

FNCE30005 Real Estate Finance

Credit Points:	12.5
Level:	3 (Undergraduate)
Dates & Locations:	2015, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: One 2-hour lecture and one 1-hour tutorial per week Total Time Commitment: 120 hours
Prerequisites:	<u>FNCE20001 Business Finance</u> (../view/2010/333-201) and <u>FNCE20004 Introduction to Real Estate Analysis</u> (../view/current/FNCE20004) .
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
Non Allowed Subjects:	None
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
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Subject Overview:	Real estate is the largest asset class in the investment universe. It consists of everything from the single-family home to real estate-backed derivative products. This course introduces the specialised financial principles needed for portfolio and investment decisions for this diverse asset class. The subject will focus on understanding the primary sources of value in real estate based investments and on assessing the risks to this value. Potential topics include techniques in real estate financing, capital structure in residential and commercial real estate markets, innovations in real estate financing, contingent claims and real options in real estate markets, lease contracts and the valuation of options imbedded in real estate backed assets.
Learning Outcomes:	<ul style="list-style-type: none"> # Recognise the structure of residential and commercial real estate markets and their place in the world's economies, # Use introductory economic and financial principles to determine impact of economic events on the prices of real estate assets, # Apply basic financial principles to analyse the performance of real estate assets, # Use basic statistical techniques to study the factors determining real estate prices and returns, # Display an intermediate knowledge of the mortgage markets and mortgage instruments, with special emphasis on the Australian mortgage market, and # Evaluate contemporary policy debates in the area of real estate finance.
Assessment:	A 2-hour end-of-semester examination (50%) and assignments totalling 2500 words, or equivalent, due in week 9 to 11 (50%).
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.

Breadth Options:	<p>This subject potentially can be taken as a breadth subject component for the following courses:</p> <ul style="list-style-type: none"> # Bachelor of Arts (https://handbook.unimelb.edu.au/view/2015/B-ARTS) # Bachelor of Biomedicine (https://handbook.unimelb.edu.au/view/2015/B-BMED) # Bachelor of Environments (https://handbook.unimelb.edu.au/view/2015/B-ENVS) # Bachelor of Music (https://handbook.unimelb.edu.au/view/2015/B-MUS) # Bachelor of Science (https://handbook.unimelb.edu.au/view/2015/B-SCI) # Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2015/B-ENG) <p>You should visit learn more about breadth subjects (http://breadth.unimelb.edu.au/breadth/info/index.html) and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.</p>
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<ul style="list-style-type: none"> # High level of development: problem solving; statistical reasoning; application of theory to practice; critical thinking; use of computer software. # Moderate level of development: written communication; collaborative learning; team work; interpretation and analysis; synthesis of data and other information; evaluation of data and other information; # Some level of development: oral communication; accessing data and other information from a range of sources.
Related Breadth Track(s):	Real Estate and the Australian Dream