

SELF-TEST – WEEKS 5-8

Lecture 5 - Dynamics on the housing market and implications for housing management

1. The housing market is a stock market. What is the primary reason for this?
 - a. The immobility of real estate
 - b. The long life span of real estate
 - c. The high investment costs of real estate
 - d. The low mobility (propensity to move) of users of real estate
2. Which of the following is a basic assumption of the rentability index discussed in Smeets (1993)?
 - a. A rentability index is useful only if it is combined with more qualitative data, e.g., interviews with customers
 - b. A rentability index can be derived from the REN checklist
 - c. It is possible to define indicators of rentability separately for each phase of the rental process which then can be combined in an overall index
 - d. A rentability index must be focused on product characteristics and not be confounded by process characteristics
3. A strategy for housing development in regions of decline is concentrating (*verdichten*) and thinning (*verdunnen*). What does this strategy involve?
 - a. Stop building new houses and demolish old buildings
 - b. Build new houses at promising locations and demolish houses elsewhere
 - c. Build new houses in large cities and demolish houses in smaller cores
 - d. Revitalize the centers of large cities
4. Which one of the following is NOT an indicator of rentability of a dwelling or dwelling complex in the measure proposed by Smeets (1993)?
 - a. The mutation rate
 - b. The vacancy rate
 - c. The offer rate
 - d. The customer satisfaction rate

Lecture 6 - Accessibility and affordability of housing

5. When a landlord determines the rent price based on a calculation of the net-present-value, the method used is
 - a. Comparison-price method
 - b. Points-price method
 - c. Cost-price method
 - d. Market-price method
6. What do we mean by 'expenditure-to-income ratio' in the context of affordability of housing?
 - a. The part of the disposable income spent on rent or mortgage
 - b. The part of the disposable income spent on housing including all housing costs
 - c. The part of the disposable income spent on housing and other essentials (food, clothing, etc.)
 - d. The part of the disposable income spent on housing and durable goods

7. What does price regulation by the government in the social sector mean?
- There is a maximum price for dwellings independent of the quality offered
 - There is a maximum price for dwellings depending on the quality offered
 - There is a maximum yearly-rent price increase for dwellings
 - There is a landlord levy for each rented dwelling
8. Households with an income higher than € 43.000 / year have..
- 1 .. possibilities to rent a dwelling in the social rental sector
 - 2 .. no possibilities to rent a dwelling in the social rental sector
 - 3 .. possibilities to rent a dwelling in the commercial rental sector
 - 4 .. no possibilities to buy a dwelling in the owner occupied sector
- Which of the above statements are TRUE.
- 1 and 3
 - 2 and 3
 - 2 and 4
 - 3 and 4

Lecture 7 - Investment and exploitation of residential real estate

9. The interest rate of a loan depends on :
- Risk, price of money and market
 - Price of money, market and duration of the loan
 - Cashflow, your profit and risk
 - Risk, duration of the loan and moment of redemption
10. After two years, I need € 150,-. The interest is 8%. The risk is 6%. What amount of money do I have to put on the bank to reach this goal?
- € 144,17
 - € 128,60
 - € 133,50
 - € 115,42
11. Which factors belong to operational cashflows?
- Rent, interest and renovation costs
 - Interest, management and acquisition costs
 - Interest, management and renovation costs
 - Rent, interest and management
12. Since the New Housing Act (2016), housing associations are obliged to value their housing portfolio with a certain valuation method. Which method do they need to use?
- Historical cost value
 - Operational value
 - Book value
 - Market value (with tenants)

Lecture 8 - Strategic options and choices

13. Which marketing instruments can housing associations generally consider for a differentiation strategy?
 - a. The rent price of the dwellings they offer
 - b. The type and quality characteristics of the dwellings they offer
 - c. The services they provide to tenants
 - d. All of the three above mentioned
14. Eppink and Bossink (2004) distinguish three types of strategies. Which strategy is NOT an element of this?
 - a. Promotion
 - b. Distribution
 - c. Positioning
 - d. Collaboration
15. The framework model provided distinguishes three management levels: strategic management, tactic management and operational management. If applied to the housing sector, which of the following statements is TRUE?
 - a. Choices on the portfolio level are made at the tactic management level.
 - b. Decisions on the complex level are being made at the asset management level.
 - c. Tactic decisions are being made on the property management level.
 - d. Daily, technical, administrative decisions are being made on the portfolio management level.
16. It is very common that Dutch housing associations outsource their technical maintenance. This is an example of
 - a. Strategic supplier collaboration
 - b. Strategic alliance collaboration
 - c. Market differentiation
 - d. Market Segmentation