UNIVERSITY OF PIRAEUS

1) GENERAL

SCHOOL	ECONOMICS, BUSINESS AND INTERNATIONAL STUDIES		
ACADEMIC UNIT	ECONOMICS		
LEVEL OF STUDIES	UNDERGRADUATE		
COURSE CODE	**OKXAA08**	**SEMESTER**	8
COURSE TITLE	**FINANCIAL ANALYSIS AND REAL ESTATE MARKETS**		
INTEPENDENT TEACHING ACTIVITIES	**WEEKLY TEACHING HOURS**	**CREDITS**	
Lectures	4	5	
COURSE TYPE	SCIENTIFIC EXPERTISE		
PREREQUISITE COURSES	-		
LANGUAGE OF INSTRUCTION and EXAMINATIONS	GREEK		
IS THE COURSE OFFERED TO ERASMUS STUDENTS	NO		
COURSE WEBSITE (URL)	https://eclass.unipi.gr/courses/OEP463/		

2) LEARNING OUTCOMES

Learning Outcomes

The purpose of the course is to introduce and comprehensively cover all the basic aspects of financial analysis related to real estate. In order to achieve this goal, the teaching of the course will revolve around four main thematic units:

1. Valuation and Risk Management Methods of Individual Direct Investments in Residential and Commercial Real Estate.
2. Financial Analysis (Budgeting) and Financing of Real Estate.
3. Securitization of Real Estate (Securitisation) and Risk Management of Indirect Investment in Real Estate: Real Estate Investment Trust - REITs.
4. Risk Management and Valuation of Real Estate Portfolios (Portfolio Management: Real Estate Stocks and Assets).

The course is expected to help learners develop a proper understanding of modern real estate financing tools and techniques used in Greece and internationally. Having acquired the necessary analytical skills, they will be able to make rational decisions regarding the optimal way to finance and invest in an economic unit in the construction and real estate management sectors.

General Competences

- Adapting to new situations
- Decision-making
- Individual/Independent work
- Critical thinking
- Group/Team work
- Development of free, creative and inductive thinking
- Working in an international environment

3) SYLLABUS

Week 1
Introductory concepts and overview of real estate finance
• Basic concepts and terms
• The nature of real estate markets: analysis of different types of real estate investments (retail/commercial real estate, office market, residential, industrial real estate).
• The importance of the real estate market to the economy.

Week 2
• Simple vs Compound interest, Time Value of Money: Future & Present value of annuity and perpetuity
Chap. 4 (pp. 145-165) Brigham F. Eugene, Ehrhardt C. Michael and Roland Fox
Financial Management - From Theory to Practice
Chap. 2 Brealey Richard, Myers Stewart, Allen Franklin
Principles of Corporate Finance
• Time Value of Money: Examples and Exercises

Week 3
Case Study
Present Value and Future Value: Lottery winnings - Looks can be deceptive

Week 4
Traditional Forms of Financing: Equity and Preference Shares Valuation
• Methods of analyzing and pricing stocks: Dividends and Earnings growth valuation models and P/E Ratio
Chap. 8 (pp. 275-291) Brigham F. Eugene, Ehrhardt C. Michael and Roland Fox
Financial Management - From Theory to Practice
Chap. 4 (except §4.5, pp. 99-103) Brealey Richard, Myers Stewart, Allen Franklin
Principles of Corporate Finance
• Stocks: Examples and Exercises

Week 5
Case Study
Stocks: How Low Can It Go?

Week 6
• Traditional Forms of Financing: Bonds
Introduction to Fixed Income Products
(Debt and Preference Capital, Instruments of long-term debt financing, Characteristics of long-term debt)
Chapter 5 (pp. 173-200, except pp. 187-190) Brigham F. Eugene, Ehrhardt C. Michael and Roland Fox Financial Management - From Theory to Practice
Chapter 3 (except §3.3 and §3.4, pp. 57-62) Brealey Richard, Myers Stewart, Allen Franklin
Principles of Corporate Finance

• Bond Analysis and Pricing: Examples and Exercises

Week 7
Case Study
Corporate Bonds −They are More Complex Than You Think!

