

Saddleback College Business Science Division
Course Syllabus For RE 170: Real Estate Principles: Internet

Orientation is required. You will find the location, date, and time listed in the course information in the current semester's class schedule. This is the only in-person meeting we'll have or there is also an online orientation at: www.saddleback.edu/faculty/mwelc

You must also complete the Real Estate Department's Online checklist located here: <http://www.saddleback.edu/faculty/mwelc/onlineorientationwelc.htm>.

Instructors: Martin Welc, Brock Schermerhorn, Scott Geller

Email: mwelc@saddleback.edu,
bschermerhorn@saddleback.edu, sgeller@saddleback.edu

Office Hours: Martin Welc, M-F, 12-12:30 and 5-5:30 online, mwelc@saddleback.edu

Course Description:

This fundamental real estate course covers the basic laws and principles of California real estate. It provides the background and terminology necessary for advanced study in specialized courses. Required for those preparing for the State real estate salesperson license examination.

Applies toward State's elective educational requirements for the broker's examination, DRE (Department of Real Estate) basic education.

Course Objectives:

Upon completion of this course, the student will be able to:

1. Define and give examples for real estate terms.
2. Define real property and distinguish it from personal property.
3. Identify methods of describing property.
4. List and compare types of estates and ways of holding title to real property.
5. Describe ways that real property is transferred and the procedures for that transfer.
6. Define and give examples of types of encumbrances.
7. Compare various types of public restrictions on land, including land use controls, eminent domain, and taxation.
8. Discuss the basic elements of contract law.
9. Describe and differentiate various types of real estate contracts.
10. List requirements for a valid lease and indicate how a lease is terminated or transferred.
11. Discuss and give examples of agency law, including how agency is created, the duties and legal effects of agency, how agency is terminated, disclosure issues, and dual agency.
12. Discuss the main principles and organizations related to real estate financing, including finance markets and documents.
13. List the steps required in applying for a residential loan.

14. Describe the three methods of appraisal and the properties and situations for which they are most appropriate.
15. List the steps involved with closing real estate transactions, including escrow.
16. Discuss income tax aspects related to closing a real estate transaction.
17. Indicate the importance of RESPA and describe RESPA requirements.
18. Describe basic taxation concepts related to real estate.
19. Indicate the significant characteristics of fair housing regulations.
20. Describe types of real estate construction and types of real estate investments.
21. List the actions for which a real estate license is required.
22. Perform basic real estate math calculations. Discuss the basic elements of contract law. Describe and differentiate various types of real estate contracts. List requirements for a valid lease and indicate how a lease is created.
23. Define real property and distinguish it from personal property
24. Explain the concept of an appurtenance to real property
25. List the five main types of appurtenant rights
26. Contrast the riparian and appropriative water rights systems
27. Describe natural attachments and explain the circumstances under which they transfer with real property
28. Discuss the tests used to determine whether an item is a fixture or personal property
29. Summarize the special rules that apply to trade fixtures or mobile homes
30. Compare the three major methods of land description and recognize examples of each
31. Classify an owner's interest in real property as either a freehold estate or leasehold estate
32. Name the estate that is the highest and most complete form of real property ownership
33. Describe the defeasible fee recognized in California: the fee simple subject to a condition subsequent
34. Discuss the rights and duties of the life tenant in a life estate and what happens when a life estate terminates
35. List the four generally recognized types of tenancies
36. Compare ownership in severalty and concurrent ownership
37. Distinguish between joint tenancy and tenancy in common
38. Explain what happens to community property when one spouse dies
39. Summarize the differences between partnerships, corporations, LLCs, joint ventures, and trusts
40. Distinguish between condominium and cooperative ownership.
41. Define voluntary and involuntary alienation
42. Describe the two warranties that are contained in the general warranty deed
43. Discuss the situations in which a quitclaim deed is used
44. List the requirements for a valid deed
45. Discuss the role of acknowledgment, delivery, and acceptance
46. Define the terms used in wills and list the requirements for a valid will

