

MAR 03 1997

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Real Estate Finance in a Canadian Context .  
COURSE NUMBER MKTG 4413 DATE SPRING, 1997 .  
Prepared by David Westcott | Taught to Second Year  
School Business | School Business .  
Program Marketing Management | Program Marketing Management  
Date Prepared December, 1996 | Option Real Estate Studies  
Term 4 Hrs/Wk 4 Credits 5.5 .  
No. of Weeks 20 Total Hours 80 .

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Instructor David Westcott Office SE 6-316 Local 6763  
Office Hours As posted at office

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PREREQUISITES - Economics of Real Property Markets  
Introduction to Real Estate Analysis  
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EVALUATION

Final Examination	<u>40</u>	<u>%</u>
Mid-Term	<u>30</u>	<u>%</u>
Participation	<u>10</u>	<u>%</u>
Quizz(es)	<u>20</u>	<u>%</u>

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

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RECOMMENDED TEXT(S) AND EQUIPMENT

Real Estate Finance in a Canadian Context: David Baxter, S.W. Hamilton, and Daniel Ulinder. Real Estate Division, Faculty of Commerce and Business Administration, University of British Columbia.

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

Calculator: BAI Plus, Texas Instruments.

COURSE OBJECTIVES

This course builds upon the basic tools and concepts gained in Mktg 3313 to achieve competence with the calculations involved in advanced mortgage financing techniques. The economic environment of the mortgage market as well as the practical administration of mortgage loans is also covered.

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

1. Describe the Canadian capital market structure as it applies to the mortgage market
2. Describe the participants in the Canadian mortgage market and their relative roles
3. Describe the participation of the federal government in the mortgage market
4. Describe the major features of a typical Canadian mortgage document, including the rights and responsibilities of all parties to the document
5. Perform the underwriting function for a residential mortgage loan
6. Administer a residential loan, including all necessary calculations
7. Perform the underwriting function for a basic commercial mortgage loan
8. Analyze complex mortgage loan forms, and other methods of financing - sale-leaseback, etc.
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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COURSE SUMMARY - Most or all of the following topics will be covered:

Discounted Cash Flow Analysis  
 Capital Market Structure  
 Canadian Mortgage Market - History and Structure  
 What is a Mortgage?  
 Birth and Death of a Mortgage  
 Underwriting - Residential  
 Mortgage Administration  
 Underwriting - Commercial  
 Contemporary Loan Repayment Arrangements  
 Refinancing and Wraparound Mortgages  
 Development Financing  
 Participation Financing and Alternatives to Traditional Financing

DATE	LECTURE - MONDAYS	LABS - MONDAYS
Jan. 6	Discounted Cash Flow Analysis	Ch - 9 (MKTG 3313 Text)
Jan. 13	Capital Market Structure Ch - 1	
Jan. 20	Cdn Mtge Mkt - History and Structure Ch - 2,7	
Jan. 27	What is a Mortgage? Ch - 4	Birth and Death of a Mortgage Ch - 5
Feb. 3	Quiz Underwriting - Residential	Ch - 8
Feb. 10	Mortgage Administration	Ch - 9
Feb. 17	Underwriting - Commercial	Ch - 10
Feb. 24	Industry Seminar	
Mar. 3	Mid-term	
Mar. 10	Spring Break	
Mar. 17	Review Mid-term Alternative Mortgage Instruments GPM, SFAM, RAM	Ch - 11
Mar. 24	AMI's - VRM	Ch - 11
Mar. 31	Easter Monday	
Apr. 7	AMI's - SIM, SAM, PLAM, etc.	Ch - 15
Apr. 14	Quiz Refinancing the Property AMI's - WAM'S	Ch - 12
Apr. 21	Development Financing Leasehold Estates	Ch - 14 Ch - 16
Apr. 28		
May. 5	Directed Studies Presentations	
May. 12	Review  Final Exam	