



# AI120U Real Estate Investment and Management 7.5 credits

Fastighetsföretagets ekonomi

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

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

## Establishment

Course syllabus for AI120U valid from Spring 2016

## Grading scale

P, F

## Education cycle

First cycle

## Main field of study

Technology

## Specific prerequisites

Contract education, no entry requirements

## Language of instruction

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

## Intended learning outcomes

The aim of the course is that you should obtain better knowledge to be able to grasp both short-term and long-term decisions around maintenance, investment and administration. The course covers real estate economic assessments and investment appraisals, presentation, analysis and valuation issues and the legal regulatory framework.

In addition, market analyses and tax issues will be treated. The course is organised with both theoretical parts and practical applications in the form of seminars and project work.

## Course contents

The course includes the following components:

Investment appraisal including maintenance plan.

The function of the estate market.

Business models and strategic decisions.

Property development

Relationship between the estate market, rental market and the construction market

Market analyses before real estate investment.

Optional VAT and income tax issues for real estates.

Net operating income analysis as well as the distinction between repair and maintenance from different perspectives.

Advanced discussion concerning some other central presentation and valuation issues.

Yield and total return on capital as well return on equity.

Financial key ratios for estimation of the profitability and survival of real estate firms.

The concept IRR and how this can be used at investment decision. Discounted cash flows in real terms.

Questions concerning different financial alternatives in real estate investments.

## Course literature

Litterature is announced at the beginning of the course

## Examination

- PRO1 - Project work, 2.5 credits, grading scale: P, F

- TEN1 - Exam, 5.0 credits, grading scale: P, 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.

## **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.