



**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF THE BUILT ENVIRONMENT**

**DEPARTMENT OF QUANTITY SURVEYING**

**PROPERTY DEVELOPMENT AND ESTATE MANAGEMENT**

**AQS 4207**

**Main Examination Paper**

**May 2015**

This examination paper consists of 3 pages

**Time Allowed: 3 hours**

**Total Marks: 100**

**Special Requirements: nil**

**Examiner's Name: Mr. B. Chigara**

**INSTRUCTIONS**

1. Answer any four (4) questions
2. Each question carries 25 marks
3. Use of calculators is permissible

**MARK ALLOCATION**

| <b>QUESTION</b> | <b>MARKS</b> |
|-----------------|--------------|
| 1.              | 25           |
| 2.              | 25           |
| 3.              | 25           |
| 4.              | 25           |
| 5.              | 25           |
| 6               | 25           |
|                 |              |

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### Question 1

Making reference to the period between 2000 and 2015, discuss how fluctuations in national and global economic performance influenced property development in Zimbabwe. [25]

### Question 2

Using examples where necessary, assess the implications of external stakeholders' management on a property development project. [25]

### Question 3

- a. What is meant by 'legal interests' in real property [5]
- b. Discuss public restrictions commonly associated with real property and show how they impact on property use and values. [20]

### Question 4

Explain the following as they relate property market research

- a. Economic base analysis [5]
- b. Market studies [5]
- c. Marketability studies [5]
- d. Investment analysis [5]
- e. Feasibility studies [5]

### Question 5

- a. Briefly describe the primary purpose of property management [5]
- b. Discuss the notion that in a stable economy, the services of Estate Agents or Property Managers become an unnecessary expense on the landlord. [20]

### Question 6

- a. A group of investors is looking to buy a shopping mall to add to their portfolio of investment properties. Discuss the most appropriate valuation method that can be used to assess the value of such property. [10]
- b. A shop building in the city of Harare was let to Meikles one year ago on a 15 year FRI lease with 5 yearly rent reviews. The rent passing is \$100, 000 per annum. Recent discussions with colleagues in the Agency Department of your firm have identified with a comparable property recently let on similar review pattern at an open market rent of \$200,000 per annum. The client's target rate of return is 13%.

Value the freehold interest in this property using:

- i. Conventional all-risks yield (ARY) approach [7]
- ii. Discounted cash flow (DCF) approach [8]