



The University of Southern Queensland

Course specification

The current and official versions of the course specifications are available on the web at <http://www.usq.edu.au/coursespecification/current>.
Please consult the web for updates that may occur during the year.

Description: Property Ownership

Subject	Cat-nbr	Class	Term	Mode	Units	Campus
FIN	8072	79429	2, 2008	ONC	1.00	Springfield

Academic group:	FOBUS
Academic org:	FOB008
Student contribution band:	3A
ASCED code:	080503

STAFFING

Examiner: Taiji Watanabe
Moderator: Peter Best

OTHER REQUISITES

Students are required to have access to a personal computer, e-mail capabilities and Internet access to USQConnect. Current details of computer requirements can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

RATIONALE

Property ownership represents a significant component of the Australian economy, and the property industry employs a large proportion of the nation's workforce, directly or indirectly. Property ownership covers the public sector and the private sector, across many sectors including commercial, retail, industrial, residential, tourism, and government. The reasons and objectives for property ownership will vary widely and will influence the way in which property is acquired, funded, held and managed. Property ownership involves many other industries such as real estate agencies, property managers, construction and maintenance, legal practitioners, professional consultants, tenants, landlords, financial institutions, investors, stockbrokers, and an understanding of the potential role of these parties is critical to an understanding of property ownership.

SYNOPSIS

The course examines the following: (1) an introduction to the concept of property ownership and investment, (2) an overview of property as an asset, (3) alternative investment strategies that are available, (4) measures of property investment performance, (5) the use and application of Cost Benefit Analysis in property economics, (6) the use and application of various forms of cash flow analysis for the property market, (7) the use and application of discounted cash flow analysis for long term investment in property assets, (8) the various options and sources available for funding of property ownership, (9) financial structures suitable for property ownership, (10) valuation of property as an asset, (11) the effects of taxation on property ownership and investment, (12) management of risk in property ownership, (13) property acquisition and disposal, (14) property management, (15) landlord/tenant relationships, and (16) property maintenance. The course is

structured to provide a broad overview of the financial and economic implications of property ownership and asset management, and is not designed to provide a high level of economic skills. The course does not require any prior study of economics, but does require students to develop basic spreadsheet skills in carrying out financial cash flow analyses.

OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item/s that may be used to assess student achievement of an objective is/are shown in parentheses after each objective. On successful completion of this course, students should be able to:

1. identify and explain the various classes of property ownership and the issues associated with each class (Assignment 1, Assignment 2)
2. identify and explain the issues associated with each class of property as an investment asset (Assignment 1, Assignment 2)
3. select, document and justify a suitable investment strategy for each class of property ownership (Assignment 1, Assignment 2)
4. select, document and justify a suitable measure for property performance for a small- to medium-sized property portfolio (Assignment 1, Assignment 2)
5. identify and justify a suitable cost benefit analysis for the various classes of property assets (Assignment 1, Assignment 2)
6. carry out a simple cash flow analysis for a property investment using traditional (non-discounted) methods of analysis for a small- to medium-sized property investment (Assignment 1, Assignment 2)
7. carry out a suitable discounted cash flow analysis for a small- to medium-sized property investment (Assignment 1, Assignment 2)
8. select, explain and justify a suitable source and mechanism for funding of each class of property assets (Assignment 1, Assignment 2)
9. select, explain and justify a suitable financial structure for each class of property assets (Assignment 1, Assignment 2)
10. identify, explain and justify the options for carrying out a valuation for various classes of property assets, and prepare a valuation of a small- to medium-sized property asset (Assignment 1, Assignment 2).
11. identify, explain and calculate the possible effects of taxation on various classes of property ownership (Assignment 1, Assignment 2).
12. select, justify and carry out an appropriate risk analysis of various classes of property assets (Assignment 1, Assignment 2)
13. prepare a strategy for acquisition or disposal of property assets (Assignment 1, Assignment 2)
14. prepare a management strategy for property assets (Assignment 1, Assignment 2)
15. prepare a letting or leasing strategy for investment properties (Assignment 1, Assignment 2)
16. prepare a maintenance plan for property assets (Assignment 1, Assignment 2)
17. demonstrate satisfactory skills in communication and numeracy (Assignment 1, Assignment 2).

