

# BUTTE COLLEGE

## COURSE OUTLINE

### I. CATALOG DESCRIPTION

**RLS 20 - Real Estate Principles**

**3 Unit(s)**

**Prerequisite(s):** NONE

**Recommended Prep:** Reading Level IV; English Level III; Math Level II

**Transfer Status:** CSU

51 hours Lecture

This introductory course provides students with an overview of the real estate industry, basic real estate terminology, fundamental economic principles applicable to the real estate industry, and professional and ethical challenges experienced by real estate professionals. The course introduces the fundamental principles of real estate ownership, transfer, financing, evaluation, agency law and contracts. This course satisfies the California Department of Real Estate (DRE) requirement that students pass a college-level "Real Estate Principles" course prior to taking the Real Estate Salesperson License Exam. This course can also count as one of the three optional courses that students must pass prior to taking the California Real Estate Broker License Exam.

### II. OBJECTIVES

Upon successful completion of this course, the student will be able to:

- A. Define and use common terminology used in the real estate industry.
- B. Describe the benefits and challenges of a career as a real estate professional, including the role of continuing education.
- C. Identify and discuss professional and ethical considerations in the Real Estate Industry as they relate to buyers, sellers, real estate professionals and the community.
- D. Outline the requirements and the steps in obtaining California Department of Real Estate (DRE) Salesperson, Broker's and Appraiser's licenses.
- E. Analyze laws that apply to real estate ownership, transactions and agency.
- F. Explain the fundamental principles of economics as they apply to the real estate industry and market.
- G. Solve basic mathematical problems relating to real estate, analyzing the outcomes of alternative real estate decisions.
- H. Compare and contrast the financing options available to a buyer, including loan types, lending institutions and government programs.
- I. Explain the steps in the process of transferring ownership of real estate, including the escrow procedure.
- J. Discuss the California Secure and Fair Enforcement (SAFE) Act legislation, its requirements for mortgage loan originators and its benefits to individuals and businesses engaging in real estate transactions.
- K. Complete a sample sales listing and sales contract.
- L. Demonstrate a basic understanding of the appraisal process and explain its fundamental impact on closing all real estate transactions.

### III. COURSE CONTENT

#### **A. Unit Titles/Suggested Time Schedule**

Lecture	
<u>Topics</u>	<u>Hours</u>
1. The Business of Real Estate	4.00
2. The Nature of Real Property	3.00

3. Ownership/Transfer of Real Property	3.00
4. Encumbrances and Liens	4.00
5. Real Estate Agency	2.00
6. Deposit Receipts and Disclosures	2.00
7. Real Estate Contracts	4.00
8. Introduction to Real Estate Finance (including Government Sponsored Finance)	8.00
9. Real Estate Mathematics	4.00
10. The Role of Title and Escrow Companies	3.00
11. Introduction to Real Estate Taxation	3.00
12. Leases and Landlord/Tenant Relations	3.00
13. Real Estate Appraisal	3.00
14. Residential Design and Construction	3.00
15. Government Land-Use Planning and Other Public Controls	2.00
Total Hours	51.00

#### **IV. METHODS OF INSTRUCTION**

- A. Lecture
- B. Instructor Demonstrations
- C. Group Discussions
- D. Guest Speakers
- E. Homework: Students are required to complete two hours of outside-of-class homework for each hour of lecture
- F. Reading Assignments
- G. Multimedia Presentations

#### **V. METHODS OF EVALUATION**

- A. Exams/Tests
- B. Quizzes
- C. Projects
- D. Homework
- E. Class participation
- F. Written Assignments
- G. Case Analysis
- H. Multiple choice exams comparable to the California licensing exam

#### **VI. EXAMPLES OF ASSIGNMENTS**

- A. Reading Assignments
  - 1. Read the text material pertaining to the escrow process. Prepare for in-class discussion of each step involved in a simple real estate escrow transaction.
  - 2. Read the text material pertaining to government land use. Contact the city and/or county for additional information. Prepare for in-class discussion of this topic.
- B. Writing Assignments
  - 1. Prepare a financing statement (approximately 2-5 pages) for the purchase of a single family residence, including a comparison of available financing options.
  - 2. Conduct research and prepare a basic Comparative Market Analysis (CMA) (1 page grid) for a residential property using the specified format. Identify and describe comparable listings, both recently sold, currently on the market, and expired. Based on analysis,

propose a listing price.

C. Out-of-Class Assignments

1. Attend a real estate open house. Ask questions of the realtor and submit a 2 page report including a flyer for the property and addressing the following: name of listing and sitting agent(s); how the realtor arrived at the sale price (e.g., competitive market analysis (CMA), comparables, seller demand) and why the property is being sold. Would you be interested in buying this property? Why or why not?
2. Conduct an interview with a local real estate professional. Write a 5 page report detailing the information provided to you, particularly as it relates to the various real estate career options of interest to you.

VII. **RECOMMENDED MATERIALS OF INSTRUCTION**

Textbooks:

- A. Stapleton, C.O. and Williams, M.R.. California Real Estate Principles. 8th Edition. Dearborn Financial Press, 2011.
- B. McKenzie, D.J., Brady, M.E. and Estes, E.. California Real Estate Principles. 9th Edition. Cengage Learning, 2011.

Materials Other Than Textbooks:

- A. Other appropriate collegiate level textbooks and materials of instruction may be used for this course.

**Created/Revised by:** Donna Weaver

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