



PAMIBIA 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: JUNE 2025	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINER(S)	MR SAMUEL ATO K. HAYFORD
MODERATOR:	MR AMIN A. ISSA

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 ALL QUESTIONS.6. Make sure your Student Number is on the EXAMINATION BOOK(S).

PERMISSIBLE MATERIALS

1. Non-programmable Scientific Calculator

THIS QUESTION PAPER CONSISTS OF 10 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 Permitted development rights allow certain projects to proceed without planning permission.
- 1.2 Property developers must submit planning applications to obtain approval for construction projects.
- 1.3 Financial viability testing is unnecessary in property development projects.
- 1.4 High vacancy rates indicate an oversupply of real estate which ultimately pressures rental rates downward because there is so much competition among landlords for tenants.
- 1.5 When low occupancy rates occur, it is a landlord's market. The low rates create higher demand for existing units which, in turn, keeps market prices higher.
- 1.6 A real estate agent's primary job is only to negotiate sales prices on behalf of clients.
- 1.7 The location of a property is generally the most important factor in real estate valuation.
- 1.8 Commercial properties include office buildings, retail spaces, and warehouses, but not residential homes.
- 1.9 Property marketing can include virtual tours and drone photography.
- 1.10 Financing for property development can only come from traditional banks.
- 1.11 Property developers must often collaborate with architects, engineers, and contractors.
- 1.12 Target marketing is irrelevant in property development because all buyers are the same.
- 1.13 Urban development often involves the revitalization of older neighbourhoods.

- 1.14 A strong online presence can significantly contribute to the success of property marketing.
- 1.15 Market research is unnecessary if a developer has experience in the industry.
- 1.16 Public perception can greatly affect the success of a property development project.
- 1.17 Land development is often subject to extensive legal regulations and approval processes.
- 1.18 Real estate investment trusts (REITs) allow individuals to invest in large-scale, income-generating real estate.
- 1.19 Accounting Rate of Return (ARR) also known as Return on Invested Capital (ROIC) of a development project determines the magnitude of profit an investor generates for every dollar invested in project before accounting for operating expenses and taxes
- 1.20 Building control implemented and enforced by local authorities ensures that building works comply with the building regulation and a set of standards intended to protect people's safety, health and welfare in and around the built environment.
- 1.21 The valuation surveyor is responsible for continuously observing and monitoring the relevant real estate market, advising to ensure adjustment in design specifications, where necessary, is carried out for that completed project to remain aligned to meeting market needs.
- 1.22 The Loan to Value ratio is a risk assessment instrument used by financial institution to examine the affordability of potential buyers of real estate before approving mortgage application. It is used to assess the strength of the demand side of the real estate market during market analysis stage of property development.
- 1.23 Real estate development involves only the construction of new buildings.
- 1.24 Property developers often take the greatest risks in the development process but also reap the highest rewards.
- 1.25 Marketing plans are not necessary for successful property development.

1.26 Real estate marketing strategies include creating optimized websites, running targeted ads, and organizing open houses.

[26]

Question 2

2.1 Institutional Property Investors are organisations which pool large sums of money and invest those sums in securities, real property and other investment assets. Identify these institutional investors and discuss their respective roles highlighting their objective for investing in real property. (16)

2.2 Existing buildings wear out or become less suitable for present use due to structural failure or economic or functional obsolescence. Eventually rebuilding becomes necessary. Briefly account for any two (2) forms by which Property Development response to such changes. Indicate the basic requirement that is common to all of them. (7)

2.3 Mention any two (2) objectives of Property Development. (2)

[25]

Question 3

3.1 Aunty Nukongo is confronted with a critical real estate investment decision to make regarding two mutually exclusive investments. Her ultimate investment is to purchase a Lakeside Apartment building or buy a Real Estate investment Trust (REIT) that will require an outlay of N\$94,800 and N\$97,500 respectively. A detailed market survey recently conducted in the comparable market revealed the following regarding cash inflows for the 2 investments.

Year	Lakeside Apartment Building	Real Estate Investment Trust (REIT)
1	17,000	28,500
2	16,500	32,500
3	43,000	34,000
4	46,000	34,800

In the process of carrying out the investment appraisal you are informed that the projected income (cash inflows) for year three of both investment vehicles are still inclusive of insurance premium amounting to N\$ 1,350.

- a) You are required to advise Aunty Nukongo on which of these mutually exclusive investments should be undertaken when the investors' target rate is 10%. (14)
- b) In terms of degree of dependence, distinguish between *Mutually exclusive investment* and *Complementary investment*. (2)

3.2 To develop a sense of the prevailing property market and projection into the future, primary data provide the Property market analyst with much valuable and accurate results. List four (4) demand and four (4) supply side factors the analyst may consider. (8)

[24]

Question 4

Read each question carefully. Among the alternative answers, choose the letter that correspond to the best/correct answer. Each correct answer carries 1 mark.

