

FIN340: REAL ESTATE PRINCIPLES
Semester 191, 2019/2020
Group Project (12%)
Written: 8%, Presentation: 4%
Due date: Thursday – 5th December 2019

Domain	Course Learning Outcomes Measurements:
Competency	CLO5: Ability to communicate effectively through written work and oral presentation. CLO6: Ability to collect and interpret data related to real estate market.

Title: Residential Property Mortgage Financing

This project is related to the mortgage financing of a residential property. You are required to carry out this project on a group basis. Each group should consist of three to four members. Your role is to advise Dania in making real estate decisions.

Dania is a young executive who is working in the Riyadh city center. She is considering purchasing a residential property in a selected local market. She has worked for 2 years and has a monthly salary of SAR15,000. You are required to advise Dania to select the property and the best financing option.

Instructions:

1. Suggest and select a residential property, which is currently available in the local market for Dania.
2. Consider two mortgage-financing options. You may refer to <https://www.souqalmal.com/sa-en/home-loans> for several options.
3. Suggest the best financing option to finance Dania's selected property. You are required to demonstrate a partial mortgage schedule for the financing option that you have selected in the report.
4. A separate excel sheet (showing amortization schedule) for the whole term must be submitted in a softcopy to the instructor.

Your project should at least cover the followings:

- i) **Introduction:**
Provide a brief overview of the group project.
- ii) **Property Selection:**
Provide an overview of the local market and descriptions of the selected property. Provide reasons for your selection.
- iii) **Mortgage selection:**
You must consider two mortgage options. Explain the characteristics of these mortgages. Provide reasons for your selection. Demonstrate the monthly mortgage calculation for selected period. Consider as well, if Dania plans to make a pre-payment at the end of 8 years of the mortgage period.
- iv) **Conclusion:**
Conclude your findings from this project.

Format of Report:

- Report must be type written using Arial font, size 11, spacing 1.5 and justified.
- You may insert photos, tables and map where necessary and appropriate.
- Number of pages **must not exceed** 15 pages. No need for spiral binding.
- A soft copy of the report and excel sheets must also be submitted to zali@psu.edu.sa by 5th December 2019.
- Oral presentation of 10 minutes will be held on 5th December 2019 and 8th December 2019 (depending on the class size).