8th Week
Case Study
Financial Leverage in Real Estate Investments: The 2007 Sub-prime Loan Market Crisis

9th Week
Financial Analysis (Budgeting) and Financing of Real Estate
• Mortgage Loans, Fixed and Variable Rate for Real Estate Financing
• Examples-Exercises
• Financial Analysis of Residential and Commercial Real Estate Investments

10th Week
Portfolio Theory- Markowitz Model.

• Real Estate Investment Portfolio Returns and Risks.
Chap. 7-8-9 Brealey Richard, Myers Stewart, Allen Franklin Principles of Corporate Finance
• Examples-Exercises

Week 11
Portfolio Management: Real Estate Stocks
and Assets.

Week 12
Real Estate Investment Trusts (REITs) and Real Estate Mutual Funds.

Week 13
Case Study
Prontea Real Estate Investment Company

Review - Final Exam Questions

4) TEACHING and LEARNING METHODS

DELIVERY	In-class lecturing	
USE OF INFORMATION AND COMMUNICATION TECHNOLOGY	• Use of ICT in lectures • USE of ICT in Communication with students	
TEACHING METHODS	**Activity**	**Semester workload**
	Lectures	52
	Independent Study	35
	Case Studies	30
	Educational visit (in one of the Listed Greek Real Estate Investment Companies)	6
	Final Exam	2
	Total	125
STUDENT PERFORMANCE EVALUATION	Evaluation is based on a final exam that forms 100% of the student's grade. During this final exam it is necessary to use a scientific calculator, that the students must bring with them (no borrowing is allowed). No other digital/electronic means of calculation is allowed (laptops, mobile phones etc.)	
ATTACHED BIBLIOGRAPHY	Main Textbooks (in Greek) 1. Brigham F. Eugene, Ehrhardt C. Michael and Roland Fox Χρηματοοικονομική Διοίκηση - Από τη Θεωρία στην Πράξη Έκδοση: 1/2019 Ελληνική ISBN: 9789925575442, Διαθέτης (Εκδότης): BROKEN HILL PUBLISHERS LTD 2. Brealey Richard, Myers Stewart, Allen Franklin Αρχές Χρηματοοικονομικής των Επιχειρήσεων Έκδοση: 2η Ελληνική/2016 ISBN:978-618-81298-1-8 Supplementary Reading 1. Brown, G.R. and Matysiak G.A., (2000), Real Estate Investment: A Capital Market Approach, Financial Times/Prentice Hall (latest edition) (ISBN 0-13-020063-8) https://books.google.gr/books/about/Real_Estate_Investment.html?id=Z0l4QgAACAAJ&redir_esc=y 2. Brueggeman, W.B. and Fisher J.D., (2005), Real Estate Finance & Investments, McGraw–Hill/Irwin, (latest edition) (ISBN 007-123821-2) https://www.mheducation.com/highered/product/real-estate-finance-investments-fisher-brueggeman/M9781260734300.html	

	3. Corgel, J.B., Smith, H.C. and Ling, D.C., (1998), Real Estate Perspectives, McGraw–Hill/Irwin (latest edition) (ISBN 0-256-15245-4) https://books.google.gr/books/about/Real_Estate_Perspectives.html?id=ZhehngEACAAJ&redir_esc=y 4. Geltner, D.M. and Miller, N.G., (2001), Commercial Real Estate Analysis & Investments, South Western Thomson Learning (latest edition) (ISBN 0-324-136765) https://archive.org/details/commercialreales0000gelt 5. Ling, D.C. and Archer W.R., (2005), Real Estate Principles: A Value Approach, McGraw–Hill/Irwin (latest edition) (ISBN 007-111291-X) https://www.mheducation.com/highered/product/real-estate-principles-value-approach-ling-archer/M9781260013931.html