



Course Syllabus

Course Code	Course Title	ECTS Credits
MBAN-795	Real Estate Financing & Investment	7.5
Prerequisites	Department	Semester
None	School of Business	Fall, Spring, Summer
Type of Course	Field	Language of Instruction
Elective	Real Estate/Finance	English
Level of Course	Lecturer(s)	Year of Study
2 nd Cycle	Dr. Stelios Markoulis	1 st or 2 nd
Mode of Delivery	Work Placement	Corequisites
Face to Face	N/A	None

Course Objectives:

The main objectives of the course are to:

- Provide an overview of the **key economic principles** of the real estate market.
- Develop a number of **analytical mathematical tools** such as present value mathematics and measurement of investment returns for the real estate industry.
- Illustrate how the **discounted cash flow** methodology can be applied in real estate in order to evaluate the value and hence the viability of a project
- Provide analytical tools that may be used to **analyze a mortgage** from an investment perspective
- Discuss the potential role of real estate assets within the framework of **modern portfolio theory**
- Demonstrate the **call option model of land value**

Learning Outcomes:

After completion of the course students are expected to be able to:

1. Analyse the basic economic concepts of supply and demand in real estate markets.
2. Appreciate and apply the basic mathematical formulas and procedures for converting real estate future cash flows and risk patterns to present value.
3. Apply the discounted cash flow valuation procedure in the real estate industry.
4. Evaluate leverage and more specifically how the use of debt affects the return of an equity investment.
5. Compute mortgage payments and balances for a variety of different types of loans.

6. Learn how to quantify the effect of default risk on the expected returns of a mortgage.
7. Appreciate what securitisation is and its role in the crisis of 2007/08.
8. Evaluate the role of real estate in modern portfolio theory.
9. Determine the value of land by applying the call option model of land value.

Course Content:

1. Introduction to Real Estate Economics
2. Present Value Mathematics for Real Estate
3. Measuring Investment Performance
4. Real Estate Valuation and Investment Analysis
5. Use of Debt in Real Estate Investing
6. Mortgages Basics
7. Mortgage Analysis
8. Securitization
9. Macro-Level Real Estate Investment Issues
10. Real Options and Land Value

Learning Activities and Teaching Methods:

Lectures, Case studies, In-Class Exercises and Presentations

Assessment Methods:

Mid-Term Exam, Final Exam, In-Class Exercises

Required Textbooks / Readings:

Title	Author(s)	Publisher	Year	ISBN
Commercial Real Estate Analysis and Investments (3 rd edition)*	Geltner, D., Miller N, Clayton J. and Eichholtz P.	Cengage Learning	2013	978-0-324-30548-7