

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 - 2016/2017*

Time Allowed: **Three Hours**

Date: 2017 - 12 - 07 (Thursday)

Time: 0930 - 1230 hrs

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

**Section A - Valuation of Property**

**Q1.**

(a). Property development is the process of enhancing the value of real estate. Describe in detail four major stages in the property development process giving examples. (15 Marks)

(b). The property market in the country is on an upward trend with the demand for land growing each year. Do you agree or disagree?, briefly express your view. (05 Marks)

**Q2.**

(a). Describe and Distinguish between, value, market value, cost and price pertaining to a property giving examples. (10 Marks)

(b). Demand for property in the market can originate for different reasons. Describe the factors affecting the demand for property at macro and micro level. (10 marks)

**Section B - Finance for Property Development**

**Q3.**

(a). What are the key factors affecting the marketability of dwelling houses constructed by a property developer? (05 marks)

(b). Even though government focuses on developing low cost housing units, private sector developers are reluctant to invest in this area. Discuss the actions to be taken by the government to motivate private sector developers. (15 marks)

**Q4.**

(a). Real estate investment has been observed to require huge initial capital outlay which can be obtained from various sources. It is often difficult to finance large scale investment in real estate solely from personal savings. Explain the role of lending agencies considering above scenario. (10 marks)

(b). Briefly discuss five main items of information required by a bank to process a housing loan application made by an individual. (10 marks)



**Section C – Property Law and Acts**

Q5.

- (a). Ownership of property may be private, collective, or common. Briefly describe the attributes of ownership (05 marks)
- (b). Briefly describe what is meant by a 'leasehold interest'. (05 marks)
- (c). Explain in your words, the meaning of following terms in property development.
- (i) "Accession" (05 marks)
- (ii) "Prescription" (05 marks)

Q6.

- (a). Land Acquisition Act No. 9 of 1950 and the subsequent amendments to it facilitate acquisition of privately owned land for public purposes. Discuss the process to be followed in acquiring land for public purposes and the suggested method for awarding compensation. (15 Marks)
- (b) Common elements are those parts of a condominium complex that belong to all owners. Briefly describe apartment owners' responsibility on common elements. (05 marks)

**Section D – Town Planning**

Q7.

- (a). Garden city concept, proposed by Prof. Patric Geddas, is one of the proposals presented to develop the region of Greater Colombo. Discuss the main points proposed by Prof. Geddas and why his plan could not be implemented properly. (12 Marks)
- (b). What are the main preventive and remedial measures covered under 'Housing and Town Improvement Ordinance'? (08 Marks)

Q8.

- (a). Briefly describe the role of Urban Development Authority (UDA). (05 Marks)
- (b). Define "floor area ratio". What is the reason for the introduction of this concept? (07 Marks)
- (c). UDA Law No. 41 of 1978 – Law provides authority for UDA to declare any area as "Development Area" by order published in the gazette. Describe duties of Urban Development Authority (UDA) in such a situation. (08 Marks)

