

Course Outline

COURSE: RE 167 **DIVISION:** 50 **ALSO LISTED AS:**

TERM EFFECTIVE: Fall 2016 **CURRICULUM APPROVAL DATE:** 02/22/2016

SHORT TITLE: REAL ESTATE ECON

LONG TITLE: Real Estate Economics

<u>Units</u>	<u>Number of Weeks</u>	<u>Type</u>	<u>Contact Hours/Week</u>	<u>Total Contact Hours</u>
3	18	Lecture:	3	54
		Lab:	0	0
		Other:	0	0
		Total:	3	54

COURSE DESCRIPTION:

An introduction to the economic factors affecting real estate; business fluctuations and real estate cycles; the mortgage market; commercial, industrial and residential income properties and trends; and rural and specific purposes properties and trends. This course may be used for the California Broker's License. This course has the option of a letter grade or pass/no pass. **ADVISORY:** Real Estate 160

PREREQUISITES:

COREQUISITES:

CREDIT STATUS: D - Credit - Degree Applicable

GRADING MODES

L - Standard Letter Grade

P - Pass/No Pass

REPEATABILITY: N - Course may not be repeated

SCHEDULE TYPES:

02 - Lecture and/or discussion

STUDENT LEARNING OUTCOMES:

1. Identify the basic factors affecting the economic value of real estate.

Measure: written exam, homework

PLO:

ILO: 7,2,3,1

GE-LO:

Year assessed or anticipated year of assessment: 2016-17

2. Explain how economic factors affect real estate markets in cities.

Measure: written exam, homework, discussion

PLO:

ILO: 7,2,1,4

GE-LO:

Year assessed or anticipated year of assessment: 2016-17

3. Compare various land uses and developments and contrast geographical implications based on development trends.

Measure: written exam, homework, discussion

PLO:

ILO: 7,2,1,3

GE-LO:

Year assessed or anticipated year of assessment: 2016-17

4. Compare planning and land control with economic factors and fair housing opportunities.

Measure: written exam, homework

PLO:

ILO: 7,2,3,1

GE-LO:

Year assessed or anticipated year of assessment: 2016-17

5. Differentiate government regulations that affect several types of real estate properties.

Measure: written exam, homework, discussion

PLO:

ILO: 7,2,1,3,4

GE-LO:

Year assessed or anticipated year of assessment: 2016-17

CONTENT, STUDENT PERFORMANCE OBJECTIVES, OUT-OF-CLASS ASSIGNMENTS

Curriculum Approval Date: 02/22/2016

9 Hours

Content: Economic Principles and Cycles: Economics, Supply and Demand, Deflation and Inflation, Basic Real Estate Economic Theories and Principles AND Economic Theories and Measurements: Economists, Economic Systems, Land and The Real Estate Market, Types of Competition, Understanding Value, Economic Measurements, Real Estate Bubbles and Economic Bubbles, The Bubble Burst, The Great Recession, Economic Stimulus.

Student Performance Objectives: Discuss the reasons for and effects of changes in the real estate marketplace. Explain the basic economic cycles and how they relate to real estate. Define a deflationary period and an inflationary period. State the difference between value and price as well as the role of profit in

the real estate market. Describe a variety of measures that can be used to monitor the economy in general, and the real estate economy in particular.

Out-of-Class Assignments: Read related chapters in the textbook and complete review questions quizzes.

Homework: Using the Ask.com search engine, estimate the percentage of change in residential real estate values in your area over the past 5 - 10 years. Complete worksheet questions and come to class prepared to discuss. Such as: Give examples of land use in your area that is not the highest and best use. Give examples of disparity in sales prices and/or rent, which reflects our imperfect marketplace. Discuss changes in any economic indicators over the past month, as reported in area newspapers as to what effect they could have on your local real estate economy.

3 Hours

Content: Money and Financing: Money, The Federal Reserve System, Fiscal Policy, Balance of Trade, The Federal Government and Financing, The Secondary Mortgage Market, Credit, Loan Funds, Lender Crisis, Other Forms of Loans and Financing.

