UTHM
Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION
SEMESTER I
SESI 2015/2016

COURSE NAME	:	REAL ESTATE VALUATION
COURSE CODE	:	BPE 12303
PROGRAMME	:	2 BPD
EXAMINATION DATE	:	DECEMBER 2015 / JANUARY 2016
DURATION	:	3 HOURS
INSTRUCTION	:	ANSWER **ALL** QUESTIONS

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

S1   Role of registered Valuer, Appraiser and Estate Agent are cleary stated in Valuers, Appraisers and Estate Agents Act 1981 (Act 242).

Explain the role of valuers associated with real estate profession.

(20 marks)

S2   Real Estate assets and markets are unique when compared to other assets or markets.

Discuss the characteristics that make real estate market are different from the other markets.

(20 marks)

S3   A proper inspection and referencing of property is fundamental to the valuation process. Valuer are expected to carry out an edequate inspection of the property which is to be valued at a reasoned valuation.

Discuss ten initial steps before building inspection.

(20 marks)

S4   Valuers are involved in the calculation of the capital and the annual rental value of a property. Based on mathematical valuation, calculate examples of cases are given below.

(a)   Azmira has a 2-storey bungalow. Syahril, a structural engineer advised her to make termite treatment for the entire home within 8 years from now. Treatment and maintenance costs estimated at RM20,000 at the time. Azmira wanted to deposit in banks which provide compound interest of 12% per annum.

Calculate the amount to be kept by Azmira now.

(6 marks)

(b)   Wong plan to schedule some maintenance works towards his 10 storey office building in 2026. The cost is estimated at RM150,000. Calculate the amount that should be set aside or saved each year if the investment was made at the end of each year. Compound interest at the time was at 8%.

(6 marks)

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(c) Iman intends to have a condominium in Damansara Heights in 15 years from now. The unit price is estimated at RM3.7 million. Calculate the amount to be kept by him every month if the investment is made at the beginning of each year. Compound interest is present at a rate of 8%. Revision should be made to ensure that the answers are appropriate.

(8 marks)

S5 Mathematic valuation provides the present value for the acceptance of RM1 per year for n year and for perpetuity with current interest rate are invested according to the investment.

(a) Zharif recieved RM24,000 every year for 10 years from his rented house in Bangi. Rental has increased to RM2,500 per month for perpetuity in the year of 11th.

Value the overall of income if capital can be invested at the rate of 14% per annum.

(5 marks)

(b) Natasha is the owner of freehold 3 acre agricultural land in Parit Raja. She leased the land to Hazim RM20,000 per acre per annum for over 30 year. Hazim then sub leased the land to Sangeeta for 28 years with a rate of payment RM35,000 per acre per annum. Interest rate for the same properties is 7%.

Estimate the income gathered from this investment for Hazim and Sangeeta.

(10 marks)

(c) Iskandar earned RM500,000 a year from his estate agency for 30 years with interest rate 9% and annual sinking fund 2%. 30% tax levied on his saving deposit.

Calculate the capital must be invested by Iskandar.

(5 marks)

END OF QUESTION

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