

Building Blocks for Real Estate Investment for Salespersons and Broker Candidates

15-Hour Continuing Education Module

Course Detail / Timed Outline

This 15-hour course will provide the fundamental information about real estate investing and all of its different options to Real Estate Salespersons and Broker Candidates in direct relation to Real Estate Principles & Practices. Related subject matter included in “Bibliography” section. This presentation will be a mixture of lecture, quizzes and group discussions. This course will cover the process of investing, the many different types of investment properties, different investment options, basic calculations utilized when vetting deals in relation to Real Estate Principles & Practices. The ultimate purpose of this course is to educate Real Estate Agents and Broker Candidates on the many different types of investing that are available. In an effort to ensure that Real Estate Salespersons and Broker candidates are aware of all of the options that are available.

Timed Segments (Minutes)	Topics	Learning Objectives	Teaching Methods	Page References
25	Course Introduction <ul style="list-style-type: none"> • Introduction: <ul style="list-style-type: none"> • What is Real Estate Investment, Who can invest in Real Estate, How to get started in Real Estate Investing, Where should someone invest in Real Estate, Why would someone want to invest in Real Estate • Real Estate Investment Process: <ul style="list-style-type: none"> • Real Estate Investment Process Flowchart • What is covered in this Module: <ul style="list-style-type: none"> • Basic Principles of Real Estate Investing, Investment property types, Real Estate Investment Financing, Real Estate Investment Mathematics 	<ul style="list-style-type: none"> • Explain what Real Estate Investing is • Explain who can invest in Real Estate • Explain how to get started • Explain where investors invest • Explain why investing in Real Estate is a good idea • Provide the Real Estate Salesperson with the knowledge necessary to assist a client that wants to invest in real estate • Explain the Real Estate Investment process • Explain the Basic principles of Real Estate Investing Unit and what is covered • Explain the Investment property types Unit and what is covered • Explain the Real Estate Investment Financing Unit and what is covered • Explain the Real Estate Investment Mathematics Unit and what is covered 	<ul style="list-style-type: none"> • Lecture • Use of Slides • Class Discussion • Examples 	2-13
190	Section 1: Basic Principles of Real Estate Investing <ul style="list-style-type: none"> • Why Invest in Real Estate: <ul style="list-style-type: none"> • Advantages to Investing: 	<ul style="list-style-type: none"> • Provide the Real Estate Salesperson with the knowledge necessary to assist a client that wants to invest in real estate 	<ul style="list-style-type: none"> • Outline • Lecture • Use of Slides • Class Discussion 	14 - 90

<p>15 min Break</p>	<p>Above Average Rates of Return, Use Leverage of Borrowed Money to Purchase Real Estate, Greater Control Over Investment</p> <ul style="list-style-type: none"> • The Investment: <ul style="list-style-type: none"> • Unimproved Land, Income Property, Cash Flow, Operating Expenses, Method of Repayment, Amount of Rent Received, Investment Opportunities • Leveraging the Investment: <ul style="list-style-type: none"> • Risk and Leverage, Equity Buildup, Pyramiding, Pyramiding Through Sale, Pyramiding Through Refinance • Tax Benefits: <ul style="list-style-type: none"> • Depreciation, Cost Recovery, Capital Gain, Exchanges, Deductions, Tax Credits, Installment Sales • Real Estate Investment Options: <ul style="list-style-type: none"> • Real Estate Syndicate, Real Estate Investment Trusts (REIT), Real Estate Mortgage Investment Conduit (REMIC) 	<ul style="list-style-type: none"> • Explain all of the advantages to investing in order to help identify their clients intentions in investing • Familiarize each Real Estate Salesperson with the disadvantages in the event that his/her client isn't aware of them • Explain the different methods of repayment • Discuss the different strategies used to leverage the investments different types • Explain the different types of investment options are available and the ways the investor seeks compensation from each • Explain the tax benefits that come along with investing in real estate • Explain all of the different options along with all of the legal ramifications • Discuss the Statutes that apply to each category 	<ul style="list-style-type: none"> • Examples • Questions • Use of supporting Video • Open Forum • Handout • Review 	
<p>20</p>	<p>Section 1 Quiz</p>	<ul style="list-style-type: none"> • Administer quiz on course content 	<ul style="list-style-type: none"> • Quiz Handout 	<p>91</p>
<p>10</p>	<p>Break</p>			
<p>100</p>	<p>Section 2: Real Estate Investment Property Types</p> <ul style="list-style-type: none"> • Real Estate Investment Property Options: <ul style="list-style-type: none"> • Raw Land, Farm Land, Single Family Homes, Duplex, Triplexes, Small Apartments, Large Apartments, Commercial, Mobile Homes, RV Parks, Storage Facilities, Tax Liens, Notes, Large/Small Commercial 	<ul style="list-style-type: none"> • Explain the difference between the Single Family and multifamily investing • Explain Raw land and Farm Land investing • Explain commercial property investing • Explain large apartment and small apartment investing and the differences between the two • Explain group investing strategies 	<ul style="list-style-type: none"> • Outline • Lecture • Use of Slides • Class Discussion • Examples • Questions • Use of supporting Video • Open Forum • Handout • Review 	<p>91 - 166</p>

