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**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

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

COURSE NAME : REAL ESTATE NEGOTIATION  
COURSE CODE : BPF 42703  
PROGRAMME CODE : BPD  
EXAMINATION DATE : DECEMBER 2018 / JANUARY 2019  
DURATION : 3 HOURS  
INSTRUCTION : ANSWER ALL QUESTIONS

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

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- Q1** (a) In real estate negotiation, you must be the last person to mention about the price. By doing this, you have laid down the basic principles of arguments to arrive at the agreement. Explain the followings
- (i) Minimax technique in real estate negotiation
  - (ii) Caucus in real estate negotiation
- (10 Marks)
- (b) Discuss the importance of power and authority in real estate negotiation.
- (10 marks)
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- Q2** (a) There are phases in real estate negotiation. Evaluate the four phases of real estate negotiation with reference to
- (i) Briefly explain the elements of introductory phase
  - (ii) How could you influence and control the arguments within the differentiation phase ?
- (8 marks)
- (b) You have been appointed as a real estate negotiator by a land development company. Suggest some positive strategies to arrive at win-win situation for the followings:
- (i) Buying a leasehold with secured land tenure for 10 years' unexpired.
  - (ii) Leasing a 60 years' Malay Reservation land in Klang Valley.
  - (iii) Securing an agreement for a redevelopment of 10 hectares of land with multiple landowners.
- (12 marks)
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- Q3** Firm A negotiates with Firm B its subsidiary to lease up a freehold interests. Firm A is flexible in terms of rental payment and duration of the lease. Firm B who are not in real estate business requires options to arrive at the open rental value. However, both firms are looking forward to agree at win-win situation. As a consultant in real estate negotiation, you are to offer suggestions and explanation to both firms in dealing with the followings
- (i) long lease term with option on rental premium and rental free period
  - (ii) Low action but high impact (LAHI) in real estate leasing
  - (iii) Low impact but high action (LIHA) in real estate leasing
  - (iv) Win-Win Situation and mutual agreement
- (20 marks)

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**Q4** Explain the steps taken to arrive at the Win-Win Situation as illustrated in the **Figure Q4**. Your description must be related to the the activities involved in negotiating to buy a piece of commercial land valued at RM1 million located at the CBD of Melaka. The status of the land is Malacca Customary Land (MCL).

WIN	LOSE
LOSE	WIN

**Figure Q4: Win-Lose-Lose-Win**

(20 marks)

**Q5** Due to the slowdown of economic climate, many real estate and construction firms are downsizing their number of workforces. For example, MRT is about to reduce 20,000 workers. Elaborate the followings and provide solutions.

- (i) The importance of power and authority in negotiation.
- (ii) The available facts and figures in negotiation.
- (iii) Negotiate with the potential and alternative way out instead of retrenchment, with regards to the future workforce.
- (iv) Offer solution to the salary, quality and emoluments.

(20 marks)

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**– END OF QUESTIONS –**

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