Student Performance Objectives: Discuss the role of money in our economy and the effect changes in its velocity, supply and cost have on our real estate marketplace. Describe the monetary and fiscal controls that are available. Explain our primary and secondary mortgage markets and state the reasons for the changes in these markets. Discuss the Federal Reserve System.

Out-of-Class Assignments: Read related chapter in the textbook and complete review questions quiz.

Homework: Answer the following questions: What rates are currently being paid in your area for daily deposits and one-year deposits and how can these rates affect the mortgage market? Using the search engine Bing, detail the current down payment requirements of your local lenders? Would you advise a 15-year loan to a buyer who could afford the additional payment over a 30-year loan and why?

9 Hours

Content: Cities - Their Origins and Growth: Prime Time for Cities, Location of Cities, Growth of Modern Cities, Growth Patterns of Cities, How Cities Continue to Grow, Younger Demographics AND Problems of the Cities: Cities, Other Negative Factors Facing Cities, What's Happening AND Overcoming Problems of the Cities: Economics and Revitalization, Fighting Blight, Assistance to Buyers.

Student Performance Objectives: Discuss the reasons for urban growth, growth patterns and the economics of cities. Define neighborhoods and megalopolis. Describe the challenges facing cities today and explain how they relate to the economy and real estate. Discuss how private and government action coupled with free market forces have overcome many problems of cities and are working to make cities desirable for living and becoming economically viable.

Out-of-Class Assignments: Read related chapters in the textbook and complete review questions quizzes.

Study for Midterm. Homework: Complete worksheet questions and come to class prepared to discuss. Such as: What economic factors were responsible for the formation of your city (neighboring cities)? How would you describe the growth pattern of your city (neighboring cities) and why? What economic factors influenced the growth of your city (neighboring cities)? Homework: Using the Yahoo search engine, determine what has been done and/or can be done to alleviate traffic problems in your area.

3 Hours

Content: The Suburbs and Beyond: What is a Suburb, A History of Suburban Growth, Continued Suburban Growth, Suburbs and Minorities, Taxes and The Suburbs, Nonresidential Growth, Planned Suburbs, No Growth or Limited Growth, The Graying of The Suburbs, Deterioration of The Suburbs, Transportation Problems of The Suburbs, Revitalization of The Suburbs, Boomburbs, Exurbia. Review for Midterm.

Student Performance Objectives: Discuss the origin and growth of suburbs. State the factors affecting suburban formation and growth as well as stating the problems. Define boomburg and exurbia.

Out-of-Class Assignments: Read related chapter in the textbook and complete review questions quiz. Study for Midterm.

6 Hours

Content: Midterm. Government Regulations and Taxes: Local, State and National Regulations; Public Housing; Subsidized Housing; Antitrust Laws; Rent Control; Development Subsidies and Fees; Property Taxes; Agricultural Property Tax Regulations; Income Taxes; Installment Sales and Exchanges.

Student Performance Objectives: Describe the positive and/or negative effects government regulations can have on the real estate market. Explain how our tax laws can affect the real estate marketplace.

Out-of-Class Assignments: Read related chapter in the textbook and complete review questions quiz.

Homework: Investigate the answer to one of the following questions: What development fees are assessed in your area? OR Do you have rent control in your area? If so, what are its provisions and what effect has it

had on local values and development? OR What effect, if any, have changes in the tax laws had on the real estate marketplace in your area?

9 Hours

Content: Housing: Homeownership, The Housing Marketplace, The Rental Marketplace, Special Housing Markets, Facts About Home Buying, New Home Speculation AND Nontraditional Housing: Manufactured Homes, Modular Homes, Green Homes, Group Homes, Build-Up Units, Shared Housing, Retirement Housing, Timeshares AND Farms and Land: Farmland Statistics, Farmland Real Estate Market, Farm Types, Changes in Agricultural Use, The Farm Crisis of the '80s, Modern Threats to Agriculture, Land.

Student Performance Objectives: Discuss ownership trends and the factors influencing homeownership. Describe the special markets that exist in real estate. Define and identify examples of filtering down. Explain what is meant by nontraditional housing. List examples of nontraditional housing. Discuss the factors which are currently determining farmland value. Discuss the historical shift in how farms are managed.

