



## Syllabus of Module

# 8. Real Estate Investment

**Lecturer: Mgr. Jan Spour**

### Module Annotation

Compared to other markets, the property market is relatively simpler, well predictable, similar over decades and cyclical. It is therefore possible to prepare quite well for an incoming trend and the advantage is that the property will not change value overnight by tens of percent. This is both a positive and a negative of the real estate market, which conceals pitfalls like any other form of investing, and if you are unfamiliar with it there may be unpleasant surprises.

### Module Objective

The aim of the module is to introduce the real estate investment market, to show its advantages and disadvantages, opportunities and risks. The module mentions different ways of investing in real estate and, in contrast to the option of the simple appreciation of funds, dealing in more detail with the method of investing in the form of buying one or more properties, for which there can be several motives. Buying property can be an interesting way to invest. Compared to putting money into a savings account, which appreciates minimally when inflation is factored in, buying a prospective property to rent or sell at a profit can represent a safe and high appreciation of such an investment.

Real estate as such fulfils by its very nature one of the basic human needs, which is housing and the need to have a roof over one's head. Real estate as market products and objects of

trade are by their nature, their construction period, life cycle, investment return and depreciation, "subjects" of long-term consumption, with a long time horizon for economic planning, implementation and trade.

The real estate market affects not only the production sphere but also the consumer sphere, and therefore the factors determining the level of demand and supply include, among others, political and economic stability, legal protection and inviolability of private property, legal and legislative conditions for the business of natural and legal persons, legal conditions for the transfer of real estate, credit policy of banks and monetary institutions or the tax burden on real estate.

The module introduces the different segments of the real estate market, discusses the methods of buying, renting and selling real estate, explains the concepts of price and value and describes the basic valuation methods. The module also discusses the importance of financing and insuring real estate, describes the various real estate taxes, introduces additional tools for selling/buying real estate and mentions other important real estate concepts.

## Literature

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