AI272U Real Estate Investment Analysis 7.5 credits

Investeringsanalys för fastighetstillämpningar

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 AI272U valid from Spring 2023

Grading scale

P, F

Education cycle

Second cycle

Main field of study

Built Environment

Specific prerequisites

Higher education in engineering, economics or equivalent knowledge through work experience.

Language of instruction

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

Intended learning outcomes

The overall aim of this course is to provide students with the mathematical and practical tools needed to evaluate different investment alternatives, i.e. provide students with basic theoretical and practical knowledge of investment decision making, with emphasis on direct equity investments in income-producing real estate. Furthermore, this course prepares students for further studies in real estate finance and economics.

Course contents

Students should after the course be able to answer questions like

- What investments should the investor make (the investor's investment decision)?
- How do investors determine the price they are willing to pay for an office building?

To be able to answer these questions, one need to be able to:

- Identify and explain the basic steps in the investment process.
- Derive and understand the origin of the major formulas used in present value calculations.
- Evaluate different investment alternatives.
- Critically assess different investment criteria.
- Define and compute different return measures.
- Develop MS Excel spreadsheets for investment decision making.

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.