AI1144 Fundamentals of Residential Real Estate Finance 7.5 credits

Fastighetsfinansiering och investering

This is a translation of the Swedish, legally binding, course syllabus.

Establishment

The course syllabus is valid from Autumn 2024 according to decision of the Director of First and Second Cycle Education. Decision: A-2024-0333, 3.2.2Decision date: 2024-03-20

Grading scale

A, B, C, D, E, FX, F

Education cycle

First cycle

Main field of study

The Built Environment, Technology

Specific prerequisites

Knowledge in economics 7,5hp corresponding to the content in course AI1128 Economics of the Built Environment 7,5hp

and

Knowledge in mathematics 3,0 hp corresponding to completed part INL1 (Assignment 3,0hp) in course AI1178 Applied Mathematics and Statistics for Economists.

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

After passing the course, the student should be able to:

- describe basic concepts and situations in residential real estate finance,
- solve problems that arises in residential real estate finance.

Course contents

Real estate investments, the financial system, financial intermediaries, credit market instruments, short- and long-term interest rates, financial leverage, present value mathematics, mortgage markets, loans with fixed and variable rates, loan amortization schedules, interest rate margins, yield curves, financial analysis of debt-financed property investments, banking, capitalization rates, credit risk, interest rate risks, financial stability and financial regulations, financial crisis.

Examination

- INL1 - Assignment, 3.5 credits, grading scale: P, F
- TEN1 - Examination, 4.0 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

If the course is discontinued, students may request to be examined during the following two academic years.

Other requirements for final grade

Coursework 3,5 credits (INL1)

Written exam 4 credits (TEN1)

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.