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**COMMON EXAMINATION FOR HOUSE AGENTS**

**PAPER 2**

**REAL ESTATE MARKETING**

Tuesday, 6 January 2009

2 ½ hours

100 marks

**Instructions:**

1. Answer any 5 (FIVE) out of 8 questions.  
(You must not provide answers to more than 5 questions.)
2. Each question carries 20 marks only.

**Failure to comply with the above instructions may result in loss of marks.**

**Question 1**

Each part of this question carries two (2) marks. You are required to indicate the most appropriate answer for each part of this question in the answer script. No marks will be given if the answer is not clearly indicated. If more than one answer is given to any part, no marks will be awarded for that part.

- (I) There are \_\_\_\_\_ models of Housing and Development Board three-room flat.
- (A) 5  
(B) 7  
(C) 9  
(D) None of the above.
- (II) In marketing a budget hotel an agent needs to inform prospective buyers the:
- (i) Tenure.  
(ii) The number of guest rooms.  
(iii) Location.  
(iv) The number and type of food and beverages outlets.  
(v) The occupancy rate.
- (A) (i), (ii), (iii), (iv).  
(B) (ii), (iii), (iv), (v).  
(C) (i), (ii), (iii), (v).  
(D) (i), (iii), (iv), (v).
- (III) The guidelines for the assignment of a JTC Lease include: (a) JTC has not commenced any legal action against the assignee. (b) The PUB must have cleared any proposed portable water consumption exceeding 200 cubic metres per month.
- (A) Both statement (a) and (b) are correct.  
(B) Both statement (a) and (b) are incorrect.  
(C) Only statement (a) is correct.  
(D) Only statement (b) is correct.
- (IV) Which of the following statements is correct?
- (A) There is no occupation period for owner owning a 1-room HDB flat.

- (B) There is no occupation period for owner owning a HUDC flat.
- (C) The occupation period for owner owing a flat bought under the Selective En bloc Redevelopment scheme is 7 years from date of the flat selection.
- (D) All of the above.
- (V) The Housing and Development Board's NRP is an acronym for:
- (A) Neighbourhood Recreation Park
- (B) Neighbourhood Renewal Programme
- (C) Neighbourhood Recreational Programme
- (D) None of the above.
- (VI) (a) The car park in a residential development is a common property if it is developed after 15 April 1975. (b) The car park in a commercial development is a common property if it is developed after 15 April 1976.
- (A) Both statement (a) and (b) are correct.
- (B) Both statement (a) and (b) are incorrect.
- (C) Only statement (a) is correct.
- (D) Only statement (b) is correct.
- (VII) (a) Marketing is an activity directed at satisfying needs and wants through the processes of exchange. (b) The functions of an estate agent are promotions and selling of real estate.
- (A) Both statement (a) and (b) are correct.
- (B) Both statement (a) and (b) are incorrect.
- (C) Only statement (a) is correct.
- (D) Only statement (b) is correct.
- (VIII) A good marketing plan must include:
- (A) Past Market Situation.
- (B) Current Market Situation.
- (C) Future Market Situation.
- (D) All of the above.
- (IX) Which of the following statements is correct?
- (A) The JTC offers industrial land on long term tenure and short term tenure only.

- (B) The JTC industrial land available for long term tenure is via an Open Land Application Scheme and Government Industrial Land Sales.
  - (C) The JTC industrial land available for short term tenure is for a period of five years.
  - (D) All of the above.
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- (X) (a) Sale by auction is the best method for the sale of any property. (b) In an auction sale, the property must be sold to the highest bidder even if the price is lower than the reserved price.
- (A) Both statement (a) and (b) are correct.
  - (B) Both statement (a) and (b) are incorrect.
  - (C) Only statement (a) is correct.
  - (D) Only statement (b) is correct.

(20 marks)

Question 2

Joe Sng bought a condominium unit in June 2007. The Temporary Occupation Permit for the development is expected on 31 December 2009 and the legal title for the unit is expected on 31 December 2012. In view of the present economic uncertainty Joe has asked you to sell his condominium unit immediately.

- (a) As the title for the condominium unit will only be issued on 31 December 2012, explain how the sale of the condominium unit can be effected. (5 marks)
- (b) What is the cost, if any, that Joe Sng or his buyer has to pay the developer if the sale of his condominium unit is successful? (3 marks)
- (c) If you are not able to sell the unit, can Joe Sng return the unit to the developer? (2 marks)
- (d) As the unit is under construction, explain how Joe Sng pays the total purchase price to the developer under the standard payment scheme. (10 marks)

Question 3

The Books Shop Pte Ltd is the owner-occupier of a 500 sq m office unit in International Plaza and a 3,000 sq m manufacturing and warehouse facility in Woodlands Industrial Park. The office unit in International Plaza is used for their marketing and administration operations. The Directors have decided to consolidate all their operations in their Woodlands facility to minimize their operating costs and have asked you to either sell or rent out their office unit in International Plaza.

*Completed*

- (a) Explain all the factors that you should consider in pricing the office unit for sale. (14 marks)
- (b) Do you recommend the owner to sell or let out the office unit? Give reasons. (6 marks)

Question 4

Your company is the marketing agent for a proposed 20-storey apartment block along Tanjong Katong Road. The proposed development, on freehold land, has 152 units with eight units per floor from the second to the twentieth storey. The floor area, for the units, ranges from 60 sq m to 90 sq m each.

