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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2017/2018**

COURSE NAME : ECONOMICS FOR REAL ESTATE
COURSE CODE : BPE 33902
PROGRAMME CODE : BPD
EXAMINATION DATE : DECEMBER 2017/JANUARY 2018
DURATION : 2 HOURS
INSTRUCTION : ANSWERS ALL QUESTIONS

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

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- Q1** (a) The locational decisions of firms and households determine the development of cities.

Explain the importance of locational decision of firm and household.

(5 marks)

- (b) Apart from focusing on microeconomic and macroeconomic, the urban land economic also examines several urban problems.

Discuss **TWO (2)** of the current urban problems in Malaysia with an appropriate example.

(10 marks)

- (c) Each urban area has its own housing markets. In practice, two different approaches measure of housing market have been practiced.

Differentiate both approaches.

(10 marks)

- Q2** In the 19th century, most of the office buildings, manufacturing facilities, and other businesses were all located in the Central Business District (CBD). Over time, industrial technology has been changed, and consequently many manufacturing facilities have been relocated in suburban areas.

- (a) Discuss **TWO (2)** reasons of decentralization.

(5 marks)

- (b) In a competitive land market, properties are offered at highest rent at the most central sites.

Justify the relationship between land market and Central Business District (CBD).

(10 marks)

- (c) In Malaysia, the population growth rate is declining in recent years. However, the demand for residential properties is increasing due to some factors.

Discuss the basic factors that influence the increase in demand for residential properties in urban areas.

(10 marks)

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Q3 In Malaysia, almost all Local Councils use some combination of planning tools such as zoning, building codes and other restriction or incentives to regulate the land use and to set property standards.

(a) Justify the primary rationales for government intervention in the property market.
(10 marks)

(b) Explain:

- (i) Monopolies
- (ii) Externalities
- (iii) Other market distortions

(15 marks)

Q4 (a) The demand for housing can be measured by the number of households which indicates the change in overall housing demand.

Discuss FIVE (5) factors affecting number of household.

(10 marks)

(b) Location is the key factor that must be considered prior to making an investment decision on urban properties.

Analyse the factors that influence the choice of location by property developers for industrial property.

(15 marks)

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– END OF QUESTIONS –