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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER II
SESSION 2021/2022**

COURSE NAME	:	REAL ESTATE ECONOMICS
COURSE CODE	:	BPE 23503
PROGRAMME CODE	:	BPD
EXAMINATION DATE	:	JULY 2022
DURATION	:	3 HOURS
INSTRUCTION	:	<ol style="list-style-type: none">1. ANSWER ALL QUESTIONS.2. THIS FINAL EXAMINATION IS CONDUCTED VIA CLOSED BOOK.3. STUDENTS ARE PROHIBITED TO CONSULT THEIR OWN MATERIAL OR ANY EXTERNAL RESOURCES DURING THE EXAMINATION CONDUCTED VIA CLOSED BOOK.

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

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TERBUKA

Q1 Urban sprawl is a situation where large stores, groups of houses are built in an area around a city that formerly had a few people living in it.

(a) Discuss the positive and negative impact of urban sprawl. (15 marks)

(b) Identify **FOUR** (4) impact of sprawl to real estate. (10 marks)

Q2 The law of supply and demand dictates the equilibrium price of a property. The theory of supply and demand is one of the most basic principles in economics. The equilibrium price of a property is determined by supply and demand. Supply and demand work against each other until the point at which the equilibrium price is achieved, which is the price where supply is equal to demand in the market. That happens, of course, when all other factors remain equal.

(a) Clarify factors that affect the demand and supply of housing. (15 marks)

(b) Explain the disequilibrium situations in housing markets. (10 marks)

Q3 (a) Housing is the most important and basic need that its provision has globally become one of the main challenges of urbanisation. An increase in the middle-income group in the urban area has resulted from urbanisation which eventually leads to more demands for affordable housing. In Malaysia, the private sector or developers, is becoming the main housing provider in Malaysia, therefore the provision of affordable housing has become more critical and crucial (Tobi *et al* 2020).

Suggest **THREE** (3) initiatives for the government to address affordable housing issues.

(15 marks)

- (b) Return on investment depends on the strategy formulation. Good strategy management will generate positive returns.

Illustrate successful property portfolios tactics for investment.

(10 marks)

Q4 Gentrification represents a new trend of development towards the new forms of socio-spatial divisions of the city centre. It also restores the quality of urban development and life of the local community.

- (a) Explain 'gentrification' relationship with real estate economics.

(15 marks)

- (b) Demonstrate **TWO (2)** positive and negative effects of gentrification respectively using an appropriate example.

(10 marks)

-END OF QUESTIONS-