Finance
REVISED COURSE PROPOSAL

1. Catalog Description.

3760 FIN Real Estate Investment (3-0-3) On demand

Short title: RE Investment

Course description: A study of the unique characteristics of real property and the application of standard finance concepts to real estate investment analysis with considerations for mixed asset portfolios.

Prerequisites: BUS 3710 with C or better or FIN 3720 with C or better, or permission of the Associate Chair, School of Business.

2. Objectives of the course:

Upon successful completion of this course, students will:
1. Be able to apply the expanded application of financial analysis concepts to real property.
2. Understand real property characteristics that create value.
3. Be able to apply financial asset investment concepts to evaluation of real estate assets as investments.
4. Be able to extend financial asset portfolio concepts to creation of mixed asset portfolios.
5. Be able to extend financial asset risk analysis to real property assets.
6. Be able to evaluate and manage real estate asset risk.

This course is structured as a writing active course.

3. Outline of the course:

<table>
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<tr>
<th>Week</th>
<th>Topic(s)</th>
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<tbody>
<tr>
<td>1</td>
<td>Real Estate Investment Decision Process</td>
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<tr>
<td>2</td>
<td>Investment Strategy and Concepts of Market Efficiency Applied to Real Estate</td>
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<tr>
<td>3</td>
<td>Market Research Tools and Techniques</td>
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<td>4</td>
<td>Reconstructing Financial History and Financial Forecasting</td>
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<td>5</td>
<td>Financial Leverage and Analysis</td>
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<tr>
<td>6</td>
<td>Credit and Cost of Borrowing</td>
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Student’s achievement of the course objectives will be measured by:

1. Four take-home examinations (Complex analyses)
2. One individual case fundamentals analysis (written report)
3. One team complex case analysis (written report and oral presentation) (teams of 4 to 6 members)
4. Midterm examination
5. Final examination

4. Implementation:

Faculty member(s) to whom the course may be assigned:
Waldo L. Born, PhD

No additional cost to student expected.

Text:
Investment Analysis for Real Estate Decisions
Gaylon E. Greer
Dearborn Publishing

Term to be first offered:
Spring 2003

5. Rationale:

Purpose and need: This course will augment the finance major offering to include real estate investment and portfolio analysis. The number of electives in the finance program is quite limited and the ability of students to select appropriate courses is restricted. This course replaces a course that is in the catalog but can’t be taught because recent changes increased the finance major requirements and strict prerequisites of the course prevent students from having the time to complete courses needed before graduation. The course being replaced is quite rigorous and quantitative, and requires the elective prerequisite stated. This revised course can be taught at a level that requires only two finance program core courses as electives. Consequently, the student will have an
additional elective and, in addition, variety can be achieved by rotating this and another real estate elective between the fall and spring semesters.

Justification for the level of the course and prerequisites: This course is an elective and has to be taught in the senior year. Students can’t enroll in BUS 3710 until they are admitted to the School of Business as first semester juniors. Finance majors must complete FIN 3720 (Investments) as a required course. Therefore, the prerequisites are BUS 3710, FIN 3720 and admission to the School of Business.

Similarity to existing courses: This course is not similar to any other course in the University. This course replaces FIN 4040 Real Estate Finance (3-0-3). Therefore, FIN 4040 should be deleted from the Finance elective offerings in the Catalog.

6. Community College Transfer:

A community college course will not be judged equivalent to this course.

7. Date approved by the Discipline: October 27, 2001

8. Data approved by the School Curriculum Committee: January 16, 2002

9. Date approved by the College Curriculum Committee: January 25, 2002

10. Date approved by CAA: February 14, 2002