

Real Estate Principles

Course Outline

Chapter 1: An Introduction to Real Estate

- The Real Estate Industry
- Real Estate Transactions
- Real Estate Brokerage
- Real Estate as a Career
- Real Estate and the Law

Chapter 2: The Nature of Real Property

- Types of Property
- Elements of Real Property
- Appurtenances
 - Air Rights
 - Water Rights
 - Solid Mineral Rights
 - Oil and Gas Rights
 - Other Appurtenant Rights
- Attachments
 - Natural Attachments
 - Man-made Attachments: Fixtures
 - Annexation and Severance
 - Distinguishing Fixtures from Personal Property
 - Mobile Homes as Fixtures
- Characteristics of Real Property
 - Physical Characteristics
 - Economic Characteristics
- Land Description
 - Surveys
 - Methods of Description

Chapter 3: Real Property Ownership

- Systems of Land Ownership

- Estates in Land

 - Freehold Estates

 - Leasehold Estates

- Methods of Holding Title

 - Ownership in Severalty

 - Concurrent Ownership

 - Forms of Business Ownership

- Common Interest Developments

 - Condominiums

 - Townhouses

 - Planned Unit Developments

 - Cooperatives

 - Timeshares

Chapter 4: Transferring Ownership

- Title and Alienation

- Voluntary Alienation

 - Patents

 - Deeds

 - Wills

- Involuntary Alienation

 - Dedication

 - Intestate Succession

 - Escheat

 - Condemnation

 - Court Decisions

 - Adverse Possession

 - Accession

- Recording

- Title Protection

- Security Interests in Fixtures

Chapter 5: Encumbrances

- Encumbrances

- Financial Encumbrances (Liens)

 - Types of Liens

 - Lien Priority

 - Homestead Laws

- Nonfinancial Encumbrances

 - Easements

 - Profits

 - Licenses

 - Encroachments

 - Nuisances

 - Private Restrictions

Chapter 6: Public Restrictions on Land

- Land Use Controls

 - Comprehensive Planning

 - Zoning

 - Building Codes

 - Subdivision Regulations

 - Floodplain Restrictions

 - Environmental Laws

- Eminent Domain

- Taxation

 - General Real Estate Taxes

 - Special Assessments

 - Conveyance Taxes

Chapter 7: Contract Law

- Legal Classifications of Contracts

- Elements of a Valid Contract

 - Capacity

 - Mutual Consent

 - Lawful Objective

 - Consideration

 - The Writing Requirement

- Legal Status of Contracts

- Discharging a Contract

- Breach of Contract

- Rescission
- Liquidated Damages
- Damages
- Specific Performance
- Tender

Chapter 8: Types of Real Estate Contracts

- Listing Agreements
 - Earning a Commission
 - Elements of a Listing Agreement
- Purchase Agreements
 - Typical Provisions
 - Binder
 - Amendments
 - Escrow Agreements
- Land Contracts
 - Rights and Responsibilities of the Parties
 - Remedies for Default
 - Reasons for Using a Land Contract
- Leases
 - Requirements for a Valid Lease
 - Lease Renewal
 - Transferring Leased Property
 - Termination of a Lease
- Option Agreements
 - Requirements for a Valid Option
 - Option Rights
 - Recording an Option
 - Right of First Refusal

Chapter 9: Real Estate Agency Law

- Introduction to Agency
- Creating an Agency Relationship
 - Express Agreement
 - Ratification
 - Estoppel
 - Implication
- The Legal Effects of Agency
- Duties in an Agency Relationship
 - The Agent's Duties to the Principal
 - The Agent's Duties to Third Parties

- Breach of Duty
- Terminating an Agency
- Real Estate Agency Relationships
 - Agency Relationships: A Historical Perspective
 - Types of Agency Relationships
- Agency Disclosure Requirements

Chapter 10: Regulation of the Real Estate Profession

- Real Estate Licensing
 - The Purpose of Licensing
 - Administration of Real Estate License Laws
 - When a Real Estate License is Required
 - Types of Licenses
 - Qualifications for a License
 - License Renewal
 - Disciplinary Action
- The Broker/Salesperson Relationship
- Regulation of Business Practices
 - Brokerage Offices
 - Handling Transactions
 - Recordkeeping
 - Trust Funds
 - Advertising and Promotions
- Antitrust Laws and Real Estate Licensees