47. Describe how property is disposed of in the absence of a will
48. List the types of court action that may affect title to property
49. Summarize the requirements for adverse possession
50. Describe the recording process and the legal effects of recording a document
51. Discuss the various types of title insurance that buyers and lenders use to protect interests
52. Distinguish financial encumbrances (liens) from nonfinancial encumbrances
53. Name five common types of liens against real property
54. Summarize the roles of mechanic's liens, judgment liens, and attachment liens
55. Discuss how lien priority works
56. Explain the purpose of homestead laws and the homestead exemption
57. Discuss the major types of easements and their uses
58. Describe the different ways that easements can be created and terminated
59. Differentiate between an easement, a license, and a profit
60. Compare covenants and conditions and explain how they are terminated
61. Define police power and explain how it relates to land use controls
62. Describe the functions of general plans and zoning ordinances
63. List four common zoning use categories
64. Recognize examples of nonconforming uses, variances, conditional uses, and rezones
65. Differentiate between standard and common interest subdivisions
66. Summarize the requirements of the Subdivision Map Act, Subdivided Lands Law, and the Interstate Full Disclosure Act
67. Distinguish between eminent domain, condemnation, and the police power
68. Describe the general property tax assessment and collection process
69. Contrast general property taxes with special assessments
70. Distinguish between express and implied contracts, unilateral and bilateral contracts, and executory and executed contracts
71. Identify the elements of a valid, enforceable contract
72. List the ways in which an offer may be terminated
73. Define the statute of frauds and explain its impact on real estate contracts
74. Differentiate between void, voidable, unenforceable, and valid contracts
75. Explain the difference between rescission and cancellation, and the difference between an assignment and a novation
76. Name the four legal remedies for a breach of contract
77. Describe the factors that determine whether a buyer is ready, willing, and able
78. Contrast open, exclusive agency, and exclusive right to sell listing agreements
79. Identify the elements of a valid listing agreement
80. Define procuring cause and safety clause and explain how these terms relate to a broker's commission
81. Explain the various ways that real estate agents are compensated
82. Discuss the installment payments and transfer of title involved in a land contract
83. Explain the rights and duties of the parties to an option agreement
84. Define security deposit and explain the restrictions California law places on

such deposits

85. Give an example of a breach of the implied covenant of quiet enjoyment and a breach of the implied warranty of habitability
86. Distinguish between an assignment, a sublease, and a novation
87. Name five common types of leases
88. Contrast the roles of an agent, a principal, and the third parties in an agency relationship
89. Describe the four ways agency relationship may be formed under general agency laws
90. Explain why most real estate brokers are considered special agents and not general agents
91. Distinguish between actual authority and apparent authority
92. Discuss how vicarious liability and imputed knowledge can affect the liability of a real estate agent or a principal
93. Name the fiduciary duties an agent owes to his principal and the general duties he owes to third parties
94. Differentiate between misrepresentations and opinions, predictions, and puffing
95. Summarize the disclosures that are contained in the transfer disclosure statement
96. Identify the three ways in which the parties can terminate an agency relationship and the four ways in which an agency may terminate automatically by operation of law
97. Compare seller agency, buyer agency, and dual agency
98. Contrast the activities of an independent contractor with those of an employee
99. Contrast the roles of the primary market and the secondary market
100. Describe the flow of mortgage funds between buyers, lenders, and secondary market investors
101. Name the major secondary market agencies and describe their general activities
102. Differentiate between a promissory note and security instrument
103. Recognize the various finance document provisions, including acceleration clauses, alienation clauses, prepayment penalties, and subordination clauses
104. Summarize the judicial and nonjudicial foreclosure processes
105. Explain how anti-deficiency rules can benefit a defaulting borrower
106. List at least ten different types of mortgage loans
107. Name the major sources of residential financing
108. Describe the Truth in Lending Act's disclosure requirements, right of rescission, and advertising restrictions
109. Summarize the disclosure requirements of the Mortgage Loan Broker Law and the Seller Financing Disclosure Law
110. Distinguish between the housing expense to income ratio and the debt to income ratio
111. Describe three situations in which a buyer would require subprime financing
112. Contrast amortized and interest-only loans
113. Explain how adjustable-rate mortgages work