- 4.1 Which of the following best describes the primary duty of an estate agent in relation to the sale of a property?
- A) To ensure that the seller gets the highest possible commission
 - B) To act in the best interest of the client and maintain honesty and fair conduct
 - C) To avoid disclosing any information about the property
 - D) To only secure a sale, regardless of the terms
- 4.2 What is the first step an estate agent should take when entrusted to sell a property?
- A) Conduct a market analysis
 - B) Understand the client's needs and motives for selling
 - C) Create a marketing campaign
 - D) List the property online immediately

- 4.3 Which of the following should an Estate Agent include in a Comparative Market Analysis (CMA)
- A) Only properties that have been sold recently
 - B) Only properties that are currently on the market
 - C) A mix of properties that are sold, currently on the market, and have been on the market but didn't sell
 - D) Properties that are most similar to the agent's listing
- 4.4 What is essential for an estate agent to know before marketing a property?
- A) The property's history
 - B) The market conditions in the neighborhood
 - C) The exact square footage
 - D) The property itself to avoid making misrepresentations
- 4.5 When should an estate agent disclose the commission to a client?
- A) After a sale is complete
 - B) When obtaining the mandate to sell
 - C) Only if the client asks
 - D) During the negotiation of the final price
- 4.6 If an estate agent does not intend to seriously market a property, what should they do?
- A) Accept the mandate and market it casually
 - B) Decline the mandate
 - C) Accept the mandate and delegate to another agent
 - D) Advertise the property at a very high price
- 4.7 What should an estate agent do after receiving an offer to purchase a property?
- A) Reject the offer immediately
 - B) Keep the offer confidential
 - C) Present the offer to the seller and explain how it aligns with the seller's needs
 - D) Ignore the offer if it is below the asking price

- 4.8 What is the role of an estate agent after the seller accepts an offer to purchase?
- A) The agent's service ends immediately
 - B) The agent should maintain contact with the seller to update on progress like mortgage bond applications
 - C) The agent should cease all communication with the seller
 - D) The agent should start negotiating a new offer
- 4.9 Which of the following is an example of an estate agent's duty to act in the best interest of the client?
- A) Selling the property at a price lower than the market value for a quick sale
 - B) Working to sell the property at the highest possible price
 - C) Keeping the client's information confidential without their permission
 - D) Ignoring the client's preferences for the sake of convenience
- 4.10 What constitutes a conflict of interest for an estate agent?
- A) Buying a property from the client without disclosing the transaction to the client
 - B) Advising the client on the best time to sell
 - C) Assisting the client in understanding the sale process
 - D) Showing the property to multiple potential buyers
- 4.11 What should an estate agent do if they receive money on behalf of a client?
- A) Spend the money on marketing expenses
 - B) Keep the money in a personal account
 - C) Keep proper books of account and furnish the client with details when paying over the money
 - D) Donate the money to charity
- 4.12 What happens if an estate agent makes secret profits during a transaction?
- A) They are entitled to keep the profit
 - B) It is a violation of their ethical duties unless disclosed to and approved by the client
 - C) The client will automatically receive the profits
 - D) The agent receives a reduced commission

- 4.13 An estate agent's fiduciary relationship with a client means they must:
- A) Act in the best interest of the agent
 - B) Show the utmost good faith towards the client
 - C) Focus only on completing the transaction quickly
 - D) Disclose all details about the property to the public
- 4.14 How should an estate agent handle confidential information about a client?
- A) Use the information to their advantage for personal gain
 - B) Disclose the information to third parties
 - C) Keep the information confidential, both during and after the mandate
 - D) Only use it in discussions with other clients
- 4.15 What does an estate agent need to disclose if they are given competing mandates for the same property?
- A) Only the higher offer
 - B) The potential for conflict of interest and the competing mandate
 - C) The buyer's financial details
 - D) Nothing, as long as both clients are happy
- 4.16 What is the legal obligation of an estate agent concerning advertising a property?
- A) They can make false claims as long as it helps sell the property
 - B) They can use any marketing techniques as long as the property sells
 - C) They must ensure advertisements are truthful and not misleading
 - D) They must advertise the property on every platform available
- 4.17 When must an estate agent provide a written explanation of their actions to the client?
- A) Only after the property is sold
 - B) If requested in writing by someone with a material interest in the property transaction
 - C) When the client requests to review the agent's commission
 - D) Before signing any agreement
- 4.18 What does the duty to act with reasonable care and skill require from an estate agent?
- A) To always accept offers, even if they are lower than expected
 - B) To perform their duties with the expected level of competence and diligence

- C) To avoid discussing the property's features with prospective buyers
 - D) To only negotiate with buyers after receiving an offer
- 4.19 Which of the following is an example of a situation where an estate agent may breach their duty to avoid a conflict of interest?
- A) Representing a seller while also representing the buyer of the same property without disclosing it
 - B) Advertising the property on social media platforms
 - C) Showing the property to multiple buyers
 - D) Providing advice on financing options to buyers
- 4.20 What should an estate agent do if they fail to properly market a property after accepting the mandate?
- A) Ignore the issue and continue with the transaction
 - B) Notify the client of the lack of progress and discuss alternative strategies
 - C) Wait for the client to notice and bring it up
 - D) Only advertise on one platform to avoid too much exposure
- 4.21 What is the responsibility of an estate agent regarding the completion of a contract between the client and a third party?
- A) The estate agent must always complete the contract
 - B) The estate agent is not legally obliged to complete the contract unless agreed with the client
 - C) The estate agent must complete the contract only if the sale is above a certain price
 - D) The estate agent can delegate the contract completion to a lawyer only
- 4.22 What action is an estate agent prohibited from taking in relation to the property's marketing?
- A) Using correct and ethical advertising
 - B) Making false statements about the property to attract buyers
 - C) Using a variety of platforms to reach buyers
 - D) Listing the property at an appropriate price
- 4.23 When should an estate agent disclose the terms of their commission to a client?
- A) After the sale is closed
 - B) At the time of obtaining the mandate

- C) After negotiating with the buyer
- D) When the property is listed for sale

4.24 Which marketing approach is unethical for an estate agent?

- A) Highlighting unique features of properties
- B) Using false statements in advertisements
- C) Conducting open houses regularly
- D) Providing accurate descriptions of listings

4.25 How should funds received on behalf of clients be managed?

- A) Deposited into personal accounts
- B) Properly accounted for and reported to clients
- C) Used for marketing expenses without disclosure
- D) Retained until disputes are resolved

[25]

