



**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 BACHELOR OF LAND ADMINISTRATION	
<b>QUALIFICATION(S) CODE:</b> 08BOPS OBLAM	<b>NQF LEVEL:</b> 7
<b>COURSE CODE:</b> PFI721S	<b>COURSE NAME:</b> PROPERTY FINANCE AND INVESTMENT
<b>EXAMS SESSION:</b> DECEMBER 2025	<b>PAPER:</b> THEORY
<b>DURATION:</b> 2 HOURS	<b>MARKS:</b> 100

<b>SECOND OPPORTUNITY /SUPPLEMENTARY EXAMINATION QUESTION PAPER</b>	
<b>EXAMINER(S)</b>	MR VERINJAERAKO KANGOTUE
<b>MODERATOR:</b>	MR AMIN A. ISSA

<b>INSTRUCTIONS</b>
<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>ALL QUESTIONS.</b></li><li>6. Make sure your Student Number is on the EXAMINATION BOOK(S).</li></ol>

**PERMISSIBLE MATERIALS**

1. Non-programmable Scientific Calculator

**THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)**

**Question 1**

Assuming you are the Property Investment Manager at ABC Bank of Namibia. New Horizon Ltd, a property development company based in Windhoek is seeking to arrive at a quick decision as to which two sources of financial vehicle to use. May it be **Debt** or **Equity**? And which is the best way to access capital to finance its internal project of 20 storey headquarters in Windhoek? Briefly, explain how you would advise the Board of Directors (Shareholders) of New Horizon Ltd on the source of finance? (25)

[25]

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**Question 2**

Explain the following terms as used in property finance.

- 2.1 Syndicated loans (5)
- 2.2 Real options (5)
- 2.3 Mezzanine finance (5)
- 2.4 Recourse loan (5)
- 2.5 Sale and leaseback (5)

[25]

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**Question 3**

- 3.1 Discuss the term bridging finance as used in financing of property development projects. (6)
- 3.2 With the aid of valid examples, demonstrate how lenders may use bridging finance to assist investors during a period of economic recession. (12)
- 3.3 What criteria would lenders in three (3) (b) above use in approving a bridging loan? (7)

[25]

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**Question 4**

4.1 The table below shows the types and sources of property finance. Complete the table by filling in the missing period and sources information. (10)

Finance	Period - years	Source
<b>LONG TERM</b>		
Ordinary share capital	i)	Institutions, private investors
Debentures	10-20	ii)
Mortgage loans	iii)	Trust companies, banks
Lease backs	iv)	v)
<b>Medium Term</b>		
Redeemable preference shares	5 – 10	Banks
Leasing	3 - 10	vi)
Suspensive sale	3 -10	Banks
Term loans	vii)	Banks
<b>SHORT TERM</b>		
Overdraft	viii)	Commercial banks
Acceptances local	90 – 120 days	Merchant banks
Acceptances foreign	180 days	ix)
Debtor factoring	x)	Banks, Finance companies

4.2 Mr Issa wanted to raise N\$ 10 000 000.00 for construction of the Department of Lands and Property Sciences new office building. He was thinking of raising the amount needed through capital market,

which is used mainly for raising of long-term finance. With examples describe three (3) capital markets sources Mr. Issa could have used? (9)

4.3 If the monthly rental of a project is estimated at N\$ 10 000.00, with a yield of 12%, what will be the project value? (3)

4.4 Differentiate between Forward sale and Participation loans. (3)

[25]