



**NAMIBIA UNIVERSITY  
OF SCIENCE AND TECHNOLOGY**

**FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT**

**DEPARTMENT OF LAND AND SPATIAL SCIENCES**

<b>QUALIFICATION(S):</b> BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	
<b>QUALIFICATION(S) CODE:</b> 08BOPS 06DIPS	<b>NQF LEVEL:</b> 6
<b>COURSE CODE:</b> PMM611S	<b>COURSE NAME:</b> PROPERTY MANAGEMENT AND MAINTENANCE
<b>EXAMS SESSION:</b> JUNE 2024	<b>PAPER:</b> THEORY
<b>DURATION:</b> 3 HOURS	<b>MARKS:</b> 100

<b>FIRST OPPORTUNITY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	MS ELINA TEODOL
<b>MODERATOR:</b>	MR VERINJAERAKO KANGOTUE

<p style="text-align: center;"><b>INSTRUCTIONS</b></p> <ol style="list-style-type: none"><li>1. Read the entire question paper before answering the Questions.</li><li>2. Please write clearly and legibly!</li><li>3. Please <b>START EACH QUESTION ON A FRESH PAGE.</b></li><li>4. The question paper contains a total of <b>4 questions.</b></li><li>5. You must answer <b><u>ALL QUESTIONS.</u></b></li><li>6. Make sure your Student Number is on the <b>EXAMINATION BOOK(S).</b></li></ol>
--

**PERMISSIBLE MATERIALS**

1. Non-programmable Scientific Calculator

**THIS QUESTION PAPER CONSISTS OF 9 PAGES** (Including this front page)

**Question 1**

Choose the correct answer for each of the following multiple-choice questions. Each correct answer carries 1 mark. (20)

1. What is the primary benefit of implementing preventive maintenance strategies?
  - A) Reduces immediate repair costs
  - B) Increases property value
  - C) Prevents or minimizes future repair needs and costs
  - D) Allows for more tenants
  
2. Which type of property would typically require the most intensive maintenance plan?
  - A) Office buildings
  - B) Retail centres
  - C) Residential complexes
  - D) Industrial facilities
  
3. What role does 'tenant screening' play in property management?
  - A) It helps ensure that properties are sold quickly.
  - B) It minimizes the risk of rental income loss.
  - C) It determines property prices.
  - D) It is irrelevant unless the property is fully vacant.
  
4. Which of the following is NOT typically included in a property manager's responsibilities?
  - A) Conducting market analysis
  - B) Setting rental prices
  - C) Interior decorating
  - D) Collecting rent
  
5. How often should fire extinguisher inspections be conducted according to general maintenance guidelines?
  - A) Weekly

- B) Monthly
  - C) Quarterly
  - D) Annually
6. Which legal requirement ensures that a property remains safe and habitable for tenants?
- A) Warranty of Comfort
  - B) Implied Warranty of Habitability
  - C) Legal Right of Sustainability
  - D) Implied Warranty of Condition
7. Which KPI (Key Performance Indicator) is crucial for assessing the financial health of a property?
- A) Colour scheme of the property
  - B) Number of parking spaces
  - C) Occupancy rate
  - D) Style of architecture
8. What does a Property Manager use a capital improvement budget for?
- A) Daily operational costs
  - B) Monthly social events for tenants
  - C) Long-term structural improvements
  - D) Routine cleaning services
9. Emergency maintenance is required in situations that could potentially:
- A) Increase property value
  - B) Affect the property's aesthetic value
  - C) Cause harm to tenants or property
  - D) Improve tenant satisfaction
10. Which document is crucial for establishing the terms and conditions of tenancy?
- A) The property deeds
  - B) The building plans

