



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF ENGINEERING AND THE BUILT ENVIRONMENT

DEPARTMENT OF LAND AND SPATIAL SCIENCES

QUALIFICATION(S): BACHELOR OF PROPERTY STUDIES DIPLOMA IN PROPERTY STUDIES	
QUALIFICATION(S) CODE: 08BOPS 06DIPS	NQF LEVEL: 6
COURSE CODE: PDM611S	COURSE NAME: PROPERTY DEVELOPMENT AND MARKETING
EXAMS SESSION: JULY 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

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

PERMISSIBLE MATERIALS

1. Non-programmable Scientific Calculator

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

Question 1

For each of the following statements indicate whether it is 'TRUE' or 'FALSE'. Each correct answer carries 1 mark.

- 1.1 Key factors providing indicators of the health of the national economy include income levels, interest rates and new construction and employment.
- 1.2 An estate agent has no duties to third parties because his primary responsibility in an agency relationship is only to the principal (the seller).
- 1.3 The appraisal process requires the appraiser to collect, record and verify data in all neighbourhoods in the city within which the appraiser is unfamiliar.
- 1.4 Key information in real estate market analysis includes demographics and economic data as well as demand and supply data for property type and market segment data for the subject property.
- 1.5 Generally, the key elements to be analysed in real estate market research can be classified as physical (environmental), economic, social or governmental. These forces function independently in the market place to shape the climate of the area and the performance of the subject property.
- 1.6 Though a series of approval processes are involved in new developments, government agencies can have a very limited effect on the timing and costs of new development by development requirements.
- 1.7 To be considered comparable to the subject property, a comparable must have been sold without any form of secondary financing.
- 1.8 One of the functions of real estate markets is to expand or contract space to meet changing conditions.
- 1.9 In real estate market analysis, the effects of social factors may be evident in observable facts such as occupancy levels, price levels, property appearance, tenant turnover and rent levels.

- 1.10 Some firms spend more money than others on rent to secure locations close to important economic centres because they need to avoid transportation cost to the centre.
- 1.11 For a specific property development project, market research is important in getting to know the relevant clientele in a specific real estate sub-market and respond to their needs with a suitable product offering.
- 1.12 It is the responsibility of the agent or salesperson to advise and assist, the seller has extremely limited rights in determining the listing price of the property for sale.
- 1.13 The real estate market is not a single market but consists rather of a series of submarkets with different needs and desires that can change independently of one another.
- 1.14 With an exclusive right to sell listing, the seller employs only one agent and must pay that agent a commission regardless of whether it is the agent or the seller who finds a buyer provided the buyer is found within the listing period.
- 1.15 Under an exclusive agency listing, the agent is given the exclusive right to represent the seller, but the seller can avoid paying the agent a commission by selling the property to someone not procured by the agent.
- 1.16 If a multiple-listing provision does not appear in an exclusive right to sell listing or an exclusive agency listing, it deprives the agent of an authority to distribute the listing to other members of the agent's multiple listing-organisations.
- 1.17 For a specific property development project, market research is important in getting to know the relevant clientele in all the general real estate markets and respond to their needs with a suitable product offering.
- 1.18 Though it is the responsibility of the agent or salesperson to advise and assist, the seller has very limited right in determining the listing price of the property for sale.

- 1.19 When the supply of a certain type of real estate is short, rents and prices may be high, but only temporary. New competition will add to the supply and drive prices down.
- 1.20 Real estate market analysis has the potential to identify some features lacking in the existing supply of properties, which if included in the proposed project, will offer a competitive advantage.
- 1.21 Financial analysis is crucial and should be conducted in real estate investment decisions to ensure what is being planned is actually feasible.
- 1.22 Rental revenues can be estimated by looking at comparable properties in the market and benchmarking existing rental rates. Leasing brokers are the best sources for this type of information.
- 1.23 Tenants sometimes receive rent concessions or special inducements from property owners. This is normally related to periods where vacancies are particularly high.
- 1.24 The real estate market is not a single market but consists rather of a series of submarkets with different needs and desires.

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Question 2

- 2.1 Economic Based Analysis (EBA) is based on the assumption that basic employment drives changes in total population, total employment and sustainability of the property market in a study area. Discuss. (12)
- 2.2 Favourable demand and supply conditions (economic considerations) is inconclusive of successful property development in a particular market. Several other factors may cause a project to be aborted or unduly delayed. Highlight the factors necessary for consideration in the evaluation of project constraints. (6)
- 2.3 Besides the number of potential purchasers of goods and services, mention any four factors that influence demand for real estate. (2)

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Question 3

Two investment opportunities are available to you, with the expected income flows as follows:

Year	Investment Options	
	Beach Front Apartment (N\$)	M Plaza Hotel (N\$)
1	7,500	6,500
2	8,200	6,500
3	9,000	9,000
4	10,500	9,300
5	11,300	12,500

Beach Front Apartment may be purchased for N\$125 000 and M-Plaza Hotel for N\$120 000. In 5 years' time, the investments are expected to sell for N\$175 000 and N\$ 180 000 respectively. If you require a 12% return on capital, which investment would be preferable? (16)

[16]

Question 4

- 4.1 Identify and briefly explain the four (4) powers vested in the Namibian Estate Agent Board. (8)
- 4.2 Outline the six (6) circumstances under which the Namibia Estate Agent Board may disqualify an agent (6)
- 4.3 Elaborate on the factors that constitute "effective cause" of transaction. (8)
- 4.4 Elaborate on the four (4) aspects of qualifying the buyer by an estate agent. (8)
- 4.5 List three (3) penalties that are likely to be imposed on estate agents if found guilty of a misconduct. (3)
- 4.6 Distinguish between a 'Sales agent' and a 'letting agent'. (4)
- [40]