STATE REAL ESTATE COMMISSION
POST OFFICE BOX 2649
HARRISBURG, PA 17105-2649
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BROKER COURSE INFORMATION

All real estate courses must qualify in accordance with Section 35.271 of the Rules and Regulations of the State Real Estate Commission in order to be applied toward the 16 credits, 240 hours of instruction, in professional real estate education required for the broker examination.

The Commission strongly recommends that educational institutions implement the Commission recommended uniform titles, minimal content outline and clock hours for courses in the areas of study listed in Section 35.271.(2).

Students submitting transcripts from educational institutions implementing this recommendation should experience no difficulties in the qualification of their credits for the broker examination requirements.

Students submitting transcripts from educational institutions who have not implemented this recommendation could experience difficulty in the qualifications of their credits for the broker examination requirements.

It is the responsibility of the administrator of a college, university or accredited institute of higher learning, or director of a real estate school to determine that the real estate courses offered by that educational institution qualify.

Whenever the responsible administrator of a college, university, or accredited institute of higher learning determines that a qualifying real estate course will be offered as part of the educational institution's curriculum, the responsible administrator should immediately submit to the Commission a COURSE APPROVAL APPLICATION (SPOA 2137.IL or 2137.DE).

Whenever the director of a real estate school determines that a qualifying real estate course will be offered as part of the school's curriculum, the director is required to immediately submit to the Commission a COURSE APPROVAL APPLICATION (SPOA 2137.IL or 2137.DE).

A real estate school is required to maintain at its administrative office all records relative to the qualifications of their courses including the course content outline. These records must be available for review by the Commission's representative when monitoring the real estate program of the school.

REAL ESTATE INVESTMENT (30 hours)

Minimum Content Outline

I. Fundamentals
- A. Basics of Real Estate Value
- B. Growth of Real Estate Value
- C. Characteristics of the Real Estate Market
- D. Advantages, Disadvantages of Investing
- E. Use of Leverage
- F. Alternatives to Real Estate Investing

II. Forms of Ownership
- A. General/Limited Partnership
- B. Syndications
- C. Corporations (included Chapter S)
- D. Real Estate Investment Trusts
- E. Direct Ownership
  - 1. Severalty
  - 2. Joint tenancy
  - 3. Tenancy in common

III. Taxation
- A. Cost Recovery/Depreciation
- B. Tax Shelter
- C. Capital Gains/Loss
  - 1. Installment sales
- D. Active/Passive Income/Loss
- E. Exchanges
- F. Other Current Tax Law

IV. Financing
- A. Annual Constant
- B. Key Modes of Financing
- C. Impact on Before and After Tax Cash Flows

V. Mathematical Concepts
- A. Time Value of Money
- B. Six Functions of a Dollar

VI. Cash Flow Analysis and Projections
- A. Rate of Return
  - 1. Annual versus full holding period
- B. Internal Rate of Return
- C. Interpreting Computer Generated Data

It is recommended that this course is most effective when cases are used to evaluate investment alternatives.