- C) The lease agreement
  - D) The maintenance logs
11. Which type of maintenance is characterized by immediate responses to prevent or mitigate damage?
- A) Custodial
  - B) Preventive
  - C) Corrective
  - D) Emergency
12. What is a key component of a maintenance plan that targets cost efficiency?
- A) Frequent contractor changes
  - B) Bulk purchasing and seasonal scheduling
  - C) Ignoring minor issues
  - D) Limiting tenant feedback
13. Which maintenance category involves daily upkeep to maintain property aesthetics and functionality?
- A) Preventive
  - B) Custodial
  - C) Corrective
  - D) Emergency
14. What financial rule suggests maintenance costs are roughly equal to 1.5 times the monthly rental income?
- A) 50% rule
  - B) 1% rule
  - C) 1.5x rule
  - D) Square meters rule

15. A property inspection conducted with the tenant before they move in is called a:
- A) Move-Out Inspection
  - B) Drive-By Inspection
  - C) Routine Inspection
  - D) Move-In Inspection
16. Which type of properties combines residential, commercial, and retail spaces?
- A) Mixed-Use Properties
  - B) Special Purpose Properties
  - C) Commercial Properties
  - D) Industrial Properties
17. Which of the following is a primary function of facilities management as opposed to property management?
- A) Collecting rents
  - B) Coordinating space and infrastructure
  - C) Lease negotiations
  - D) Tenant screening
18. In property management, what is the significance of drafting and negotiating lease agreements?
- A) It is only necessary for commercial properties.
  - B) It helps define the rights and responsibilities of both the tenant and the landlord.
  - C) It is a formality that has no legal binding.
  - D) It is solely for determining property taxes.
19. Which is a proactive approach to managing relationships with tenants?
- A) Ignoring minor complaints until they become serious
  - B) Scheduling regular property inspections
  - C) Only allowing tenant contact via email
  - D) Reducing the frequency of maintenance checks

20. What is a major consequence of neglecting property maintenance?

- A) Increased tenant satisfaction
- B) Decreased property insurance rates
- C) Higher tenant turnover and potential legal actions
- D) More favourable terms in lease agreements

[20]

---

**Question 2**

- a) Distinguish between the following terms as used in property maintenance.
  - i) Corrective and preventive maintenance (4)
  - ii) Emergency maintenance and Unplanned maintenance (4)
  - iii) Maintenance Standards and modernisation (3)
- b) List two (2) major responsibilities of a Property Manager (2)
- c) What does the 50% rule suggest in property management? (1)
- d) Why is it important for a property to understand building codes: (1)
- e) Define tenant screening and its importance. (2)
- f) What is the role of technology in property maintenance? (3)
- g) What factors should be considered when developing a maintenance budget? (4)
- h) Identify two types of inspections a property manager might conduct and their purpose. (2)
- i) Describe a situation where emergency maintenance might be necessary. (2)
- j) How does effective tenant communication impact property management? (3)

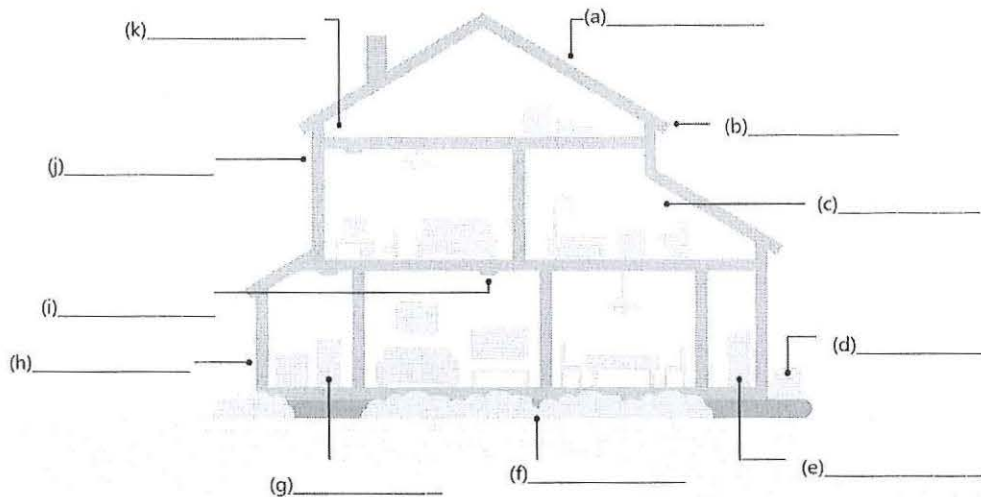
[31]

