



A POLYTECHNIC INSTITUTION

School of Business

Program: Marketing Management

Option:

Course Number: MKTG 3313**Course Name: INTRO TO REAL ESTATE FINANCE**

| | | | |
|---------------------|-------------------|------------------------|-------------------|
| Start Date: | September 5, 2006 | End Date: | December 15, 2006 |
| Total Hours: | 60 | Total Weeks: | 15 |
| Hours/Week: | 4 | Lecture: | 2 |
| | | Lab: | 2 |
| | | Term/Level: | 3 |
| | | Course Credits: | 4.0 |
| | | Shop: | |
| | | Seminar: | |
| | | Other: | |

Prerequisites**Course No.** **Course Name**Successful
completion of
Terms 1 & 2**Course Number is a Prerequisite for:****Course No.** **Course Name**

v Course Description (required)

MKTG 3313 – Intro To Real Estate Finance provides an introduction to the basics of financial analysis and its applications in real estate investment and mortgage financing. It will also provide a preview of the practical role that mortgages play in the real estate market.

The components covered will be:

- Time Value of Money calculations
- How to approach a financial problem
- Understanding cash flow problems
- Mortgage yields, bonuses, and discounts
- Mortgage financing in relation to return, investment and property pricing
- Analysis of investment and re-investment

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

| | |
|----------------------|-------------|
| Final Exam | 40 |
| Mid-term exam | 25 |
| Quizzes | 10 |
| Project | 10 |
| Class Participation* | 15 |
| TOTAL | 100% |

Comments: Failure to achieve 50% or more on: the combination of the exams (mid-term and final), and the individual assignments/participation marks, will result in a 0% being assigned for all other projects and assignments, resulting in a failing grade for this course.

(* Class Participation marks must be earned individually in class, through proactive and constructive contribution to the course content.)


v **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

- Calculate the interest, principal and loan balances for loans & 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 compared to the current mortgage market
- Work out bonus calculations to buy down a mortgage rate
- Make a sophisticated investment decision combining the techniques learned
- Comprehend mortgage amortization and the impact of the interest rate and amortization period on the payment stream and outstanding balance at any point during the amortization period.

v **Verification**

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



Authoring Instructor

30/08/06

Date

I verify that this course outline has been reviewed.

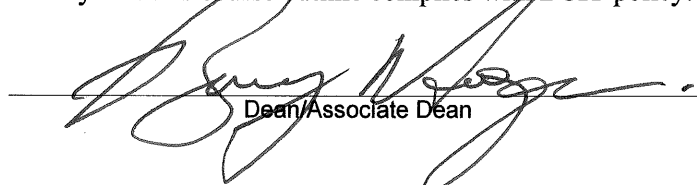


Program Head/Chief Instructor

31/8/06

Date

I verify that this course outline complies with BCIT policy.



Dean/Associate Dean

Aug 30/06

Date

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

v **Instructor(s)**

David Wan

Office Location: SE6-373
Office Hrs.: As posted

Office Phone: 604-451-6769
E-mail Address: david_wan@bcit.ca

v **Learning Resources**

Required:

- Hewlett Packard 10BII Financial Calculator
- Handouts for lab use and review

Recommended:

FOUNDATIONS OF REAL ESTATE MATHEMATICS: By S. W. Hamilton, David Baxter & Daniel Ulander

v **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 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 this 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.

v **Assignment Details**

Project work is expected to be turned in by the 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 |
|------------------------------|--|-------------------------------|-------------------|-----------------|
| Sept. 4 th #1 | Basis of Financial Analysis | Chapter 1 | | |
| Sept. 11 th #2 | Interest Rate Conversions | Chapter 2 | | |
| Sept. 18 th #3 | Analysis of Financial Flows & Investments I | Chapter 3 | | |
| Sept. 25 th #4 | Quiz 1 – Financial Flows | Chapter 1 – 3 | | |
| Oct. 2 nd #5 | Analysis of Financial Flows & Investments II | Chapter 4 | | |
| Oct. 9 th #6 | Future Value Analysis Project Assigned | Chapter 5 | | |
| Oct. 16 th #7 | Mid Term | Chapter 1 – 5 | | |
| Oct. 23 rd #8 | Outstanding Balances & Final Payments | Chapter 6 | | |
| Oct. 30 th #9 | Yields, Bonuses & Discounts | Chapter 7 | | |
| Nov. 6 th #10 | Applications of Bonuses & Discounts | Chapter 8 | | |
| Nov. 12 th #11 | Project Due | | | |
| Nov. 19 th #12 | Quiz 2 | Chapter 6 – 8 | | |
| Nov. 27 th #13 | Intro to Real Estate Investment and Discounting | Chapter 9 | | |
| Dec. 4 th #14 | Intro to Real Estate Investment and Discounting Cont'd | Chapter 9 | | |
| Dec. 11 th #15 | FINAL EXAM | Chapter 1 – 9 | | |