



COURSE SYLLABUS

Course: **FINN 4433 Real Estate Finance and Investment**

Prerequisite: FINN 3933

Course Description:

Consideration of the professional aspects of real estate; brokerage, property management, finance, appraisal, property development, investments, and current problems. An emphasis is placed upon the development feasibility and financing process coupled with real estate investment analysis.

Course Objectives:

- To acquaint the student with the principles of real estate finance
- To acquaint the student with the real estate capital markets.
- To expose the student to the sources of real estate loans.
- To review the methods of acquiring residential and commercial mortgages.
- To review the principles of commercial real estate investment analysis.
- To review the essential elements of the tax laws, as they apply to real estate.
- To give the student the analytical tools necessary to make intelligent decisions concerning real estate finance and investment in the market.
- To expose the student to the real estate development process.
- To expose the student basic property management techniques.

Value of the Course:

The purpose of this course is to provide the student with an in-depth view of the different disciplines within the real estate profession. Emphasis is placed upon the real estate finance and investment segment of the business. Real estate development and property management considerations are also analyzed. The course is designed for advanced real estate students nearing the completion of their college degree requirements. The course gives the student insights into the various real estate disciplines which may stir interest in career opportunities which exist in today's marketplace. Furthermore, advanced knowledge of real estate financing is essential to investment and development successes in the contemporary real estate markets. Course hours can also be credited toward education requirements for state licensing for salespersons.

Course Prerequisites:

The prerequisite for this course is FINN 3933. You must have successfully completed the prerequisite or you will be administratively dropped. This action will come after the official rosters (11th day reports) have been printed, at which time it will be past the time when classes may be added, or money refunded for a course.

Required Text:

Real Estate Finance, John P. Wiedemer and J.Keith Baker (Cengage Learning 9th edition, 2013) www.cengage.com. ISBN# 13:97803241181425, (513)229-1796

The Realty Bluebook, The Real Estate Education Co., order from bookstore or call 1-800-428-3846; Latest edition. Make sure you obtain the accompanying Financial Tables; url www.realtybluebook.com

Attendance Policy:

Attendance in class is expected of all students. The instructor does not keep formal attendance records. Quizzes and homework cannot be made up without an excused absence or instructor approval. Students who miss a scheduled exam must take the make-up exam at the end of the semester. No one will be given the opportunity to do extra work to improve a grade.

Inclement Weather Policy

In the event of inclement weather the instructor will make an attempt to conduct regular classes. Students unable to make it to class will be excused and can make-up missed assignments. Classes will be canceled if the University officially closes. If there is any doubt you can contact the University’s Weather Hotline 575-7000.

Class Procedures:

Classes will be conducted on an instructor lecture basis. Video tapes of real estate Developments nationwide will be shown during several class periods.

Examinations & Project:

CLASS ITEM	POINTS
1st Exam	50
2 nd Exam	50
3rd Exam	50
Final Exam	100
Team Project	100
Total	350
plus	Pop Quizzes & Homework

Final Exam:

The final exam is comprehensive and will be given on the scheduled date.

Team Project:

The class will be divided into small teams (aprx. 5 students/team). Each team will select a real estate development project and prepare a written feasibility study and financial analysis. Findings will be presented to the class near the end of the semester. Project due date will be announced.

Academic Dishonesty:

In accordance with the Student Handbook, academic dishonesty by any student will not be tolerated. Any student caught in the act of cheating will be subject to the sanction specified in the Judiciary Handbook. (it could be expulsion from the University)

Course Work:

Real Estate Finance and Investments covers a broad array of topics which will require motivation, discipline, and work to successfully complete the course.

The student is required to read the entire text book and assigned readings. In addition, the student is expected to become familiar with the laws and practices of real estate within Arkansas. Emphasis is placed upon the applications of concepts as opposed to theoretical issues only.

Supplemental material will be introduced and discussed during lectures. All students are expected to be prepared for class by reading the assigned chapters and/or materials.

The team project will require substantial out of classroom time to satisfactorily complete. A team effort is essential. These projects should be a rewarding educational experience.

Chapter	Topic
1	History and Background
2	Money and Interest Rates
3	Mortgage Lenders
4	Secondary Mortgage Market
5	Mortgage Documents
6	Mortgage Repayment Plans
	EXAM #1
7	Federal Government Underwriting Programs
8	Mortgage Default Insurance, Foreclosure, and Title Insurance
9	Borrow Qualification
10	Property Analysis
11	Commercial Loans: Construction and Land Loans
12	Commercial Loans: Building and Farm Loans
	EXAM #2
	Problem Orientated Material:
	Pro Forma Income Statements
	Cash Flow Analysis
	Yield Calculations, Tax Analysis
	EXAM #III
13	Other Financing Practices
14	Technology Advances in Financing and Investments
15	Environmental Issues
16	Loan Settlement Procedures
	FINAL EXAM