114. Define the terms “conventional loan” and “nonconforming loan”
115. Compare the characteristics of the FHA, VA, and Cal-Vet loan programs
116. List at least five examples of predatory lending practices
117. Distinguish between the purpose and function of an appraisal
118. Identify the four elements of value
119. Define the term “market value” and describe “normal conditions” for a property sale
120. Name at least seven principles of value
121. List the seven steps in the appraisal process
122. Identify the types of information that comprise general and specific data
123. Compare the sales comparison, cost, and income methods of appraisal
124. Summarize the four methods used to appraise an unimproved property
125. Contrast a narrative appraisal report with a form appraisal report
126. Explain the benefits of using escrow to close a transaction
127. Name at least eight steps involved in an escrow closing
128. List the ways in which an escrow terminates
129. Categorize settlement charges as debits/credits to the buyer/seller
130. Describe how to prorate an expense
131. Summarize the 1099-S reporting, FIRPTA, and California state withholding requirements
132. Define “federally related loan transaction,” for RESPA purposes
133. List the requirements that RESPA imposes on federally related loan transactions
134. Distinguish between tax deductions and tax credits
135. Differentiate between initial basis and adjusted basis
136. Explain how to calculate gains, losses, and amounts realized on transactions
137. List the real property classifications contained in the tax code
138. Name the types of transactions that qualify as nonrecognition transactions
139. Describe the types of property that are eligible for tax-free exchanges
140. Define the terms “boot” and “debt relief”
141. Describe the circumstances under which a taxpayer may exclude the gain on the sale of personal residence
142. Name at least five types of income tax deductions available to property owners
143. List the characteristics (race, color, etc.) that are protected classes under the federal Fair Housing Act
144. Name the four types of transactions that are exempt from the Fair Housing Act
145. Recognize examples of blockbusting, steering, and redlining
146. Describe the Fair Housing Act’s requirements regarding discrimination based on disability and familial status
147. Define “public accommodation” under the Americans with Disabilities Act (ADA)
148. Identify the ADA’s three major requirements for places of public accommodation
149. Explain how the California Fair Employment and Housing Act prohibits more

- forms of discrimination than the Federal Fair Housing Act
150. Recognize split-level, Spanish, ranch, and contemporary style homes
 151. Describe the main elements of wood frame construction, including the foundation, framing, roofing, and interior systems
 152. Discuss California's structural pest control inspection requirements
 153. Compare the relative advantages and disadvantages of renting vs. buying a home
 154. List the factors that a buyer should consider when choosing a home
 155. Discuss how safety, liquidity, and yield interact to affect investment risk
 156. Summarize the concepts of appreciation, leverage, and cash flow
 157. List the qualities that an investor should look for in a rental property
 158. Describe the general functions and authority of the Department of Real Estate and the Real Estate Commissioner
 159. Summarize the activities that require a real estate license in California
 160. Identify the exemptions from the real estate licensing requirement
 161. Describe the requirements for obtaining a salesperson's or broker's license
 162. Explain the license renewal process, including the continuing education requirement
 163. List the steps involved in the disciplinary process
 164. Recognize the activities and conduct that are grounds for disciplinary action against a licensee
 165. Define trust funds and summarize the requirements for handling them
 166. Give an example of commingling trust funds with personal funds
 167. Summarize the types of trust fund records and real estate transaction records that a broker is required to maintain
 168. Discuss how the Real Estate Law regulates advertising by real estate licensees
 169. Define price fixing, group boycotts, tie-in arrangements, and market allocations
 170. List the four steps involved in solving math problems
 171. Convert fractions to percentages and percentages to fractions
 172. Distinguish between area, volume, and percentage problems
 173. Recognize the math problems that require percentage calculations, and identify the correct formulas to use for each type of problem
 174. Solve capitalization rate problems and tax assessment problems
 175. Describe how to calculate the seller's net
 176. Explain how to prorate expenses such as rent, mortgage interest, property taxes, and insurance premiums

