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Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

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

COURSE NAME : REAL ESTATE VALUATION
COURSE CODE : BPE 12303
PROGRAMME CODE : BPD
EXAMINATION DATE : DECEMBER 2017 / JANUARY 2018
DURATION : 2 HOURS 30 MINUTES
INSTRUCTION : ANSWER ALL QUESTIONS

TERBUKA

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

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

(a) Explain the requirements for real estate valuation. (5 marks)

(b) Discuss **FIVE (5)** roles of valuers associated with real estate profession. (15 marks)

Q2 There are macro and micro factors that influence real estate value and investment.

Explain **FOUR (4)** micro factors affecting real estate values. (20 marks)

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

Discuss **TEN (10)** initial steps before conducting site inspection. (20 marks)

Q4 Valuers are involved in the calculation of the capital and the annual rental value of a property is acquired and are expected to yield annual returns by an investor.

(a) Puan Aisyah bought a 2-storey bungalow in year 2017 through a sub-sale transaction. Mr Foo, a structural engineer has advised her that a roof will need to be replaced in eight (8) years' time at an estimated cost of RM30,000.

Calculate the amount to be deposited by Puan Aisyah from now to meet the financial obligation, if the interest rates is 10%. (6 marks)

(b) Dania plan to schedule some maintenance works for her 10 storey office building in year 2025. The cost is estimated at RM150,000.

Calculate the annual amount that should be saved if the investment is made at the end of each year, when the annual interest rate is 6%. (6 marks)

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- (c) Iman is considering investing for condominium located at Damansara Height in 12 years from now. The unit price is estimated at RM2.7 million. Compound interest at present is 8%.

Calculate the amount to be kept every year 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** (a) Atikah owns a freehold property in Parit Raja. She receives an income of RM24,000 every year for 9 years from her rented property. Market rental is anticipated will increase to RM2,500 per month for perpetuity at the 10th year.

Calculate the overall income if capital can be invested at the rate of 7% per annum.

(5 marks)

- (b) Natasha owns a 5 acre freehold agricultural land in Tanjung Labuh. She leased the land to Iqbal at RM20,000 per acre/per annum for a period of 25 years. Iqbal then sub leased the land to Yasmin for a period of 20 years with a rate of payment RM35,000 per acre/per annum. The rate of return for the same properties is 7% per annum.

Estimate the income gathered from this investment for Natasha and Iqbal.

(10 marks)

- (c) Syed earned RM700,000 a year from his estate agency for 24 years with interest rate 7% and annual sinking fund 2%. 25% tax levied on his saving deposit.

Calculate the capital must be invested by Syed.

(5 marks)

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-END OF QUESTIONS-