



A POLYTECHNIC INSTITUTION

School of BUSINESS

Program: MARKETING MANAGEMENT

Option: COMMERCIAL REAL ESTATE

MKTG 3313**INTRO TO REAL ESTATE FINANCE****Start Date:** SEPTEMBER 5, 2002**End Date:** DECEMBER 13, 2002**Total Hours:** 60 **Total Weeks:** 15**Term/Level:** 3 **Course Credits:** 4.0**Hours/Week:** 4 **Lecture:** 2 **Lab:** 2**Shop:** **Seminar:** **Other:****Prerequisites****Course No.** **Course Name****Course No.** **Course Name**

OPMT 1110 or equivalent

■ Course Description (required)

Teaching the concept of "Time Value of Money", this course will introduce the basics of financial analysis when applied to Real Estate investment and mortgage financing models. The key components will be:

Understanding simple & compounding interest rates and effects on ROI

Time Value of Money calculations

Understanding Cash Flow calculations

How to approach a financial problem

Mortgage yields, bonuses and discounts

Mortgage financing in relation to rates of return, property pricing and investment

Basics of financial analysis

Analysis of Real Estate Investment & Re-Investment

■ Detailed Course Description (optional)**■ Evaluation**

Final Exam 40

Mid Term Exam 30

2 Projects 20

Quizzes 10

TOTAL 100%

Comments:

Failure to achieve 50% or more on the combination of the midterm and final exams will result in a 0% being assigned for all other projects, assignments and participation/attendance marks, resulting in a failing grade for this course.

■ Course Learning Outcomes/Competencies

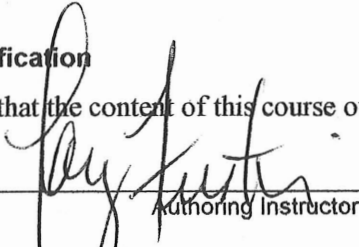
Upon successful completion, the student will be able to:

- Calculate the interest, principle and loan balances for loans and mortgages
- Calculate present value ratios, net present values and profitability factors of cash flows
- Calculate interest rate buy-downs on mortgages
- Use discounted cash flow methods to analyze investment options

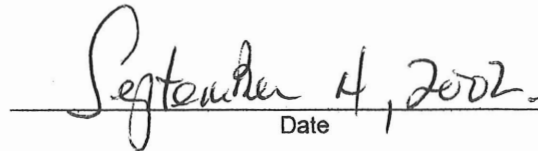
- Calculate the market value of existing mortgages when comparing to the current mortgage market
- Work out bonus calculations to buy down a mortgage rate
- Make sophisticated investment decisions combining the techniques learned
- Comprehend mortgage amortization and the impact of the interest rate and amortization period on the payment stream and the outstanding principle balance at any point during the amortization period.

■ Verification

I verify that the content of this course outline is current.

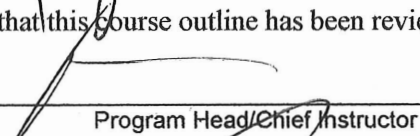


Authoring Instructor

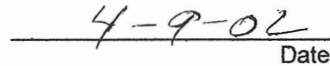


Date

I verify that this course outline has been reviewed.

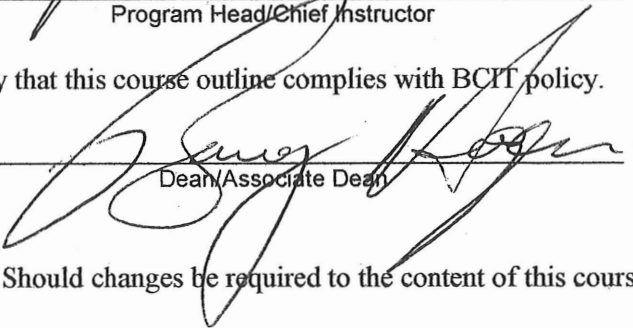


Program Head/Chief Instructor

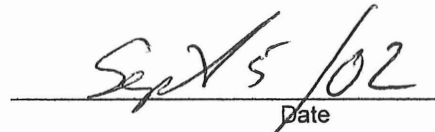


Date

I verify that this course outline complies with BCIT policy.



Dean/Associate Dean



Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

■ **Instructor(s)** **Larry Ferster**

Office Location:	SE6-316	Office Phone:	604-451-6763
Office Hrs.:	Thursdays 12:00-1:00 pm	E-mail Address:	larry_ferster@bcit.ca

■ **Learning Resources**

Required: **CALCULATOR: Hewlett Packard – HP 10B11**

Handouts for lab use and review

Recommended:

FOUNDATIONS FOR REAL ESTATE FINANCE: By S.W. Hamilton, David Baxter and Daniel Ulander.

■ **Information for Students**

(Information below can be adapted and supplemented as necessary.)

Assignments: Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

Makeup Tests, Exams or Quizzes: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

Attendance: The attendance policy as outlined in the current BCIT Calendar will be enforced. Attendance will be taken at the beginning of each session. Students not present at that time will be recorded as absent. Missing more than 10% of the classes without prior arrangement and consent of your instructor may result in a grade of 0% being assigned for your final exam, equating to a failing grade for the course.

Illness: A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

Attempts: Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

■ **Assignment Details**

Project work is expected to be turned in by the scheduled due date. Late turn-ins will result in a 0% grade for the project.

Schedule

Week of/ Number	Outcome/Material Covered	Reference/ Reading	Assignment	Due Date
Wk 1 – Sept 5	Financial Analysis	Chapter 1		
Wk2 – Sept 12	Interest Rates	Chapter 2		
Wk3 – Sept 19	Quiz – Financial Flows	Chapter 3		
Wk4 – Sept 26	Financial Flows	Chapter 4		
Wk5 – Oct 3	Financial Flows/Future values Projects Assigned	Chapter 5	Project 1	Oct.31, 2002
Wk6 – Oct 10	Future Values	Chapter 5		
Wk7 – Oct 17	Mid Term			
Wk8 – Oct 24	Outstanding Balances	Chapter 6		
Wk9 – Oct 31	Bonuses and Discounts	Chapter 7		
Wk10 – Nov 7	Quiz			
Wk11 – Nov 14	Bonuses & Discounts	Chapter 8	Project 2	Nov. 14, 2002
Wk12 – Nov 21	Intro to Real Estate Invest. Analysis	Chapter 9		
Wk13– Nov 28	Intro to RE Invest Analysis cont'd			
Wk14 – Dec 5	Review			
Wk15– Dec 12	FINAL EXAM			