

REAL 215: ADVANCED REAL ESTATE FINANCE AND INVESTMENTS

Citrus College Course Outline of Record

| Heading | Value |
|-------------------------|-----------------|
| Effective Term: | Fall 2023 |
| Credits: | 3 |
| Total Contact Hours: | 54 |
| Lecture Hours : | 54 |
| Lab Hours: | 0 |
| Hours Arranged: | 0 |
| Outside of Class Hours: | 108 |
| Transferable to CSU: | Yes |
| Transferable to UC: | No |
| Grading Method: | Standard Letter |

Catalog Course Description

Advanced Real Estate Finance and Investments provides a strong foundation of financial theory and instruction on methods of financing real estate projects in residential, commercial, and industrial property. Emphasis is placed on the instruments of finance, calculating payments, tax implications, and types of structured loans. Other course concepts include: investing, development financing, managing property, analyzing site locations, corporate real estate and managing real estate investment funds. This material is also relevant to individuals who want to understand real estate better when making their own personal financing and investment decisions. The Department of Real Estate (DRE) has approved this course as one of the elective courses for the real estate broker license. 54 lecture hours.

Course Objectives

- independently analyze and assess the most appropriate loan from among the variety of sources available
- the economic analysis of cities, and touches on a broad range of topics, such as housing, transportation, land use, the cost and benefit of cities and urbanization
- apply principles to qualify the borrower when purchasing real estate
- understand the economics of real estate development and investment

Major Course Content

PART ONE: Overview of Real Estate Finance and Investments

Chapter 1: Real Estate Investment: Basic Legal Concepts

Chapter 2: Real Estate Financing: Notes and Mortgages

PART TWO: Mortgage Loans

Chapter 3: Mortgage Loan Foundations: The Time Value of Money

Chapter 4: Fixed Interest Rate Mortgage Loans

Chapter 5: Adjustable and Floating Rate Mortgage Loans

Chapter 6: Mortgages: Additional Concepts, Analysis, and Applications

PART THREE: Residential Housing

Chapter 7: Single-Family Housing: Pricing, Investment, and Tax Considerations

Chapter 8: Underwriting and Financing Residential Properties

PART FOUR: Income-Producing Properties

Chapter 9: Income-Producing Properties: Leases, Rents, and the Market for Space

Chapter 10: Valuation of Income Properties: Appraisal and the Market for Capital

Chapter 11: Investment Analysis and Taxation of Income Properties

Chapter 12: Financial Leverage and Financing Alternatives

Chapter 13: Risk Analysis

Chapter 14: Disposition and Renovation of Income Properties

Chapter 15: Financing Corporate Real Estate

PART FIVE: Financing Real Estate Development

Chapter 16: Financing Project Development

Chapter 17: Financing Land Development Projects

PART SIX: Alternative Real Estate Financing and Investment Vehicles

Chapter 18: Structuring Real Estate Investments: Organizational Forms and Joint Ventures

Chapter 19: The Secondary Mortgage Market: Pass-Through Securities

Chapter 20: The Secondary Mortgage Market: CMOs, CDOs, CLOs, and Derivative Securities

Chapter 21: Real Estate Investment Trusts (REITs)

PART SEVEN: Portfolio Analysis and Real Estate Funds

Chapter 22: Real Estate Investment Performance and Portfolio Considerations

Chapter 23: Real Estate Funds: Structure, Performance, Benchmarking, Risk and Attribution Analysis

Suggested Reading Other Than Required Textbook

Wall Street Journal Los Angeles Times (Real Estate Section)

Examples of Required Writing Assignments

Summarize/analyze the financial aspects of a current real estate event. Review/analyze a current transaction in the local real estate market and its effect on the local economy.

Examples of Outside Assignments

Real Estate Finance - Buying vs. Renting -

Based on the following data, would you recommend buying or renting?
Rental Costs: • Annual rent, \$7,380 • Insurance, \$145 • Security Deposit, \$650 • Insurance/maintenance, \$1,050
Buying Costs: • Annual mortgage payment, \$9,800 (\$9,575 is interest) • Property taxes, \$1,780 • Down Payment/closing costs, \$4500 • Growth in equity, \$225 • Estimated annual appreciation, \$1,700
Assume an after-tax savings interest rate of 6% and a tax rate of 28 percent.

Instruction Type(s)

Lecture, Online Education Lecture