Calculate the difference between the proposed and the break-even unit for Model X. (4 marks)
- (iii) Calculate the developers' gain or loss based on the answer in **Q4 (a)(ii)**. (4 marks)
- (iv) Determine the price of Model X in order to break-even. (4 marks)

- (b) (i) Assuming that the loan margin is 90%, interest rate at 6.85%, and loan repayment period is 30 years.

Calculate the affordable price if the monthly income of a person is RM5,000.

(5 marks)

- (ii) Calculate the monthly installment assuming for a loan of RM250,000 at 8% per annum for 20 years.

(5 marks)

- END OF QUESTION -