

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Economics of Real Estate Markets
COURSE NUMBER MKTG 3312 DATE FALL, 1996
Prepared by David Westcott | Taught to Second Year
School Business | School Business
Program Marketing Management | Program Marketing Management
Date Prepared August, 1996 | Option Real Estate Studies
Term 3 Hrs/Wk 4 Credits 4.0
No. of Weeks 14 Total Hours 56

Instructor David Westcott Office SE 6-316 Local 6763
Office Hours As posted at office

PREREQUISITES - Introductory Micro- and Macro-Economics

COURSE SUMMARY

This course builds on and uses the concepts of Introductory Micro- and Macro-Economics. The focus is to apply basic economic tools to the understanding and analysis of Urban Land Markets.

EVALUATION

Final Examination	<u>35</u>	<u>%</u>
Mid-Term	<u>25</u>	<u>%</u>
Project	<u>30</u>	<u>%</u>
Participation	<u>10</u>	<u>%</u>

ATTENDANCE REQUIREMENTS WILL BE ENFORCED AS PER THE BCIT POLICY ON PAGE 3 OF THE CALENDAR. EXCESSIVE ABSENCE MAY RESULT IN FAILURE OR IMMEDIATE WITHDRAWAL FROM THE COURSE OR PROGRAM.

RECOMMENDED TEXT

Arthur O'Sullivan: ESSENTIALS OF URBAN ECONOMICS, Homewood, Ill., Richard D. Irwin, Inc. 1993

REFERENCE TEXTS

Urban Land Economics. Michael Goldberg, Peter Chinloy: John Wiley & Sons. Toronto, 1984.

Urban Economics. Fourth Edition. E.S. Mills, B.W. Hamilton: Scott Foresman, 1989.

Urban Land Economics Real Estate Division, Faculty of Commerce and Business Administration, University of British Columbia, Vancouver, B.C., 1990.

(Note: On reserve in the library.)

COURSE OBJECTIVES

By applying the principles of economics to an analysis of the real estate market, the student will be prepared and equipped to anticipate future trends in the marketplace and the influence of government policies upon that marketplace.

Upon successful completion of this course the student will be able to:

1. Explain why and how cities exist, their historic development and future trends.
 2. Discuss the underlying factors which determine the price of land.
 3. Describe the location theories of firms and residences and the resulting land-use patterns of urban areas.
 4. Analyze housing price factors of supply and demand.
 5. Analyze current government policies and their influences upon the housing market.
 6. Describe the effects of transportation problems and policies upon urban development and property prices.
 7. Discuss different types of zoning and their effects upon urban development and land use.
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Tentative Schedule - Subject to change

	<u>TOPIC</u>	<u>CHAPTERS</u>
Sept. 9	Introduction Development of Cities	1,2
Sept. 16	Location Decisions of Firms and Cities Introduction to Land Rent - Ricardo's Theory	3,6
Sept. 23	Land Rent - Von Thunnen's Theory Commercial, Manufacturing and Retailing Land-use Patterns	4,5
Sept. 30	Residential Land-use Patterns	6
Oct. 7	Land-use Controls and Zoning Local Government	7,8 13,14
Oct. 14	Thanksgiving Holiday	
Oct. 21	Mid-term	
Oct. 28	The Urban Housing Market Housing Policies Interim Reports - LABS	11,12
Nov. 4	Housing, cont.	
Nov. 11	Remembrance Day	
Nov. 18	Autos, Highways and Mass Transit	15,16
Nov. 25	Project Due Final Project Presentations	
Dec. 2	Review	
Dec 9-13	Final Exam Week	

GROUP PROJECT

Group Size: Four students.

Project Selection:

Select a major topic relating to the economics of real property. The selected topic should be one in which there is sufficient depth for a major study and report. Some examples are attached. The objective of the project is to analyse a particular aspect of, or current issues in, Urban Land Economics using the concepts and tools of Economics.

Project Requirements:

a) Names of the members of the project group together with the name of the chairperson must be submitted on or before September 16, 1996. The chairperson will be the liaison with the instructor.

b) The project topic must be submitted on or before September 23, 1996. The instructor reserves the right to reject a selected topic. Once approved, the topic may not be changed by the students without permission.

c) Each group must make a brief mid-term "semi-formal" presentation on October 28, 1996.

d) A comprehensive written report is to be submitted prior to presentation on November 25, 1996.

e) Final formal presentations are to be made by the groups on November 25, 1996.

Project Evaluation:

Total Mark: 30% of course mark
Written report: 80% of project mark.
Presentations: 20% of project mark.

The project evaluations will be based upon:

Comprehensiveness of the analysis.
Originality of thought.
Application of the concepts and tools of the course.
Quality of the written and verbal presentation(s).

Individual grades may be assigned if the instructor determines that one or more of the members of the group have not contributed significantly to the project.

Sample Topics:

Rent control is good?/bad?/indifferent?
The impact of ----- on real estate values.
Future commuting zones in the GVRD?
Do government-sponsored co-operative housing schemes influence the rental/condominium market?
How do the changing demographics in Vancouver affect the demand for housing?
The economic factors influencing shopping centre performance/location.
The changing demand for office space, re: tele-commuting?
Mega-houses - good/bad/indifferent?
The price of housing is too high?/too low?/just right?
UBC Endowment lands development: an economic analysis?
Future of housing prices/rents?
Economic factors indicate ----- is the next thing to come in housing/office/retail development.
The effect of immigration upon the BC real estate market.
Zoning bylaws are good/bad/indifferent?
If only the government would -----?
Commuting problems/patterns and their influence upon real estate markets?
Has the Skytrain been a good/bad influence upon Surrey development?
Why HOV lanes? Will they reduce the cost of commuting? Will they influence real estate markets?
ALR?

What...?
How...?
Why...?

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