BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Introduction to Real Estate Analysis

COURSE NUMBER MKTG 3313 DATE FALL, 1994

Prepared by David Westcott | Taught to Second Year

School Business | School Business

Program Marketing Management | Program Marketing Management

Date Prepared August, 1994 | 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
Future Value Analysis
Outstanding Balances and Related Topics
Yields, Bonuses and Discounts
Financing and Property Prices
Real Estate Investment and Reinvestment

EVALUATION

Final Examination	40 %
Mid-Term	30 %
Participation	10 %
Quizzes	20 %

ATTENDANCE REQUIREMENTS WILL BE ENFORCED AS PER THE BCIT POLICY ON PAGE 2 OF THE CALENDAR. EXCESSIVE ABSENCE MAY RESULT IN FAILURE OR IMMEDIATE WITHDRAWAL FROM THE COURSE OR PROGRAM.

REQUIRED TEXT(S) AND EQUIPMENT

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

Calculator: Financial Investment Analyst, (FIA) Texas Instruments.
All students are required to use the FIA in class and for BCIT examinations.

Hand-outs for lab use and review. - Cost $10.00

REFERENCE TEXTS AND RECOMMENDED EQUIPMENT

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.

INTRODUCTION TO REAL ESTATE ANALYSIS

LECTURE AND LAB SCHEDULE

Topic/Readings

1.	Sept 15	Financial Analysis - Chapter 1
2.	Sept 22	Interest Rates - Chapter 2
3.	Sept 29	Financial Flows - Chapter 3
4.	Oct 6	Quiz Financial Flows - Chapter 4
5.	Oct 13	Future Values - Chapter 5
6.	Oct 20	Mid-term
7.	Oct 27	Outstanding Balances - Chapter 6
8.	Nov 3	Outstanding Balances - Chapter 6 Bonuses & Discounts - Chapter 7
9.	Nov 10	Bonuses & Discounts - Chapter 7
12.	Nov 17	Quiz Bonuses & Discounts - Chapter 8
13.	Nov 24	Bonuses & Discounts - Chapter 8
14.	Dec 1	Introduction to RE Investment Analysis - Chapter 9
15.	Dec 8	Review