Textbooks:

Required: *Principles of California Real Estate, latest edition*. Published by Rockwell Publishing (c), and *Principles of California Real Estate, Student Guide with Online access code*

Optional References:

The Plain Language Dictionary of Real Estate. Bella Vista Publishing Company, Inc. (c) 2004. ISBN: 0-9718225-0-6 Available in the bookstore. *Real Estate Law; California Department of Real Estate (latest edition)*. NOTE: This book is FREE online in Adobe

Acrobat format. Get it at:

http://www.dre.ca.gov/pdf_docs/relaw/relaw2011.pdf

Reference Book: A Real Estate Guide; California Department of Real Estate; 0-916478-02-5 (or latest edition) NOTE: This book is FREE online in Adobe Acrobat format. Get it at:

http://www.dre.ca.gov/pub_referencebk.html

The telephone number for the Saddleback College Bookstore is (949) 582- 4715.

Due Dates: All online course work (challenge exercises and final exam) must be completed online by 11:59 pm of the last day of the course as listed in the class schedule. You do NOT need to click on the "submit" button in the online course to receive credit. Please refer to Saddleback's Schedule for the last official day of the course: to get to this information, go to www.saddleback.edu then click on class schedules (located in the left column). Then find the term you registered for (pay attention to whether the class you registered for is a 16 week class or a first 8 week class or a second 8 week class). On the next page click on "Real Estate." From there, find the class you registered for (verify the ticket number on your registration (the paper you got from the registrar when you registered at the beginning of the semester) matches the ticket number on this screen so that you get the information for the right class. From there, click "Details." This will take you to the page with information regarding the first and last days of the course. The required essay may be submitted by email to mwelc@saddleback.edu, bschermerhorn@saddleback.edu, sgeller@saddleback.edu. The essay is due no later than 11:59 pm of the last day of the course as listed in the class schedule. To obtain a completed course verification form, follow these instructions exactly: 1. Complete ALL work for the course. 2. Deliver to Professor in person or send by postal mail your essay *together with* the course verification form *and* a self-addressed stamped envelope. **Course Requirements and Grading:** You must attend the scheduled in-person Orientation or online Orientation. You will be responsible for the information provided at the Orientation. If you absolutely cannot attend the scheduled live Orientation, you may send a friend or relative to obtain the Orientation information and materials for you or you may watch and listen to the online orientation. You must review and complete the real estate department's distance education online checklist: (Please note: this checklist is located here: <http://www.saddleback.edu/faculty/mwelc/onlineorientationwelc.htm>)

Complete the required reading, that is, the textbook chapters and online material. Complete the self-assessments, activities, reviews, exercises, case studies, quizzes, etc., in the text and online. All of these will help clarify your understanding of the concepts and calculations, reinforce learning, and enhance mastery. Complete all challenge exercises and the final exam online. Write a 500-word Essay

About the Online Course:

Note: We do not use Blackboard for this course! We use ROCKWELL.

Getting Started: To access your course you will need a User ID and Password. Log onto www.rockwelleducation.com/cc and enter the key code (found on the cardboard backing of the student guide) and course information in the corresponding fields and selecting the appropriate roster. After click the “Submit” button you will be assigned a User ID and Password. Save this information as it will allow you to log into your account and begin your course. You are allowed as many hours as you need for completing the course.

More How-To:

You will need the textbook, the online access code, and a user name and password. The information for setting up the access to the online course is included with the Student Guide and online access code. Follow those instructions carefully. You cannot enter the online course without this information!

