

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Introduction to Real Estate Analysis
COURSE NUMBER MKTG 3313 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 - 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 BCIT POLICY
ON PAGE 3 OF THE CALENDAR. EXCESSIVE ABSENCE MAY RESULT IN
FAILURE OR IMMEDIATE WITHDRAWAL FROM THE COURSE OR PROGRAM.

RECOMMENDED TEXT - S.W. Hamilton, David Baxter, and Daniel Ulinder: FOUNDATIONS OF REAL ESTATE FINANCING, Vancouver, B.C. UBC Press.

REQUIRED CALCULATOR - BAI I 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 5	Financial Analysis	Chapter 1
2.	Sept 19	Interest Rates	Chapter 2
3.	Sept 26	Financial Flows	Chapter 3
4.	Oct 3	Quiz Financial Flows	Chapter 4
5.	Oct 10	Future Values	Chapter 5
6.	Oct 17	Mid-term	
7.	Oct 24	Outstanding Balances	Chapter 6
8.	Oct 31	Outstanding Balances (cont.) Bonuses & Discounts	Chapter 7
9.	Nov 7	Bonuses & Discounts (cont.)	Chapters 7/8
10.	Nov 14	Quiz Bonuses & Discounts (cont.)	
11.	Nov 21	Bonuses & Discounts (cont.) Introduction to RE Investment Analysis	Chapter 9
12.	Nov 28	Introduction to RE Investment Analysis (cont.)	
13.	Dec 5	Review	
14.	Dec 9-13	Final Exam Week	