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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2016/2017**

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COURSE NAME : INTERNATIONAL REAL ESTATE  
COURSE CODE : BPF 42603  
PROGRAMME CODE : BPD  
EXAMINATION DATE : DECEMBER 2016 / JANUARY 2017  
DURATION : 3 HOURS  
INSTRUCTION : ANSWERS ALL QUESTIONS

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

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**Q1** International trade is the exchange of capital, goods, and services across international borders or territories. In most countries, such trade represents a significant share of gross domestic product (GDP). An international real estate is originally come from the idea of international trade of commodities and services, and includes property consumption and investment goods.

- (a) International real estate need to be treated differently due to its complex characteristics.

Explain **FOUR (4)** characteristics of real estate as compared to other products. (16 marks)

- (b) Describe the benefit of international trading to the economiest agents such as producer, consumer and government.

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(9 marks)

**Q2** Demand for international real estate derives from the need of individuals, firms and institutions to accommodate their activities. Hence, the investment should provide competitive yields and to achieve investor's investment goal.

- (a) Analyse **FIVE (5)** rules of thumb to select country for investment. (15 marks)

- (b) "...viable and sustainable real estate markets require an established liquid capital market, including stable banking and financial services system".

(Adair *et al.*, 1999)

Discuss the above statement with international real estate study. (10 marks)

**Q3** One of the reasons for a company to expand its real estate investment into global scale is due to economic conditions and transparency of information from the selected country. The investment can be in a form of physical asset and capital asset.

- (a) Point out **TWO (2)** economic indicators commonly use by investor for investing in real estate internationally. (10 marks)

- (b) Discuss how the scale of development influences international real estate investment decision. (15 marks)

- Q4** (a) Bersatu Plantations Berhad plans to invest in commercial property in Nigeria. Generally, international real estate investment requires several considerations prior to operating the business.

Explain **THREE (3)** institutional characteristics.

(9 marks)

- (b) Transaction in real estate is often complex and time consuming either at local or international level, and will affect cost, risk and return.

Analyse **FOUR (4)** factors that contribute to inefficiency in real estate market.

(16 marks)

– END OF QUESTIONS –

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