

COURSE OUTLINE

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OCT 01 1998COURSE NAME Introduction to Real Estate Finance

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COURSE NUMBER MKTG 3313 DATE FALL, 1998Prepared by David Westcott | Taught to Second YearSchool Business | School BusinessDepartment Marketing Management | Department Marketing ManagementDate Prepared August, 1998 | Program Commercial Real EstateTerm 3 Hrs/Wk 4 Credits 4.0No. of Weeks 14 Total Hours 56-----
Instructor David Westcott Office SE 6-316 Local 6763Office Hours As posted at office
-----PREREQUISITES - Business Mathematics or equivalent
-----COURSE SUMMARY

The course will focus on the following general areas:

Basis of Financial Analysis
Interest Rate Equivalency
Analysis of Financial Flows and Investments
Outstanding Balances and Related Topics
Yields, Bonuses and Discounts
Financing and Property Prices
Real Estate Investment and Reinvestment

-----EVALUATION

Final Examination	<u>40</u>	<u>%</u>
Mid-Term	<u>30</u>	<u>%</u>
Participation	<u>10</u>	<u>%</u>
Quizzes	<u>20</u>	<u>%</u>

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

RECOMMENDED TEXT

FOUNDATIONS OF REAL ESTATE FINANCING. S.W. Hamilton, David Baxter, and Daniel Ulinder: Real Estate Division, Faculty of Commerce and Business Administration, Vancouver, B.C.

REQUIRED CALCULATOR - BAIL Plus, Texas Instruments

HAND-OUTS for lab use and review - Cost \$ 10.00

COURSE OBJECTIVES

This course introduces the basic tools and techniques of financial analysis - to be applied to investment and mortgage financing situations.

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

1. Differentiate among various types of interest rates and convert from one to another.
 2. Calculate interest adjustment amounts.
 3. Calculate both present values and future values of lump sums, regular and irregular cash flows.
 4. Calculate mortgage loan payments, outstanding balances and final payments.
 5. Calculate yields on mortgage loans with bonuses and/or discounts, both fully and partially amortized.
 6. Calculate bonuses required to "buy-down" an interest rate.
 7. Calculate and state disclosure requirements as required by provincial legislation.
 8. Calculate market values of mortgage loans and assumable mortgages.
 9. Calculate net present values, present value ratios and profitability indices of cash flows.
 10. Apply discounted cash flow techniques to cash flow analysis, allowing for reinvestment variation.
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Tentative Schedule - Subject to change

		<u>Topic</u>	<u>Readings</u>
1.	Sept 17	Financial Analysis	Chapter 1
2.	Sept 24	Interest Rates	Chapter 2
3.	Oct 1	Financial Flows Quiz	Chapter 3
4.	Oct 8	Financial Flows	Chapter 4
5.	Oct 15	Future Values	Chapter 5
6.	Oct 22	Mid-term	
7.	Oct 29	Outstanding Balances	Chapter 6
8.	Nov 5	Outstanding Balances (cont.) Bonuses & Discounts	Chapter 7
9.	Nov 12	Bonuses & Discounts (cont.)	Chapter 7
10.	Nov 19	Quiz Bonuses & Discounts (cont.)	Chapter 8
11.	Nov 26	Introduction to RE Investment Analysis	Chapter 9
12.	Dec 3	Review	
13.	Dec 7-11	Final Exam Week	