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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2018/2019**

COURSE NAME : INTERNATIONAL REAL ESTATE
COURSE CODE : BPF 42603 / BPF 32503
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DURATION : 3 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF FOUR (4) PAGES

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Q1 PETALING JAYA: The Malaysian Institute of Estate Agents (MIEA) today said it is concerned over the mushrooming of Proptech start-ups from Singapore providing real estate agency services under the guise of technology solutions.

In a statement today, MIEA claimed that these bogus agents perform services to bridge a sale or rental and help buyers, sellers, landlords and tenants. They even directly state that this is to avoid using real estate agents to help save costs for them. They provide real estate services, prepare tenancy agreements, collect rentals and claim their services are better. MIEA said as the body appointed to represent real estate agents under the law, they were concerned over these claims.

“These tech startups are getting braver and bolder by challenging the law”.

“They claim to help the public sell and rent their properties”.

“That means they are illegally operating real estate practice when they collect a fee in any shape or form.” said the MIEA president Eric Lim.

He said MIEA has identified nine of these companies and is ready to lodge police reports against whoever is infringing the law and meddling with their practice. The estate agency practice in Malaysia is governed by the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 (Act 242). Real estate negotiators are certified by the Board of Valuers, Appraisers, Estate Agents & Property Managers (Bovaep). Subsection 22c (1)(ba) forbids anyone not registered as an estate agent from offering “for sale, rent or lease or invite, offer to purchase, rent or lease any land buildings”.

Lim called on the regulators and the finance ministry to take necessary action against these “Proptech brokers” to protect the public and the laws of the country.

“While we embrace technology and understand how it benefits the profession, these Proptech start-ups should instead work with the 20,000 real estate practitioners and not take over their role,” added Lim.

Source: Ranjit Singh - March 27, 2019

(a) List **FIVE (5)** key challenges influencing the real estate agency profession with the recent development mentioned.

(10 marks)

(b) Explain the process of internationalisation, and its significance for national real estate markets in terms of convergence, standardisation, and activity and performance nature of economic transformation influencing the real estate agency profession.

(15 marks)

- (c) Justify the crucial key forces and strategies that shaping the real estate agency firms to be competitive in international arena in safeguarding the profession in Malaysia. (15 marks)

Q2 Government worldwide strive to make housing affordable for resident. Affordable housing is not restricted only to the house price, but it includes also the quality and amenities of the house.

- (a) Compare the strategies for affordable housing investment distribution strategies for Malaysia and Finland. (15 marks)

- (b) Explain the implications on investment opportunities for providing affordable housing for both countries. (5 marks)

Q3 TOKYO -- A quarter of Japanese business leaders expect the global economy to be in worse shape in six months, up more than twofold from December, a Nikkei survey released Tuesday showed. The vast majority of these, 91.7%, pointed to worsening conditions in China -- the world's second-largest economy -- though some hold out hope that a stimulus package from Beijing will reverse the trend.

The percentage that see the global economy expanding declined 18 points to 37.2%. Meanwhile, 24.9% say the economy will falter, up 13.9 points from December's poll.

The latest report marks the worst reading since the survey began asking the question in December 2016. The quarterly survey collected responses from presidents, chairmen and other corporate heads at 145 companies between March 4 and March 19.

When asked about the risks facing the global economy this year, 77.2% cited the Chinese economic slowdown. This marks a shift from previous multiple-response polling in which trade friction emerged as the top concern. The survey showed 39.3% of respondents expect the Chinese economy to head south over the next six months, compared with only 20.7% saying it will grow.

Robotics-related investments for the Chinese market "are being delayed or scaled back" in some cases, said Yoshinori Kanehana, CEO of Kawasaki Heavy Industries.

"On top of the Chinese economic slowdown, the sense of economic and political uncertainty in Europe, among other factors, will contribute to downward economic pressure," said Konica Minolta President Shoei Yamana.

Source: Kyo Kitazume, Nikkei Asean Review (2019)

- (a) List **TEN (10)** international trade items that property investors should consider when making international property investment decision.

(10 marks)

- (b) *“To hedge the risk, around 20% of companies said they are changing manufacturing locations or suppliers, or discussing tariffs and other cost burdens with business partners. Sixty-two percent say the tensions between Washington and Beijing will continue until the U.S. presidential election in November of next year”.*

Evaluate the impact of real estate industry when international companies decide to change its business location.

(20 marks)

- (c) Explain how new trade theory and globalization affects the property market when looking at established property markets in Malaysia.

(10 marks)

-END OF QUESTIONS-