Remember, you will need the textbook, the online access code (called a keycode), and a user name and password. The information for setting up the access to the online course is included with the Student Guide and online access code. Follow those instructions carefully. You cannot enter the online course without this information! NOTE: You cannot share the keycode with another learner. The keycode is tied to your work in the course, so sharing will not work. ANOTHER NOTE: You need a different keycode for each Rockwell course you take. If you are taking four classes that use the Rockwell system, you will need four different, separate keycodes.

To use the online course, after you have received your password, go to www.rockwelleducation.com and log on by entering your User ID and password. The Pre-test does not count toward your grade. It will be used to help you judge your starting knowledge ... and it will help us monitor the effectiveness of the online course. Please complete the Pre-test as soon as you access the online course.

Recommendation: Work through the course by reading a chapter of the text and doing the exercises. Then do the chapter work online. This will reinforce your learning. Do not try to read the whole book and then start the online work. You will forget what you read early in the book and you won't have the benefit of the reinforcement.

If you experience any difficulties during the registration process, please contact Rockwell at 1-800-221-9347.

And ... Get started right away. Work in small chunks. Take breaks. Do not procrastinate. And if you need help, send me email: mwelc@saddleback.edu, bschermerhorn@saddleback.edu, sgeller@saddleback.edu

About the Final:

You have three hours to take the Final. The online system will give you five hours, but your professor allows you only three hours. Your professor can see all your work and time spent. The Final has 150 multiple choice questions. Also, please complete the Final exam in *one sitting*, just as you would in a live class. This does not mean you cannot take a break for a few minutes. You may exit

the Final if you wish to take a break. The system will remember your answers and you can pick up where you left off. The system will allow you three attempts on the Final. **ONLY THE FIRST ATTEMPT COUNTS TOWARD YOUR GRADE!**

About the Essay:

The essay should be between 500 and 600 words. This is about a page and a half. Choose one of the following topics:

1. Compare and contrast several types of encumbrances.
2. Describe several ways that real property is transferred and the procedures for doing so.
3. Compare various types of public restrictions on land (including land use controls, eminent domain, and taxation). The required essay may be submitted by email to mwelc@saddleback.edu, bschermerhorn@saddleback.edu, sgeller@saddleback.edu. The essay is due no later than 11:59 pm of the last day of the course as listed in the class schedule.

Grade Computation:

Your grade will be based on your quizzes and Final Exam scores and your essay. The Progress Test ("midterm") does NOT count toward your grade. Your grade will be computed according to the percentage correct/possible of all questions and the essay. The Final exam is 75 percent of your grade. The challenge exercises are worth 20 percent of your grade. The essay is worth 5 percent of your grade*****IMPORTANT GRADE INFORMATION***** The Family Rights and Privacy Act of 1974 restricts the release of certain student information such as grades. Therefore, please do not call for grade information. Your performance score/grade will be mailed to you if you provide your instructor

with a self-addressed, stamped envelope or postcard at the Final Exams, or you may go to <http://www.socccd.org/grades>. If you decide to drop this course, *you* must go to the Office of Admissions and Records in the Student Services Building. If you fail to officially drop and do not complete the course, you will receive an "F" on your permanent record. This is a College rule. Your instructor cannot change it.

90-100%

=A

80-89%

=B

70-79%

=C

60-69%

=D

0-59%

=F

Disability Accommodations : If you have specific disabilities and require accommodations, please let me know early in the semester, so that your learning needs may be appropriately met. You will need to provide documentation of your disability to the Special Services Office in Student Services Center, Room 113. Students with

disabilities, including non-visible disabilities such as chronic diseases, learning disabilities, head injury and attention deficit disorder, are encouraged to contact the instructor to discuss appropriate accommodations that might be helpful to them. Students with disabilities who may need academic accommodations should discuss options with their professors during the first two weeks of class. Any student with a documented disability needing academic adjustments or accommodations is requested to speak with the instructor. All discussions are and will remain confidential.