TOPICS

Description	Weighting (%)
1. Property ownership as an investment strategy	10.00

2.	Property investment analysis	10.00
3.	Property risk management and cash flow analysis	10.00
4.	Property investment performance analysis - discounted cash flows	10.00
5.	Funding, leverage and financial structure	10.00
6.	Taxation and property ownership	10.00
7.	Property acquisition and disposal	10.00
8.	Property management	10.00
9.	Landlord and tenant relationships	10.00
10.	Maintenance, repairs and risk management	10.00

TEXT and MATERIALS required to be PURCHASED or ACCESSED

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

Airey, GJ 2003, *The property investor's handbook*, 3rd edn, Wrightbooks, Milton, Queensland.

Rowland, PJ 1997, *Property investments and their financing*, 2nd edn, Law Book Company, North Ryde, New South Wales.

Summers, J & Smith, B 2006, *Communication skills handbook: how to succeed in written and oral communication*, 2nd edn, John Wiley & Sons, Milton, Queensland.

REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

Wilkinson, S & Reed, R 2008, *Property development*, 5th edn, Routledge, London.

STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assignments	50.00
Private Study	67.00
Tutorials or Workshops	48.00

ASSESSMENT DETAILS

Description	Marks out of	Wtg (%)	Due date
ASSIGNMENT 1	100.00	30.00	15 Sep 2008
ASSIGNMENT 2	100.00	70.00	10 Nov 2008

IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:**
It is the students' responsibility to attend and participate appropriately in all activities (such as lectures, tutorials, laboratories and practical work) scheduled for them, and to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:**
To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:**
If students submit assignments after the due date without prior approval of the examiner, then a penalty of 5% of the total marks gained by the student for the assignment may apply for each working day late up to ten working days at which time a mark of zero may be recorded.
- 4 Requirements for student to be awarded a passing grade in the course:**
To be assured of receiving a passing grade a student must achieve at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:**
The final grades for students will be assigned on the basis of the weighted aggregate of the marks obtained for each of the summative assessment items in the course.
- 6 Examination information:**
There is no examination in this course.
- 7 Examination period when Deferred/Supplementary examinations will be held:**
Not applicable.
- 8 University Regulations:**
Students should read USQ Regulations 5.1 Definitions, 5.6 Assessment, and 5.10 Student Academic Misconduct for further information and to avoid actions which might contravene university regulations. These regulations can be found at <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Policies and Procedures which can be found at <http://www.usq.edu.au/business/aboutfob.htm>.

ASSESSMENT NOTES

- 9 Assignments:** (i) Assignments must be submitted electronically by 11.59pm (AEST) on the due date. (ii) Students must retain a copy of each assignment submitted for assessment. This must be produced within 24 hours if required by the examiner. (iii) The examiner may grant an extension of the due date of an assignment in extenuating circumstances. If

the required extension is less than seven days, there is no need to obtain prior approval. In such cases, submit your assignment as soon as possible after the due date together with any supporting documentation that might be required. The authority for granting extensions rests with the relevant examiner. (iv) The examiner will normally only accept assessments that have been prepared using electronic media. (v) The examiner will not accept submission of assignments by facsimile. (vi) Students who are disadvantaged by these regulations may be given special consideration. They should contact the examiner to negotiate such special arrangements. (vii) In the event that a due date for an assignment falls on a local public holiday in their area, such as a show holiday, the due date for the assignment will be the next day. Students are to note on the assignment cover the date of the public holiday for the examiner's convenience.

- 10 Course weightings: Course weightings of topics should not be interpreted as applying to the number of marks allocated to assessment.
- 11 Make-up work: Students who have undertaken all of the required assessments in a course but who have failed to meet some of the specified objectives of a course within the normally prescribed time may be awarded the temporary grade: IM (Incomplete - Make up). An IM grade will only be awarded when, in the opinion of the examiner, a student will be able to achieve the remaining objectives of the course after a period of non directed personal study.
- 12 Deferred work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. A temporary grade of IDM (Incomplete Deferred Make-up) may be awarded.