Chapter 11: Principles of Real Estate Financing

- The Economics of Real Estate Finance
 - Real Estate Cycles
 - Interest Rates and Federal Policy
- Real Estate Finance Markets
 - Primary Market
 - Secondary Market
- Real Estate Finance Documents
 - Promissory Notes
 - Security Instruments
 - Finance Document Provisions
 - Foreclosure Procedures
- Seller Financing
- Types of Mortgage Loans

Chapter 12: Applying for a Mortgage Loan

Choosing a Lender

- Types of Mortgage Lenders

- Loan Costs

- Truth in Lending Act

Loan Application and Underwriting

Basic Loan Features

- Loan Term

- Amortization

- Loan-to-Value Ratios

- Secondary Financing

- Fixed and Adjustable Interest Rates

Residential Financing Programs

- Conventional Loans

- FHA-Insured Loans

- VA-Guaranteed Loans

- Rural Housing Service Loans

Predatory Lending

Chapter 13: Real Estate Appraisal

Introduction to Appraisal

Value

- Types of Value

- Principles of Value

The Appraisal Process

Gathering Data

Methods of Appraisal

- Sales Comparison Approach to Value

- Cost Approach to Value

- Income Approach to Value

- Site Valuation

- Appraising Multi-family Properties

Reconciliation and Final Estimate of Value

Competitive Market Analysis

Chapter 14: Closing Real Estate Transactions

- Closing and Escrow

- Closing Costs and Settlement Statements

 - Preparing a Settlement Statement

 - Guide to Settlement Statements

- Income Tax Aspects of Closing

 - S Reporting

 - FIRPTA

- Real Estate Settlement Procedures Act

 - Transactions Covered by RESPA

 - RESPA Requirements

 - Uniform Settlement Statement

Chapter 15: Income Taxation and Real Estate

- Basic Taxation Concepts

- Nonrecognition Transactions

 - Installment Sales

 - Involuntary Conversions

 - Sales of Low-Income Housing

 - "Tax-Free" Exchanges

- Special Provisions for Home Buyers and Sellers

 - Exclusion of Gain from the Sale of a Principal Residence

 - IRA Withdrawals

- Deductions Available to Property Owners

 - Depreciation and Cost Recovery Deductions

 - Uninsured Casualty or Theft Loss Deductions

 - Repair Deductions

 - Property Tax Deductions

 - Mortgage Interest Deductions

 - Deductibility of Points and Other Loan Costs

 - Vacation Home Deductions

 - The Home Office

 - Rental Payment Deductions

- State Income Tax

Chapter 16: Civil Rights and Fair Housing

- The Civil Rights Act of
- The Civil Rights Act of
- The Federal Fair Housing Act
 - Exemptions
 - Prohibited Acts
 - Handicap and Familial Status
 - HUD and Enforcement
- Federal Fair Lending Laws
- Equal Access to Facilities
- State Antidiscrimination Legislation
- Complying with Fair Housing Laws
 - Working with Clients
 - Advertising Properties
 - Actions That Do Not Violate Fair Housing Laws
- Discriminatory Restrictive Covenants

Chapter 17: Property Management

- Investing in Real Estate
- Types of Managed Properties
- The Management Agreement
- The Management Plan
 - Preliminary Study
 - The Management Proposal
- Management Functions
 - Leasing and Tenant Relations
 - Recordkeeping and Manager/Owner Relations
 - Maintenance
 - Risk Management
 - Environmental Issues
- Landlord/Tenant Law
 - Lease Provisions
 - Rent Control
- Types of Leases

Chapter 18: Home Ownership and Construction

To Rent or to Buy?

Factors to Consider When Choosing a Home

Property Insurance

What is Covered

Types of Insurance

Flood Insurance

Changes in Policy

Home Warranty

Construction

Local Codes and Regulations

The Role of the Architect

Plans and Specifications

Wood Frame Construction

Glossary of Construction Terms

Chapter 19: Real Estate Math

Solving Math Problems

Area Problems

Squares and Rectangles

Triangles

Odd Shapes

Volume Problems

Percentage Problems

Solving Percentage Problems

Commission Problems

Loan Problems

Profit or Loss Problems

Capitalization Problems

Tax Assessment Problems

Seller's Net Problems

Proration Problems

Property Tax Prorations

Insurance Prorations

Rent Prorations

Mortgage Interest Prorations