	Space, Hotels, Motels • Group Investing: <ul style="list-style-type: none"> Investing in REITs, Investing in Syndication, Investing in REMICs, Investing in • Tax Benefits: <ul style="list-style-type: none"> Depreciation, Cost Recovery, Capital Gain, Exchanges, Deductions, Tax Credits, Installment Sales 	<ul style="list-style-type: none"> Explain the Pros and Cons to investing in REITs Explain the Pros and Cons to investing in REMICs Explain the Pros and Cons to investing in Real estate Syndicates Discuss the Statues that apply to each category 		
Day 2				
20	Course Recap	Review the information covered in the prior class		
95	Section 2: Real Estate Investment Property Types <ul style="list-style-type: none"> Real Estate Investment Property Options: <ul style="list-style-type: none"> Raw Land, Farm Land, Single Family Homes, Duplex, Triplexes, Small Apartments, Large Apartments, Commercial, Mobile Homes, RV Parks, Storage Facilities, Tax Liens, Notes, Large/Small Commercial Space, Hotels, Motels Group Investing: <ul style="list-style-type: none"> Investing in REITs, Investing in Syndication, Investing in REMICs, Investing in Tax Benefits: <ul style="list-style-type: none"> Depreciation, Cost Recovery, Capital Gain, Exchanges, Deductions, Tax Credits, Installment Sales 	<ul style="list-style-type: none"> Explain the difference between the Single Family and multifamily investing Explain Raw land and Farm Land investing Explain commercial property investing Explain large apartment and small apartment investing and the differences between the two Explain group investing strategies Explain the Pros and Cons to investing in REITs Explain the Pros and Cons to investing in REMICs Explain the Pros and Cons to investing in Real estate Syndicates Discuss the Statues that apply to each category 	<ul style="list-style-type: none"> Outline Lecture Use of Slides Class Discussion Examples Questions Use of supporting Video Open Forum Handout Review 	91 - 166
20	Section 2 Quiz	• Administer quiz on course content	• Quiz Handout	167
15	Break			
190	Section 3: Real Estate Investment Financing <ul style="list-style-type: none"> All Cash: <ul style="list-style-type: none"> All Cash approach to investing in Real Estate Traditional Financing: <ul style="list-style-type: none"> Financing Basics, Conventional Loans, FHA Loans, 203K Loans Alternative Methods of 	<ul style="list-style-type: none"> Discuss the Pros and Cons of investing in Real Estate with All cash Use examples to convey the differences between using all cash and financing Explain the basics of financing an investment Explain the differences between the three types of 	<ul style="list-style-type: none"> Outline Lecture Use of Slides Class Discussion Examples Questions Use of supporting Video 	168 - 243

	Financing the Investment: <ul style="list-style-type: none"> Commercial Loans, Private, Hard Money, Home Equity Loans & Lines of Credit, Portfolio Loans, Owner Financing, Partnerships Understanding Types of properties the financing can be utilized for: <ul style="list-style-type: none"> Commercial Loans, Private, Hard Money, Home Equity Loans & Lines of Credit, Portfolio Loans, Owner Financing, Partnerships Financing Basics, Conventional Loans, FHA Loans, 203K Loans 	traditional financing <ul style="list-style-type: none"> State the Pros and Cons that go along with each form of traditional financing Use examples to convey the differences between using traditional financing and alternative methods Explain the alternative methods of financing investments available State the Pros and cons that go along with each Use examples to convey the differences between using traditional financing and alternative methods Give examples of the types of properties that can be purchased based on the type of financing secured Discuss the Statues that apply to each category	<ul style="list-style-type: none"> Open Forum Handout Review 	
20	Section 3 Quiz	<ul style="list-style-type: none"> Administer quiz on course content 	<ul style="list-style-type: none"> Quiz Handout 	244
Day 3				
20	Course Recap	Review the information covered in the prior class		
140	Section 4: Real Estate Investment Mathematics <ul style="list-style-type: none"> Property Valuation: <ul style="list-style-type: none"> Three Approaches to Valuation, Cost approach, Sales Comparison Approach, Income Approach Loan to Value (LTV): <ul style="list-style-type: none"> What is Loan to Value, Formula used to calculate Loan to Value, Examples Net Operating Income (NOI): <ul style="list-style-type: none"> What is Net Operating Income, Formula used to calculate Net Operating Income, Examples Capitalization Rate (Cap Rate): <ul style="list-style-type: none"> What is Cap Rate, Formula used to calculate Cap Rate, Examples Debt Yield Ratio (DYR): 	<ul style="list-style-type: none"> Explain property valuation as it relates to real estate investment Explain the three different types of property valuation Provide examples of valuation scenarios and explain the method used Explain Loan To Value Explain the way the formula is used to calculate Loan To Value Demonstrate how the formula for Loan To Value works Explain Net Operating Income Explain the way the formula is used to calculate Net Operating Income Demonstrate how the formula for Net Operating Income works Explain Capitalization Rate Explain the way the formula is used to calculate 	<ul style="list-style-type: none"> Outline Lecture Use of Slides Class Discussion Examples Questions Use of supporting Video Open Forum Handout Mathematics problems that support formulas Review 	244 - 295

	<ul style="list-style-type: none"> • What is Debt Yield Ratio, Formula used to calculate Debt Yield Ratio, Examples • Return On Investment (ROI): <ul style="list-style-type: none"> • What is Return On Investment, Formula used to calculate Return On Investment, Examples 	<ul style="list-style-type: none"> Capitalization Rate • Demonstrate how the formula for Capitalization Rate works • Explain Debt Yield Ratio • Explain the way the formula is used to calculate Debt Yield Ratio • Demonstrate how the formula for Debt Yield Ratio works • Explain Return On Investment • Explain the way the formula is used to calculate Capitalization Rate • Demonstrate how the formula for Return On Investment works • Discuss the Statutes that apply to each category 		
20	Section 4 Quiz	<ul style="list-style-type: none"> • Administer quiz on course content 	<ul style="list-style-type: none"> • Quiz Handout 	296
900 Minutes Total				