The break-even cost for the development is about \$7,000.00 per sq m.

No facility, except for 160 parking lots, is planned for the proposed development.

Your manager has asked you to prepare a marketing plan for the development.

- (a) Explain your marketing plan for this development. (10 marks)
- (b) Explain the strength and opportunities of this development. (10 marks)

*convenient suggest*

Question 5

Madam Tan has asked you to rent out her 4-room HDB flat that she owns and has occupied for the past 15 years. Her asking rent, for the whole flat, is \$2,000.00 per month.

- (a) What is the permissible number of occupants for a HDB 4-room flat? (2 marks)
- (b) What is the maximum period allowed for the subletting? (2 marks)
- (c) Explain the flat owner's responsibility for letting-out the whole flat. (16 marks)

*block block*

Question 6

Mr. and Mrs. Toh, a couple who bought a new HDB 5-room flat directly from the HDB in January 1996, is very keen to purchase the 4-room flat you are marketing. The condition of their purchase is their ability to sell their 5-room flat at the same time so that they do not have to arrange a bridging loan for the purchase of the 4-room flat. The sale of their 5-room flat is handled by another agent.

*for alternative*

- (a) Name the Housing and Development Board's Scheme that suits Mr. and Mrs. Toh's condition on their purchase of the 4-room flat you are marketing. (2 marks)
- (b) Explain the operation of this scheme. (10 marks)

*Enclaved investor*

*amendative*

- (c) Explain the benefits of this scheme to all the parties involved in the transaction. (8 marks)

**Question 7**

Write short notes on the followings:

- (a) Heritage Property (5 marks)  
(b) Tenure for JTC's industrial sites (5 marks)  
(c) Biopolis (5 marks)  
(d) Time-share concept (5 marks)

**Question 8**

Each part of this question carries two (2) marks. You are required to indicate the most appropriate answer for each part of this question in the answer script. No marks will be given if the answer is not clearly indicated. If more than one answer is given to any part, no marks will be awarded for that part.

- (I) In the marketing of a detached factory built on land leased from the JTC. (a) The most important factor to consider is whether the owner had paid an upfront premium or the owner is paying the current market annual ground rent. (b) The least important factor to consider is the unexpired term of the original tenure.
- (A) Both statement (a) and (b) are correct.  
(B) Both statement (a) and (b) are incorrect.  
(C) Only statement (a) is correct.  
(D) Only statement (b) is correct.
- (II) Which of the following statements is correct?
- (A) In marketing a strata-titled factory for rent, its tenure is the most important factor.  
(B) In the pricing of a freehold detached factory for sale, the most important factor is the land area.  
(C) The best approach in pricing a strata-titled factory for sale is to do a simple analysis of all property transactions in the vicinity.  
(D) None of the above.

- (III) Under the Housing Developers' Sale and Purchase Agreement for Executive Condominium Housing Scheme a purchaser has to pay \_\_\_\_% of the purchase price to the vendor on receipt of the Notice that the electrical wiring, internal plastering and plumbing of the unit have been completed.
- (A) 5%
  - (B) 10%
  - (C) 15%
  - (D) None of the above.
- (IV) In marketing a terrace house along Jalan Lada Puteh, behind Lucky Plaza, for rent the key selling points to interest tenants are:
- (i) Proximity to social amenities and public facilities.
  - (ii) Walking distance to MRT station.
  - (iii) Near established shopping centres.
  - (iv) Good prospect for en bloc sale.
- (A) (i), (ii), (iii)
  - (B) (ii), (iii), (iv)
  - (C) (i), (iii), (iv)
  - (D) All of the above.
- (V) The maximum Housing and Development Board loan quantum for a 25-year old couple with a household income of \$5,000.00 per month buying a 5-room flat at the market valuation of \$320,000.00 is \_\_\_\_\_ of the market valuation.
- (A) 85%.
  - (B) 90%.
  - (C) 95%.
  - (D) None of the above.
- (VI) The non-refundable administrative fee payable by a buyer of a 3-room resale flat is \_\_\_\_\_ if the application is submitted via ResaleNet:
- (A) \$50
  - (B) \$60
  - (C) \$80
  - (D) None of the above.

(VII) The minimum option fee payable for the purchase of a HDB 5-room flat at \$300,000 is:

- (A) \$1,000.00.
- (B) \$3,000.00.
- (C) \$5,000.00
- (D) None of the above.

(VIII) (a) In the marketing of a shop unit in a shopping centre, the most important selling point is location within location. (b) In the marketing of a condominium unit the most important selling point is location within location.

- (A) Both statement (a) and (b) are correct.
- (B) Both statement (a) and (b) are incorrect.
- (C) Only statement (a) is correct.
- (D) Only statement (b) is correct.

(IX) (a) For the Malay Ethnic Group, the ethnic proportions in HDB Estates are 22% in the neighbourhood and 25% in the block. (b) For the Indian Ethnic Group, the ethnic proportions in HDB Estates are 10% in neighbourhood and 13% in the block.

- (A) Both statement (a) and (b) are correct.
- (B) Both statement (a) and (b) are incorrect.
- (C) Only statement (a) is correct.
- (D) Only statement (b) is correct.

(X) There are \_\_\_\_\_ types of HDB re-sale flats.

- (A) 7
- (B) 8
- (C) 9
- (D) None of the above.

(20 marks)

*(This is the last page)*