

AP331

Real Estate Investment Analysis and

Advanced Income Appraisal

3 Credits

Instructor: Rob Koebel
Phone: 780 871 5438
Original Developer: Rob Koebel
Current Developer: Rob Koebel
Reviewer: Kenneth Rutherford
Created: 03/04/2008
Revised: 15/12/2020
Approval: 15/12/2020

The Implementation Date for this Outline is 09/01/2015

Copyright©LAKELAND COLLEGE. Email: admissions@lakelandcollege.ca
2602 - 59 Avenue, Lloydminster, Alberta, Canada T9V 3N7. Ph: 780 871 5700
5707 College Drive, Vermilion, Alberta, Canada T9X 1K5. Ph: 780 853 8400
Toll-free in Canada: 1 800 661 6490



AP331 Version: 2



Real Estate Investment Analysis and Advanced Income Appraisal

Calendar Description

Valuation techniques for real estate are examined, including the income method of appraisal, tax consequences of real property ownership, and portfolio analysis methodology.

Rationale

This is a required course for the Real Estate Appraisal and Assessment program. It is an essential course for any student planning to pursue a career in the field of property tax assessment or real estate appraisal.

Prerequisites

AC230, or consent of instructor in cases where AC230 is being taken concurrently.

Co-Requisites

None

Course Learning Outcomes

Upon successful completion of this course, students will be able to

1. define and describe real estate, real estate assets, real estate investments, and real estate markets.
2. prepare various financial statements and utilize financial ratios to compare real estate investment opportunities.
3. define and describe the various forms of leases and the major terms relating to lease agreements.
4. calculate and analyze lease valuations, from an appraisal perspective.
5. apply various taxation concepts, such as income tax, GST, CCA, and capital gains, to real estate investment valuation models.
6. apply various single and multiple period return measurements, including ROI, NPV, and IRR, to real estate investments.

7. apply various valuation techniques to real estate properties, including the income method, the mortgage-equity method, and the residual valuation technique.
8. identify and measure the major sources of risk in real estate investments, and incorporate them in valuation models.
9. define the various real estate ownership structures and describe their main characteristics.
10. apply portfolio theory to real estate investment valuation.

Resource Materials

Required Text(s):

UBC Real Estate Division. (2019). *Real estate investment analysis and advanced income appraisal course manual*. Vancouver, BC: Real Estate Division, Sauder School of Business, University of British Columbia.

UBC Real Estate Division. (2019). *Real estate investment analysis and advanced income appraisal course workbook (BUSI 331)*. Vancouver, BC: Real Estate Division, Sauder School of Business, University of British Columbia.

Reference Text(s):

TBA

Conduct of Course

Since AP331 is course BUSI 331 in the diploma program in Urban Land Economics at the University of British Columbia, contents of the course workbook are followed.

AP331 is one of the five courses required in the certificate program in Real Property Assessment at the University of British Columbia Real Estate Division.

AP331 is primarily a lecture course with chapter assignments and two projects that apply chapter material to reinforce concepts presented.

Classroom participation concerning class material is expected and is beneficial to all students. Practice classroom courtesy so that class discussion periods can be conducted in an orderly fashion. If you must enter the classroom after class has begun, please do so as quietly as possible. If you have a disagreement with the instructor on a particular graded exercise or exam question, please see the instructor after class or during office hours.

Studying for the course: it is critical that each student read the assigned material for each class and keep up to date with all lectures and assigned problems.

Student counseling: students who are experiencing difficulty with the course should immediately consult the instructor during office hours or by appointment.

Course withdrawal: students should familiarize themselves with the school's course withdrawal policy and procedures that are explained in the student handbook/calendar. It is important to note that students who simply discontinue attending class without officially withdrawing from the course receives a grade based upon the total points they have accumulated. Ordinarily, the result is a failing grade.

Canceled classes: on occasion classes may be canceled due to inclement weather, instructor illness, or for some other reason. These classes are rescheduled if possible. Please check and carefully read the cancellation notices posted on classroom doorways (i.e. date, time and course).

Cheating: any student observed plagiarizing materials or cheating on written assignments/projects, chapter quizzes or the final exam are dealt with according to the procedure stipulated in the student handbook/calendar.

Evaluation Procedures

The final grade is an aggregate of the following components:

Multiple Choice Assignments		15%
Projects/Written Assignments	No. 1	10%
	No. 2	25%
Examination Final		50%
Total		100%

Any changes to the evaluation process will be discussed during the first class.

Grade Equivalents and Course Pass Requirements

A minimum grade of D (50%) (1.00) is required to pass this course.

Letter	F	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
Percent Range	0-49	50-52	53-56	57-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-100
Points	0.00	1.00	1.30	1.70	2.00	2.30	2.70	3.00	3.30	3.70	4.00	4.00

Students must maintain a cumulative grade of C (GPA - Grade Point Average of 2.00) in order to qualify to graduate.

Attendance

Regular attendance is essential for success in any course. Absence for any reason does not relieve a student of the responsibility of completing course work and assignments to the

satisfaction of the instructor. Poor attendance may result in the termination of a student from a course(s).

If you do not meet the established attendance requirements, your instructor will recommend that the Registrar withdraw you from the course. A failing grade of RW (Required to Withdraw) will appear on your transcript.

In cases of repeated absences due to illness, the student may be requested to submit a medical certificate.

Instructors have the authority to require attendance at classes.

Course Units/Topics

Chapter 1: Overview of Real Estate Assets and Markets

Chapter 2: Analysis of Income and Expenses

Chapter 3: Introduction to Leasing

Chapter 4: Lease Analysis

Chapter 5: Taxation of Real Estate Investments

Chapter 6: Return Measurement

Chapter 7: Income Method of Valuation

Chapter 8: Mortgage Equity and Residual Valuation Techniques

Chapter 9: Risk Determination, Measurement, and Analysis

Chapter 10: Real Estate Ownership Structures

Chapter 11: Real Estate Investments - Portfolio Analysis and Management



Copyright©LAKELAND COLLEGE.
2602 - 59 Avenue, Lloydminster, Alberta, Canada T9V 3N7. Ph: 780 871 5700
5707 College Drive, Vermilion, Alberta, Canada T9X 1K5. Ph: 780 853 8400
Toll-free in Canada: 1 800 661 6490 E-mail: admissions@lakelandcollege.ca