AI258U Real Estate Investments 7.5 credits

Fastighetsinvesteringar

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 AI258U valid from Autumn 2014

Grading scale

P, F

Education cycle

Second cycle

Main field of study

Built Environment

Specific prerequisites

University studies within engineering, economics/business administration/finance or similar knowledge from practical experience.

Language of instruction

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

Intended learning outcomes

The course aim is to provide theoretical and practical knowledge about investment analysis techiques, with emphasis on real estate investments. After the course, the participants should be able to:

- Derive and understand the origin of the major mathematic formulas in present value calculations.
- Identify and explain the steps in the investment process.
- Criticly evaluate different investment alternatives and choose appropriate methods.
- Understand how leverage affects investments.
- Develop Excel spreadsheets for investment decisionmaking.
- Understand basic theoris concerning the origins of interest and creditrisks.
- Dealing with risk and uncertainty applying sensitivity and scenario analysis

Course contents

The course focuses on deriving of and understanding the major formulas used in present value calculations, evaluation of different investment alternatives on total and equity capital and dealing with risk and uncertainty applying sensitivity analysis. The course includes a compulsory course project, in wich the courseparticipants evelop an MS-excel spreadshett for investment decision-making.

Some keywords are: Net Present Value (NPV), Interna rate of Return (IRR), sensitivity analysis, calculations in real and nominal terms, origins of market interest rates, financial decisions.

Course literature

Information about course literature (in english) will be given at the start of the course.

Examination

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

INL1 - Assignment, 3,0 hp, grading scale: P, F

TEN1 - Home exam, 4,5 hp, grading scale: P, F

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.