UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2017

Program	**: B. Plan**	**Semester**	**: V**
Subject (Course)	**: Real Estate Planning & Management**	**Max. Marks**	**: 100**
Course Code	**: BPLC 321**	**Duration**	**: 3 Hrs**
No. of page/s	**: 3**		

All questions are compulsory.

Section A

(Each question carry 2.5 marks)

Q.1. Write short notes on:

i. Land Development Charges
ii. Betterment Levy
iii. Disposal of Land
iv. Land Use Restriction
v. Heterogeneity & Market Imperfections
vi. Economic rent
vii. Real Estate as facilitator of development
viii. Pledge & Mortgage

Section B

(Each question carry 10 marks)

Q.2. Discuss the Factors influencing the Locational Decision in Real Estate Projects.

Q.3. Discuss briefly the provisions of RERA (Real Estate Regulatory Authority Act) 2016.

Q.4. Discuss the importance of Real Estate Market Analysis. Elaborate upon the factors that are applicable for market analysis.

Q.5. Highlight & Critically Appraise the Trends shaping or reshaping the Indian Real Estate Sector in 2017.

Section C

(Each question carry 20 marks)

A local property development company has offered a prime corner site on Rajpur road of Dehradun for INR 2 Crore and is anxious to establish viability for development with a view to disposing of it to an institution once fully completed and occupied. The site is currently used as builder's yard with some vacant and near derelict shops and has a frontage of 120 M and a depth of 45 M. It lies within an area allocated for shops and offices with an overall F.A.R. of 1.5. and general height restriction of three storeys. Preliminary discussions indicate that the usual parking standards of 1 E.C.S. to every 200 Sq. M. office floorspace and 2 spaces to every 100 Sq.M. retail floorspace. All ground floor development must be retail and rear access to shops is considered essential. A small supermarket of approximately 100 Sq. M. is thought likely to attract support and, because the local planning authority are concerned that some form of suitable development takes place as soon as possible, negotiations should be relatively straightforward, with permission probably granted in three months.
The quantity surveyor retained by the company has supplied the following information:

- A 6 m grid to be used throughout with 5 m ceiling heights for retail space and 3 m ceiling height for offices.
- Building costs for shops to be taken at INR 2400/- Sq. M., excluding fitting out and shop fronts, and equally phased over nine months. Standard shop units to be 6 M x 24 M.
- Building costs for offices to be taken INR 3600/- Sq. M. for letting, including lifts and central heating, and equally phased over fifteen months.
- Demolition and site preparation to be allowed for at INR 200/- per Sq. M. across the entire site.
- External work, including landscaping, will cost INR 12,00,000/-
- All payments to be made three months in arrears.

The property development company's knowledge of the area indicates rental level of INR 150/- per Sq. M. per annum for supermarket space, an average of INR 1,20,000/- per annum or approximately INR 200/- per Sq. M. per annum for a standard shop unit and INR 100/- per Sq. M. per annum for offices. Given three months to obtain planning permission and prepare site and nine months to construct the shops, it is envisaged that a further three months should be time enough to allow for a successful letting campaign and to complete the superstructure of the building of the offices is slightly more uncertain, it is considered appropriate to allow a full six months following completion before they are fully let and disposition to an institution can be effected. Professional fee to the architect and quantity surveyor have been negotiated so that INR 5,00,000/- is paid as lump sum following planning permission, and the remainder calculated subsequently at 10 per cent of building cost on a three-monthly basis. Short-term finance had been arranged with a merchant bank at 15 per cent (3.56 per cent per quarter).

It is well reported that institutions are interested in schemes of this nature, scale and location, but seek yield of between 7 and 8 per cent. It is therefore necessary to establish whether a yield can be accomplished that provides for this and also allows for the developer's risk.

Q.6. Prepare the Preliminaries for the Project. (20)

Q.7. Calculate the yield by Conventional Residual Method Valuation. (20)