Out-of-Class Assignments: Read related chapters in the textbook and complete review questions quizzes.

Homework Examples: Which segments of your local housing market suffered the largest percentage loss in value since 2006? Why? OR Explore 8-12 types of nontraditional housing in your city (surrounding cities) and come to class prepared to discuss them. OR Do a Yahoo search to find out what changes in agricultural land use has occurred in your area over the past 20 years.

6 Hours

Content: Nonresidential Real Estate: Economy and Value, Location Analysis, Types of Leases, High-Rises, Office Buildings, Hotels, Rental Space, Industrial Property, Changes in Use, Nonresidential Investors AND Planning and Land Use Control: City and County Planning, Environmental Problems, Zoning and Planning, Other Planning and Land Issues.

Student Performance Objectives: Describe the different types and uses of nonresidential real estate. Discuss the benefits, as well as the negative aspects of real estate investments. Describe the different types of office buildings and explain how each type is suited for a particular need. Identify the different types of shopping centers and malls and discuss how population, demographics and other factors determine the suitability of each one. Discuss the origins of city planning. State the pros and cons of city planning. Discuss the environmental problems in planning and land use.

Out-of-Class Assignments: Read related chapters in the textbook and complete review questions quizzes.

Study for Final. Homework Examples: Identify empty nonresidential structures where conversion to other uses might be feasible. What uses might they be? OR Give examples of what you consider poor planning in your area.

7 Hours

Content: The Economics of Development: Basics of Property Development, The Development Industry, The Development Entrepreneur, Dangers of Growth Limitations, Speculator's Risk and Development, Profit, Financing The Development, Recreational Developments AND Economic Decision Making and Fair Housing: Financial Forecasting, Investment Alternatives, Pricing, Rental Decisions, Housing Development Decisions, Financing Decisions, Other Economic Decisions, Noneconomic Decisions, Fair Housing. Review for Final.

Student Performance Objectives: List the three categories that development falls into. Describe the factors at work in any real estate project from home improvement to industrial developments. Explain the factors one must consider when developing property. Examine fair housing laws from an economic perspective.

Out-of-Class Assignments: Read related chapters in the textbook and complete review questions quizzes.

Study for Final. Homework Examples: Use either Bing, Google or Yahoo to name the major developers active in your area. Which market(s) is/are their developments aimed at? OR Give examples of residential rental and commercial projects that have had recent owner improvements Why do you think this happened?

2 Hours

FINAL EXAM.

METHODS OF INSTRUCTION:

lecture, discussion, audio-visual presentation, guest lecture

METHODS OF EVALUATION:

Category 1 - The types of writing assignments required:

Percent range of total grade: 20 % to 30 %

Written Homework

Category 2 - The problem-solving assignments required:

Percent range of total grade: 20 % to 30 %

Quizzes

Exams

Category 3 – The types of skill demonstrations required:

Percent range of total grade: % to %

Category 4 - The types of objective examinations used in the course:

Percent range of total grade: 40 % to 60 %

Multiple Choice

True/False

Matching Item

REPRESENTATIVE TEXTBOOKS:

Required:

Messick, Levin; Pivar, William and Huber, Walt. Real Estate Economics, Sixth Edition. Covina, CA: Educational Textbook Company, Inc., 2016. Or other appropriate college level text.

ISBN: 978-16-2684-326-4

Reading level of text, Grade: 12th Verified by: MS Word

ARTICULATION and CERTIFICATE INFORMATION

Associate Degree:

CSU GE:

IGETC:

CSU TRANSFER:

Transferable CSU, effective 200770

UC TRANSFER:

Not Transferable

SUPPLEMENTAL DATA:

Basic Skills: N

Classification: Y

Noncredit Category: Y

Cooperative Education:

Program Status: 1 Program Applicable

Special Class Status: N

CAN:

CAN Sequence:

CSU Crosswalk Course Department: RE

CSU Crosswalk Course Number: 167

Prior to College Level: Y

Non Credit Enhanced Funding: N
Funding Agency Code: Y
In-Service: N
Occupational Course: B
Maximum Hours:
Minimum Hours:
Course Control Number: CCC000343641
Sports/Physical Education Course: N
Taxonomy of Program: 051100