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 the time value of money concepts and discounted cash flow techniques;
2. demonstrate an understanding of various types of mortgages used in financing of residential properties;
3. perform investment analysis of various financing alternatives for income-producing property; and
4. evaluate the risks and rewards associated with a range of approaches used when investing in and financing residential and commercial property.

Content Outline
Week 1  Time Value of Money;
Week 2  Loan Structuring
Week 3  Loan Pricing and Specialty Loans
Week 4  Residential Financial Analysis
Week 5  Buying a House and Business of Real Estate Investment
Week 6  TEST
Week 7  Investment Analysis of Income Producing Properties
Week 8  Financial Leverage
Week 9  Financing Alternatives
Week 10  Assignment Workshop
Week 11  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. Most review sessions are scheduled to take place on Fridays with the exception of the meeting in week 5. You are encouraged to watch the assigned lecture videos prior to the class as this introduces you to the topic reviewed that week and provides examples of computational problems that appear in the weekly quizzes. Each quiz contributes up to 1% towards your final grade.

During the test week, there will be an additional in-class test review session on Thursday during regular lecture time. The test is on Friday, April 20. Assignment drop-in clinics are in Week 10. There will be no in-class review session and no quiz due that week. Assignment is due on Monday, May 21. Location of the clinics are indicated in the detailed content outline.

Teaching Staff
Dr Olga Filippova
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Phone: 923 6289
Email: o.filippova@auckland.ac.nz

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 test and exam.

Assessment

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<tr>
<th></th>
<th>Test</th>
<th>Investment analysis assignment</th>
<th>Quizzes</th>
<th>Assignment</th>
<th>Exam</th>
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</thead>
<tbody>
<tr>
<td>Test</td>
<td>30%</td>
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<tr>
<td>Investment analysis assignment</td>
<td>10%</td>
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<td>Quizzes</td>
<td>9%</td>
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<td>Participation (Feedback)</td>
<td>1%</td>
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<td>Comprehensive Final Exam</td>
<td>50%</td>
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<td>Total</td>
<td>100%</td>
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Further details on these assessments will be provided at our first lecture.

(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, slide content and practice problem sets especially helpful for their learning.
- 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.

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CHEATING AND PLAGIARISM
The University of Auckland regards cheating as a serious academic offence.

Plagiarism is a form of cheating. In coursework assignments submitted for marking, plagiarism can occur if you use the work and ideas of others without explicit acknowledgment. Work can be plagiarised from many sources, including books, journal articles, the internet, and other students’ assignments. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

The way of avoiding plagiarism is to reference your work properly. If you are in doubt about how to reference properly, ask someone – your lecturers, tutors and the Student Learning Centre are good places to start. Please refer to the following website for further information about academic referencing: www.cite.auckland.ac.nz/

The document Guidelines: Conduct of Coursework provides further advice on how to avoid plagiarism. It can be found at: www.business.auckland.ac.nz/conductcoursework

The penalties for plagiarism can be severe, including losing some or all of the marks for the assignment. Major offences can be sent to the University’s Discipline Committee, where further penalties can be imposed.
THIRD PARTY ASSISTANCE WITH COURSEWORK
While you are encouraged to improve your coursework writing skills and are permitted to seek assistance from third parties you are advised that there are important limits on the amount and type of assistance that can be given to you in completing your assignments, including group work. Third parties include fellow students, reading groups, friends, parents, SLC tutors, and paid-for professional editing services.

There is a set of guidelines which clearly indicates the type of advice and assistance that can be given. If you are seeking the assistance of any third party you are required to give a copy of the guidelines to the person prior to them helping or assisting you.

You are also required to only seek and accept help using a printed version of your work, not an electronic version. You must keep a copy of this printed version and produce it if required.

A copy of the guidelines is available at: www.business.auckland.ac.nz/thirdpartyassistance

HELP WITH ACADEMIC REFERENCING
Acknowledgement of sources is an important aspect of academic writing. The University’s Referen©ite website www.cite.auckland.ac.nz provides students with a one-stop online resource for academic referencing needs. Referen©ite explains the essentials of referencing and how to avoid plagiarism. It also includes practical tools to help students reference correctly, use references effectively in writing, and gives fast access to some major reference formats with examples.
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<tr>
<th>Wk</th>
<th>Week starting</th>
<th>Topic</th>
<th>Face-to-Face Sessions</th>
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<tbody>
<tr>
<td>1</td>
<td>26/2</td>
<td>L1: Course Overview and Introduction</td>
<td>In-class intro lecture Thurs 1/3</td>
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<td>2</td>
<td>5/3</td>
<td>L2: Time Value of Money Tutorial: Intro to HP10B II Financial Calculator</td>
<td>Review Session 1 Fri 9/3 (Lecture 2 and calc tutorial) Quiz 1 due Fri 1 PM</td>
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<tr>
<td>3</td>
<td>12/3</td>
<td>L3: Loan Structuring</td>
<td>Review Session 2 Fri 16/3 (Lecture 3) Quiz 2 due Fri 1 PM</td>
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<td>4</td>
<td>19/3</td>
<td>L4: Loan Pricing L5: Residential Financial Analysis</td>
<td>Review Session 3 Fri 23/3 (Lectures 4 &amp; 5) Quiz 3 due Fri 1 PM</td>
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<tr>
<td>5</td>
<td>26/3</td>
<td>L6: Buying a House L7: Business of Real Estate Investment</td>
<td>Review Session 4 Thurs 29/3 (Lectures 6 &amp; 7) Quiz 4 due Thurs 3 PM</td>
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<td>Mid-semester break Friday 30 March - Sunday 15 April</td>
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<td>6</td>
<td>16/4</td>
<td>FRIDAY, April 20th <strong>90-MIN TEST</strong> (30% of overall grade) Covers material from Lectures 2 through 7</td>
<td>In-class Test review Thurs 19/4 <strong>90-min in-class test, Fri 20/4</strong></td>
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<td>7</td>
<td>23/4</td>
<td>L8: Investment Analysis of Income-Producing Properties</td>
<td>Review Session 5 Fri 27/4 (Lecture 8) Quiz 5 due Fri 1 PM</td>
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<td>8</td>
<td>30/4</td>
<td>L9: Financial Leverage</td>
<td>Review Session 6 Fri 4/5 (Lecture 9) Quiz 6 due Fri 1 PM</td>
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<td>9</td>
<td>7/5</td>
<td>L10: Financing Alternatives</td>
<td>Review Session 7 Fri 11/5 (Lecture 10) Quiz 7 due Fri 1 PM</td>
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<td>10</td>
<td>14/5</td>
<td>Investment Analysis Assignment Drop-in Clinics</td>
<td>Thurs 17/5, 2:30-5pm Room 5115 (OGGB) Fri 18/5, 12:30-4 pm Room 6115 (OGGB)</td>
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<td>11</td>
<td>21/5</td>
<td>L11: Financing Project Development</td>
<td>Assignment due Mon 21/5, 10 AM Review Session 8 Fri 25/5 (Lecture 11) Quiz 8 due Fri 1 PM</td>
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<tr>
<td>12</td>
<td>28/5</td>
<td>Exam Review</td>
<td>Exam Review Fri 1/6 Quiz 9 due Fri 1 PM</td>
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