---

**Question 3**

- a) You are the Property Manager responsible for the maintenance of a residential property that includes various components and systems essential for its functionality and habitability. Use the diagram provided to label the missing components of the house that require regular inspections and maintenance. Ensure that you consider all aspects, from the roofing to the foundational elements.

(11)



- b) In managing a residential rental property, establishing a well-informed maintenance budget is imperative for ensuring the property's safety, habitability, and financial viability. A realistic maintenance budget can prevent costly emergency repairs and ensure that the property remains attractive to current and prospective tenants.

You are required to apply standard estimation rules to determine the annual maintenance costs for a hypothetical rental property. These rules are crucial for projecting expenses and formulating a budget that accurately reflects the property's upkeep needs.

Use the following property details for your calculations:

- Property Value: N\$200,000
- Annual Operating Costs: N\$80,000
- Monthly Rental Income: N\$3,000
- Property Size: 1,000 square meters
- Cost per square meters: N\$20

- (i) Utilising the 1% Rule, which estimates that annual maintenance costs should equate to 1% of the property's value, calculate the expected yearly maintenance expenses for the hypothetical property. Provide your answer with a brief explanation of the rule. (3)
- (ii) The 50% Rule suggests that maintenance and repairs will typically cost about 50% of a property's total operating costs. Calculate the amount to be allocated for maintenance and repairs according to this rule and explain its significance in budgeting. (3)
- (iii) By applying the 1.5x Rule, which speculates that average annual maintenance costs will be 1.5 times the monthly rental income, determine the maintenance budget for the given property. Discuss the potential benefits of using this rule for properties with varying rental incomes. (3)
- (iv) According to the Square Meters Formula, maintenance costs can be estimated at a set rate per square meter. If the maintenance cost is N\$20 per square meter per year, calculate the total annual maintenance cost for the property based on its size. Justify the use of this formula in maintenance budget planning. (3)

[23]

---

#### **Question 4**

##### **Case Study: Negotiating a Lease Agreement for the Elmwood Central Commercial Space**

##### **Background:**

You are a property manager for Gray-Horizon, a commercial building located in the heart of the city's business district. A potential tenant, BrightTech Solutions, a growing technology company, has expressed interest in leasing a 5000-square-meters office space within Gray-Horizon. The standard lease agreement for the building includes terms that are generally favourable to the landlord, with a higher-than-average rent due to the prime location, a long lease term, and annual rent increases.

The CEO of BrightTech Solutions, Ayanda Hamukuaja, has approached you to negotiate terms that would better suit the company's plans for growth and budget constraints. Ayanda proposes a lower rent, a shorter lease term with options to renew, and a cap on annual rent increases. You are interested in securing BrightTech Solutions as a tenant due to their strong market position and potential for stability but must balance this with the financial goals of Gray-Horizon's owners.



**Questions:**

- i) Identify three key objectives you should aim to achieve in the lease negotiation from the perspective of Gray-Horizon’s owners. (6)
  
- ii) Outline a negotiation strategy for the lease agreement that addresses BrightTech’s proposals without compromising the profitability and market competitiveness of Gray-Horizon. (8)
  
- iii) As the property manager, propose a lease term and justify how it balances BrightTech's request for a shorter term with the owner’s preference for stability. (6)
  
- iv) Describe the final key points that would need to be agreed upon to finalize the lease agreement and secure BrightTech Solutions as a tenant. (6)

[26]

