

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Real Estate Finance in a Canadian Context .
COURSE NUMBER MKTG 4413 DATE SPRING, 1996 .
Prepared by David Westcott | Taught to Second Year
School Business | School Business .
Program Marketing Management | Program Marketing Management
Date Prepared December, 1995 | Option Real Estate Studies
Term 4 Hrs/Wk 4 Credits 5.5 .
No. of Weeks 20 Total Hours 80 .

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

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

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 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

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

FOUNDATIONS OF REAL ESTATE FINANCING: Baxter, David, Hamilton, S.W., and Ulinder, Daniel. 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.

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. 8	Discounted Cash Flow Analysis	Ch - 9 (MKTG 3313 Text)
Jan. 15	Capital Market Structure Ch - 1	
Jan. 22	Cdn Mtge Mkt - History and Structure Ch - 2,7	
Jan. 29	What is a Mortgage? Ch - 4	Birth and Death of a Mortgage Ch - 5
Feb. 5	Quiz Underwriting - Residential	Ch - 8
Feb. 12	Mortgage Administration	Ch - 9
Feb. 19	Industry Seminar	
Feb. 26	Underwriting - Commercial	Ch - 10
Mar. 4	Mid-term	
Mar. 11	Spring Break	
Mar. 18	Review Mid-term Alternative Mortgage Instruments GPM, SFAM, RAM	Ch - 11
Mar. 25	AMI's - VRM	Ch - 11
Apr. 1	AMI's - SIM, SAM, PLAM	Ch - 15
Apr. 8	Easter Monday	
Apr. 15	Quiz Refinancing the Property AMI's - WAM'S	Ch - 12
Apr. 29	Directed Studies Presentations	
May. 6	Development Financing Leasehold Estates	Ch - 14 Ch - 16
May. 13	Review Final Exam	