

# Minnesota State University Moorhead

## **FINC 354: Real Estate Finance and Investments**

### **A. COURSE DESCRIPTION**

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite

FINC 340 - Financial Management

Corequisites: None

MnTC Goals: None

This course is a study of valuation, financial analysis, and investment analysis of real estate. Real estate development and financing sources are examined. Federal income taxes as they affect real estate investment are also considered.

**B. COURSE EFFECTIVE DATES:** 06/01/1995 - Present

### **C. OUTLINE OF MAJOR CONTENT AREAS**

1. Legal Concepts
2. Notes and Mortgages
3. Fixed Rate Mortgage Loans
4. Adjustable Rate Mortgages
5. Residential Financial Analysis
6. Introduction to Income-Producing Properties: Leases, Rents, and the Market for Space
7. Valuation of Income Properties: Appraisal and the Market for Capital
8. Investment Analysis and Taxation of Income Properties
9. Financial Leverage and Financing Alternatives
10. Mortgage Securitization
11. Real Estate Investment Trusts (REITs)
12. Real Estate Investment Performance and Portfolio Considerations

**D. LEARNING OUTCOMES (General)**

1. Describe important legal documents used in real estate transactions
2. Analyze alternative mortgage instruments and their mechanics
3. Evaluate characteristics of fixed rate mortgage loans.
4. Evaluate characteristics of adjustable rate mortgages
5. Evaluate alternative financing proposals for owner-occupied residential properties
6. Describe important aspects of income producing property investments such as leases, rent contracts and space market dynamics
7. Evaluate income producing real estate investments with alternative financing proposals
8. Evaluate characteristics of securitized mortgages
9. Describe the basic structure of Real Estate Investment Trusts (REITs) and evaluate investment prospects of an actual REIT based on its Net Asset Value (NAV)
10. Evaluate the role of direct and/or indirect real estate investments in a well-diversified portfolio

**E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

**F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

**G. SPECIAL INFORMATION**

None noted