



AI2153 Financial Economics with Real Estate Applications 7.5 credits

Finansiell ekonomi med fastighetstillämpningar

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

Establishment

Course syllabus for AI2153 valid from Autumn 2014

Grading scale

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

Education cycle

Second cycle

Main field of study

The Built Environment

Specific prerequisites

Eligibility to the master programme in Real Estate and Construction Management.

Language of instruction

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

Intended learning outcomes

This course offers the fundamentals of real estate financial management, which is crucial for real estate and financial professionals charged with making debt and equity investment decisions.

Course contents

Upon completion of the course, students will be able to understand and analyze

- The wide range of direct and indirect equity and debt real estate investment alternatives.
- The risk and return characteristics of common real estate investment vehicles.
- International real estate investments.
- Optimal multi-asset portfolios with real estate assets in the portfolio.
- Real estate investment capital structure and the effect of leverage.
- Financial feasibility of real estate and infrastructure development projects.
- Equilibrium asset valuation models applied to real estate investments.
- Data challenges in measuring real estate returns and pros and cons of different real estate indices.
- Commercial real estate leases and leasing strategies.

Course literature

Preliminary: Geltner, Miller, Clayton and Eichholtz "Commercial Real Estate Investments", International student edition, last edition, OnCourse Learning.

Examination

- INL1 - Assignment, 3.0 credits, grading scale: P, F
- TEN1 - Written Exam, 4.5 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.

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.