



**BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY School of Business**

<b>COURSE OUTLINE FOR:</b> <b>MKTG 3313 – Introduction to Real Estate Finance</b>	<b>DATE: September 7, 2000</b>
<b>TAUGHT BY: Marketing Management</b>	
<b>TAUGHT TO: Second Year</b> <i>Program: Marketing Management</i> <i>Option: Commercial Real Estate</i>	

<b>Hours/Week:</b>	4	<b>Total Hours:</b>	56	<b>Term/Level:</b>	3
Lecture:	2				
Lab:	2				
Other:		<b>Total Weeks:</b>	14	<b>Credits:</b>	4.0

Instructor: Dave Westcott	
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Office Hours: AS POSTED	

**Pre-requisites:**  
Business Mathematics or Equivalent

**Course Description and Goals:**

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

<b>Final Examination</b>	40	%
<b>Midterm Exam</b>	35	%
<b>Quizzes</b>	20	%
<b>Participation</b>	5	%
<b>Total</b>	<b>100</b>	<b>%</b>

**Text and Equipment**

**Recommended:**

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 - BAII Plus, Texas Instruments

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



### Course Learning Outcomes

*At the end 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.

### Course Notes (Policies and Procedures) .

- **Attendance:** The attendance policy as outlined in the current BCIT Calendar will be enforced.
- **Course Outline Changes:** The material specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.
- **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.
- **Illness:** A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects or exams. At the discretion of the instructor, you may complete the work missed or have the work prorated (i.e. an average is given according to your performance throughout the course).
- **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.
- **Labs:** Lab attendance is mandatory.

### Course Record:

Developed by:

Dave Westcott

Instructor

*Approved*

*Helpful*

*Sept 28/0*



\* This schedule is subject to change at the discretion of the instructor.

		<u>Topic</u>	<u>Readings</u>
1.	Sept 14	Financial Analysis	Chapter 1
2.	Sept 21	Interest Rates	Chapter 2
3.	Sept 28	<b>Quiz</b> Financial Flows	Chapter 3
4.	Oct 5	Financial Flows	Chapter 4
5.	Oct 12	Future Values	Chapter 5
6.	Oct 19	<b>Mid-term</b>	
7.	Oct 26	Outstanding Balances	Chapter 6
8.	Nov 2	Bonuses & Discounts	Chapter 7
9.	Nov 9	<b>Quiz</b>	
10.	Nov 16	Bonuses & Discounts (cont.)	Chapter 8
11.	Nov 23	Introduction to RE Investment Analysis	Chapter 9
12.	Nov 30	Review	
13.	Dec 4 - 8	<b>Final Exam Week</b>	