Department:	**Economics and Finance**		

Course Name:	**Real Estate Investments**	**Course No.:**	**FIN 630**
Prerequisite:	**N/A**	**Credit Hours:**	**3**

Brief Description:

This course will consider investment in both "stabilized" (fully operational) income properties, and development investments. It provides an overview of the real estate development and investment processes, as well as introducing students to various disciplines, professionals, and industry sectors, and how they interact and participate in these processes. Students learn to apply direct capitalization models and discounted cash flow models to estimate real estate values by converting future income expectations into present values. These values are compared to current costs and prices to determine the financial feasibility of proposed projects and existing properties. The concept of highest and best use is also introduced and discussed.

Course Objectives:

After completion of this course the student will be able to:
- Discuss the techniques used for mortgage designs.
- Analyze the risk–return trade-off of mortgage instruments.
- Design a suitable mortgage instrument given a client's special needs.
- Evaluate mortgage alternatives for clients.
- Discuss the operations of the mortgage market.
- Estimate annual and time-weighted Returns on Real Estate Developments and Investments.

Course Topics:

- Real Estate Space and Asset Markets
- Real Estate System
- Central Place Theory and the System of Cities
- Inside the City: Urban Economics
- Real Estate Market Analysis
- Real Estate as an Investment
- Present Value Mathematics for Real Estate
- Measuring Investment Performance: The Concept of Returns
- The Basic Idea: DCF and NPV
- Nuts and Bolts for Real Estate Valuation: Cash Flow Performa and Discount Rates
- Advanced Micro-Level Valuation
- Use of Debt in Real Estate Investment
- After-Tax Investment Analysis & Corporate Real Estate
- Real Estate Investment Capital Structure

Text Book:

Rose, P. S. and Hudgins, S. C. (2012). *Bank Management & Financial Services*. 9th edition. New York, McGraw Hill.

Additional References:

None

Online Resources:

Bloomberg Terminal.
https://www.goldmansachs.com/insights/pages/from_briefings_19-august-2020.html
https://hbr.org/2009/11/what-every-leader-should-know-about-real-estate
https://www.forbes.com/sites/forbesrealestatecouncil/2020/10/02/passive-real-estate-investment-can-be-winwin-with-the-right-syndicator/?sh=3af4ab7548f2

Measurement & Assessment Tools:

Objectives			Obj 1.1 &1.2	Obj 2.2	Obj 3.1	Obj 4.1
Assessment tools	Grade	Week (Time period)	1	2	3	4
Midterm test	20	9th	✖			
Case study	15	12th			✖	
Assignment	15	15th				✖
Oral presentation	10	15th		✖		
Final exam	40	As Dated	✖			
Total	100					

Tentative Course Outline:

Week	Hours	Topics	Readings
1	3	Real Estate Space and Asset Markets	Ch1
2	3	Real Estate System	Ch2
3	3	Central Place Theory and the System of Cities	Ch3
4	3	Inside the City I: Some Basic Urban Economics	Ch4
5	3	Inside the City II: A Closer Look	Ch5
6	3	Real Estate Market Analysis	Ch6
7	3	Real Estate as an Investment: Some Background Information	Ch7
8	3	Present Value Mathematics for Real Estate	Ch8
9	3	Measuring Investment Performance: The Concept of Returns	Ch9
10	3	The Basic Idea: DCF and NPV	Ch10
11	3	Nuts and Bolts for Real Estate Valuation: Cash Flow Performa and Discount Rates	Ch11
12	3	Advanced Micro-Level Valuation	Ch12
13	3	Use of Debt in Real Estate Investment: The Effect of Leverage	Ch13
14	3	After-Tax Investment Analysis & Corporate Real Estate	Ch14
15	3	Real Estate Investment Capital Structure	Ch15
16	3	Revision	

Approved by Dept. Chair:	**Date of Approval:**
Dr Fahad Al Mohaimeed	

Extra Information: *(Updated every semester and filled by course instructor)*

Course Instructor: --

Office No: --

Extension: --

Email: --

Office Hours: --