

THE OPEN UNIVERSITY OF SRI LANKA
 Department Of Civil Engineering
 Postgraduate Diploma in Technology - Construction Management - Level 7



CEX7113 - Real Estate & Property Development

FINAL EXAMINATION - 2015/2016

Time Allowed: **Three Hours**

Date: 2016 - 12 - 15 (Thursday)

Time: 0930 - 1230 hrs

Answer Five (05) questions with at least One (01) from each section.

Section A - Valuation of Property

Q1.

Failure to understand the market, failure to clarify goals and objectives, inadequate project feasibility etc. are some reasons that cause a property development to fail. These can be avoided through proper **evaluation** and **preparation** before implementing a property development project. Describe in detail what you understand by **evaluation** and **preparation** in property development. (20 Marks)

Q2.

- a) There could be several reasons for which a valuation of a property is made. Describe three such reasons. (8 Marks)
- b) Describe and Distinguish between, **value**, **market value**, **cost** and **price** pertaining to a **property** giving examples. (12 Marks)

Section B - Finance for Property Development

Q3.

Several factors affect demand for property in the market. Discuss the factors affecting demand for property at **macro level** and **micro level**, pertaining to middle income housing in Sri Lanka. (20 marks)

Q4.

Banks are generally reluctant to extend loans to property developers and adopt very safe practices when granting loans to developers. Explain why banks are reluctant to grant loans to property developers and describe the safeguards applied by the banks to reduce risks on their lending. (20 marks)

Section C - Property Law and Acts

Q5.

Write short notes on followings giving examples where necessary.

- a) Leasehold interest (5 Marks)
- b) Improvements which enhance the value of property (5 Marks)
- c) Accession (5 Marks)
- d) Prescription (5 Marks)

Q6.

Land Acquisition Act No. 9 of 1950 and the subsequent amendments to it facilitate acquisition of privately owned land for public purposes. Discuss:

- a) the process to be followed in acquiring land for public purposes (10 Marks)
- b) the suggested method for awarding compensation (10 Marks)

Section D - Town Planning

Q7.

Several eminent persons have been commissioned under the colonial rule in the past century to draw up plans for the development of the city of Colombo. Some of the concepts proposed under these plans have not been implemented for several reasons and are still valid. Discuss the important concepts behind **two** such plans proposed. (20 Marks)

Q8.

Explain the following terms in the context of "UDA Planning and Building Regulations".

- a) Preliminary planning clearance (4 Marks)
- b) Building permit (4 Marks)
- c) Certificate of conformity (4 Marks)
- d) Standard light plane (4 Marks)
- e) Floor Area Ratio (4 Marks)