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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

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

COURSE NAME : ECONOMIC FOR REAL ESTATE
COURSE CODE : BPE 33902
PROGRAMME CODE : BPD
EXAMINATION DATE : DECEMBER 2018 / JANUARY 2019
DURATION : 2 HOURS
INSTRUCTION : ANSWERS ALL QUESTIONS

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

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- Q1** Transportation costs have been long recognized as a crucial determinant of both the formation of cities and the spatial distribution of economic activities within urban areas. The relationship between transportation costs and urban land values can best be approached by first considering the role of transportation costs in the formation of cities.
- (a) Differentiate **TWO (2)** variations of urban type with an appropriate illustration. (10 marks)
- (b) Describe **FIVE (5)** factors influencing urban type and land values. (15 marks)
- Q2** Bank Negara current Annual Report highlighted the risks of property market imbalances in Malaysia were highlighted. The oversupply of office space and shopping complexes in the major states will be worsened by incoming supply, potentially becoming more severe than during the Asian Financial Crisis.
- (a) Define:
- (i) Net useable area.
(ii) Efficiency ratio.
(iii) Load factor. (6 marks)
- (b) The influence of technologies and shared space for non-residential property has decreased the amount of space required per worker.
Justify your opinion in respect to the above statement. (7 marks)
- (c) The greatest challenge for the real estate manager in manufacturing firms is finding a suitable location.
Point out **FOUR (4)** considerations for manufacturing location decision. (12 marks)
- Q3** (a) A household is defined as all the people in a family or group who live together in one house. Based on the average household of four people, Malaysians need about 97,500 unit of housing per year. Unfortunately, the annual housing completions are only at 78,216 units.
Discuss **FIVE (5)** factors affecting household. (15 marks)

- (c) According to Bank Negara Malaysia (BNM), an average Malaysian can afford to buy houses at the price of RM250,000 and below. However, 78.7% of new launches in the first half of 2017 were priced above RM250,000. Half of the new launches were priced over RM400,000, and 25.4% of them were above RM500,000.

Differentiate **TWO (2)** approaches for housing price determination.

(10 marks)

- Q4** (a) Customer satisfaction plays an important role for real estate industry. The developer should have better understanding of the customers' needs and locate the most popular residential projects in the perspective of the customers based on comprehensive evaluation.

Categorise post-purchase behavior of the real estate customers.

(10 marks)

- (b) Apart from microeconomic and macroeconomic of urban real estate, urban land economic also looks at several urban problems.

Discuss **TWO (2)** of the current urban problems in Malaysia by giving appropriate examples.

(15 marks)

-END OF QUESTIONS-

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