

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME Real Estate Finance in a Canadian Context .
COURSE NUMBER MKTG 4413 DATE SPRING, 1994 .
Prepared by David Westcott Taught to Second Year
School Business School Business .
Program Marketing Management Program Marketing Management
Date Prepared December, 1993 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 7 OF THE CALENDAR. EXCESSIVE ABSENCE WILL BE DEEMED TO BE MISSING MORE THAN 2 LABS FOR REASONS WITHIN THE STUDENT'S CONTROL. UPON NOTIFICATION OF EXCESSIVE ABSENCE AND FAILURE TO PROVIDE ADEQUATE EXPLANATION, THE STUDENT WILL BE DISQUALIFIED FROM WRITING THE FINAL EXAMINATION.

COURSE OBJECTIVES

This course builds upon the basic tools and concepts gained in Mktg 313 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.

REQUIRED TEXT(S) AND EQUIPMENT

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.

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.

The Texas Instruments - Financial Investment Analysis calculator (FIA) is required for class and examination work.

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