



## **Contents**

### ***Introduction: Background and Further Information***

## **Part 1: Real Property as an investment asset**

### **Section 1: Real Property**

1.1.1 The role of 'property' in a market economy;`

1.1.2 How 'value' attaches to land;

1.1.3 Real and personal property;

1.1.4 Common Law rules of (land ownership)

- Freehold
- Leasehold
- Reversionary interests
- Commercial leases
- Other interests
  - Licences;
  - Covenants;
  - Easements;
  - Equitable interests;
    - Trusts;
    - Other interests



## **Part 2: Investment**

### **Section 2.1: Investment Assets**

- 2.1.0: Introduction
- 2.1.1: Bonds
- 2.1.2: Stocks
- 2.1.3: Options
- 2.1.4: Real estate
- 2.1.5: Measuring investment performance
- 2.1.6: Property market indices

### **Section 2.2: Investing in Real Property**

- 2.2.0: Introduction
- 2.2.1: Market Size
- 2.2.2: Investment Characteristics
- 2.2.3: Indirect Investment
- 2.2.4: The Role of the Portfolio Manager
- 2.2.5: Property Performance Measurement

### **Section 2.3: Investment & Financial Decision-making**

- 2.3.1: Risk and return
- 2.3.2: Capital Investment decisions
- 2.3.3: Cash flow analysis
- 2.3.4: Discounted cash flow (Net Present Value)
- 2.3.5: Risk-adjusted discount rate
- 2.3.6: Net Present Value
- 2.3.7: Probability analysis
- 2.3.8: Financing decisions
  - Capital structure policy
- 2.3.9: Portfolio theory
  - Systematic risk
  - Specific risk
  - Efficient Market hypothesis
  - Capital Asset Pricing model
  - Project discount rate



## **Part 3: Finance**

### **Section 3.1: Introduction to Accounting & Regulation**

- 3.1.1: The Contents of Accounts
- 3.1.2: Layout of Published Accounts
- 3.1.3: Balance Sheet
- 3.1.4: Profit & Loss account
- 3.1.5: Accounting Principles
- 3.1.6: The Requirement to Prepare and File Accounts
- 3.1.7: Users of Accounts
- 3.1.8: UK regulatory framework

### **Section 3.2: Tax Framework**

- 3.2.1: Introduction
- 3.2.2: Corporation tax
- 3.2.3: Taxation of income from land and property
- 3.2.4: Taxation of Capital Gains
- 3.2.5: Stamp Duty Land Tax (SDLT)
- 3.2.6: Value Added Tax

### **Section 3.3: Introduction to Property Finance**

- 3.3.0 Introduction
- 3.3.1 Types of property finance
- 3.3.2 Ensuring recovery of a loan
- 3.3.3 Sources of property finance



## **Part 4: Introduction to mathematics of investment and finance**

### **Section 4.1: Introduction to financial mathematics**

- 4.1.0 Introduction
- 4.1.1 Proportions and percentages
- 4.1.2 Exponents
- 4.1.3 Numerical progressions
- 4.1.4 Time value of money
- 4.1.5 Compound interest

### **Section 4.2: Property valuation tables**

- 4.2.1 Amount of £1
  - 4.2.2 Present Value of £1
  - 4.2.3 Amount of £1 per annum
  - 4.2.4 Annual sinking fund
  - 4.2.5 Annuity that £1 will purchase
  - 4.2.6 Present value of £1 per annum or Years Purchase
  - 4.2.7 Incomes in advance and at shorter periods than annually
  - 4.2.8 Use of 'yields' as a comparator of investment performance
- 
- 4.2.6 Annuity that £1 will purchase
  - 4.2.7 Incomes in advance and at shorter periods than annually
  - 4.2.8 Use of 'yields' as a comparator of investment performance

### **Section 4.3: Introduction to statistics**

- 4.3.1 Probability analysis
- 4.3.2 Mean; median; mode
- 4.3.3 Sampling
- 4.3.4 Standard deviation
- 4.3.5 A normal distribution of data
- 4.3.6 Regression analysis
- 4.3.7 Time series analysis
- 4.3.8 Monte Carlo simulation:
- 4.3.9 Sensitivity Analysis
- 4.3.10 Scenario testing

### **Section 4.4: Use of computer spreadsheets**