

Course Outline 2017
PROPERTY 251: PROPERTY FINANCE AND INVESTMENT
(15 POINTS)

Semester 1 (1173)

Course Prescription

Finance represents a fundamental part of how properties are purchased, developed and managed. The application of general theories of property investment, discounted cash flow, risk and return, and financial mathematics is vital for property professionals. Debt and equity financing options are discussed for residential property, income-producing property, and development projects.

Programme and Course Advice

Prerequisite: PROPERTY 102 or ACCTG 101

Goals of the Course

The purpose of this course is to provide students with a conceptual framework and practical tools to better understand and evaluate the processes of property finance.

Learning Outcomes

By the end of the course it is expected that the student will be able to:

1. demonstrate an understanding of various types of mortgages used in financing of residential properties;
2. perform investment analysis of various financing alternatives for income-producing property;
3. evaluate the risks and rewards associated with a range of approaches used when investing in and financing residential and commercial property; and
4. learn the fundamentals of financial modelling for investment analysis using MS Excel.

Content Outline

Week 1	Introduction, course overview;
Week 2	Time Value of Money;
Week 3	Loan Structuring;
Week 4	Loan Pricing and Specialty Loans;
Week 5	TEST ONE
Week 6	Residential Financial Analysis;
Week 7	Buying a House and Business of Real Estate Investment;
Week 8	Investment Analysis of Income Producing Properties;
Week 9	TEST TWO
Week 10	Financial Leverage and Financing Alternatives;
Week 11	Assignment Workshop; Risk Analysis and Financing Project Development;
Week 12	Exam Review

Learning and Teaching

Lectures will be delivered online with weekly review sessions held in-class. Review sessions will cover conceptual and computational questions. You are encouraged to watch the assigned lecture videos prior to the class as this contributes to your participation marks.

During the test weeks, there will be in-class test review sessions on Wednesdays during regular lecture time. Your attendance is optional.

Assignment workshop will take place in Week 11. Location of the workshop is indicated in the detailed content outline.

Teaching Staff

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Learning Resources

Recommended textbook: BRUEGGEMAN, W.B. & FISHER, J.D., Real Estate Finance and Investments, McGraw-Hill/Irwin (There are multiple editions of this text, any earlier editions of the book cover the fundamental concepts of this course)

You must use an HP 10B, HP 10BII or HP 10BII+ financial calculator to solve the numerical problems introduced in the course. This calculator is required for your tests and exam.

Assessment

Test One	20%
Test Two	20%
Investment analysis assignment	12%
Participation	8%
Exam	40%
Total	<hr/> 100%

Further details on these assessments will be provided at our first lecture.

Learning Outcome	Test	Assignment	Exam
1	X		X
2		X	X
3	X		X
4		X	

(Note: The details set out in this outline are subject to change. Any changes will be notified in lectures.)

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the course lecturer.

Student Feedback

- In the previous course evaluation student comments were largely favourable. Students found lecture recording, coursebook content and practice problem sets especially helpful for their learning. Practice problem sets are now included in the coursebook.
- A handful of students felt that some of the material is covered too fast. To address that I will spend more time in class going through examples and showing solutions to problems.
- You will have an opportunity to complete a formative mid-course evaluation. In class I will summarise your feedback and address any concerns raised by students.

In the event of an unexpected disruption

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up to date information via Canvas and the university web site.

Departmental policies:

Please read through the Department of Property Policies on the department's website under *Department Home > Study Options > Study policies and guidelines*. These policies cover topics such as handing in assignments, granting extensions, group projects, etc.