



Department: Economics and Finance

Course Name:	Real Estate Finance	Course No.:	FIN 641
Prerequisite:	N/A	Credit Hours:	3

Brief Description:

This course will consider investment in both "stabilized" (fully operational) income properties, and development investments. and provides an overview of the real estate development and investment processes, as well as introduces 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:

- 1. Understand the techniques used for mortgage designs.
- 2. Analyze the risk–return tradeoff of mortgage instruments.
- 3. Design a suitable mortgage instrument given a client's special needs.
- 4. Evaluate mortgage alternatives for your clients.
- 5. Understand the operations of the mortgage market
- 6. Estimate annual and time-weighted Returns on Real Estate Developments and Investments

Course Topics:

- Introduction of Real Estate Space and Asset Markets
- Real Estate System
- Central Place Theory and the System of Cities
- Inside the City I: Some Basic Urban Economics
- Inside the City II: A Closer Look
- Seal Estate Market Analysis
- Real Estate as an Investment: Some Background Information
- 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

Text Book:

Brent W. Ambrose, Wenlan Qian & Abdullah Yavas, Real Estate Economic . American Real Estate and Urban Economics Association(Clarivate Analytics)2020

Additional References:

Online Resources:

Bloomberg Terminal.

Measurement & Assessment Tools:						
Objectives			Obj 1.1	Obj 2.2	Obj 3.1	Obj 4.1
Objectives			&1.2			
		Week				
Assessment tools	Grade	(Time	1	2	3	4
		period)				
Midterm test	20	9 th	*			
Case study	15	12^{th}			*	
Assignment	15	15 th				*
Oral Presentation	10	15 th		*		
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 39	Ch3	
4	3	Inside the City I: Some Basic Urban Economics 59	Ch4	
5	3	Inside the City II: A Closer Look 79	Ch5	
6	3	Real Estate Market Analysis	Ch6	
7	3	Real Estate as an Investment: Some Background Information 123	Ch7	
8	3	Present Value Mathematics for Real Estate 149	Ch8	
9	3	Measuring Investment Performance: The Concept of Returns	Ch9	
10	3	The Basic Idea: DCF and NPV 201	Ch10	
11	3	Nuts and Bolts for Real Estate Valuation: Cash Flow Performa and Discount	Ch11	
- 10	-		0-40	
12	3	Advanced Micro-Level Valuation	Ch12	
13	3	Use of Debt in Real Estate Investment: The Effect of Leverage 297	Ch13	
14	3	After-Tax Investment Analysis & Corporate Real Estate 319	Ch14	
15	3	Real Estate Investment Capital Structure	Ch15	
16	3	Revision		

Approved by Dept. Chair:

Dr Fahad Al Mohaimeed

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

Dr Osamah Rawashdeh Course Instructor:

Date of Approval:

Office No:	
Extension:	
Email:	
Office Hours:	