

**CONFIDENTIAL**



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

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

**TERBUKA**

COURSE NAME : REAL ESTATE VALUATION  
COURSE CODE : BPE 12303  
PROGRAMME CODE : BPD  
EXAMINATION DATE : DECEMBER 2016 / JANUARY 2017  
DURATION : 3 HOURS  
INSTRUCTION : ANSWER ALL QUESTIONS

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

**CONFIDENTIAL**

- Q1** Role of registered Valuer, Appraiser and Estate Agent are clearly stated in Valuers, Appraisers and Estate Agents Act 1981 (Act 242).

Explain the roles and the functions of public valuers associated with real estate profession.

(20 marks)



- Q2** There is a common misconception that the "safest investment" is property investment.

Discuss the characteristics that make real estate market as the safest investment compared to the other types of investment.

(20 marks)

- Q3** A proper inspection and referencing of property is fundamental to the valuation process. Valuers are expected to carry out adequate inspection of a property which has to be valued reasonably.

Discuss **TEN (10)** initial steps before conducting site inspection.

(20 marks)

- Q4** Valuers' role is to assess the capital and annual value of a property. Investors expect good returns from investment.

- (a) Syed Amir has a 2-storey semi-detached house. Jalal, a structural engineer advised him to repeat termite treatment for the entire home within 10 years from now. Treatment and maintenance costs estimated at RM20,000 at the time. Syed Amir wanted to deposit in banks which provide compound interest of 12% per annum.

Calculate the amount to be kept by Syed Amir now.

(6 marks)

- (b) Dania plan to schedule some maintenance works towards his 15 storey office building in 2027. The cost is estimated at RM200,000. Compound interest at the time was at 7%.

Calculate the amount that should be set aside or saved each year if the investment was made at the end of each year.

(6 marks)

- (c) Tisha intends to own a condominium in Danga Bay in 13 years from now. The unit price is estimated at RM3 million. Compound interest is present at a rate of 7%.

Calculate the amount to be kept every month if the investment is made at the beginning of each year. Revision should be made to ensure that the answers are appropriate.

(8 marks)



**Q5** Based on cases provided;

- (a) Fikri received RM18,000 every year for 12 years from his rented house in Batu Pahat. Rental has increased to RM2,200 per month for perpetuity in the year of 13th.

Value the overall of income if capital can be invested at the rate of 9% per annum.

(5 marks)

- (b) Wei Lun is the owner of 10 acres of freehold agricultural land in Parit Raja Darat. She leased the land to Kai Fang RM15,000 per acre per annum for over 30 year. Kai Fang then sub leased the land to Firdaus for 28 years with a rate of payment RM30,000 per acre per annum. Interest rate for the same properties is 8%.

Estimate the income gathered from this investment for Wei Lun and Kai Fang.

(10 marks)

- (c) Ainur earned RM600,000 a year from his estate agency for 25 years with interest rate 8% and annual sinking fund 2%. 25% tax levied on his saving deposit.

Calculate the capital must be invested by Ainur.

(5 marks)

**-END OF QUESTIONS-**