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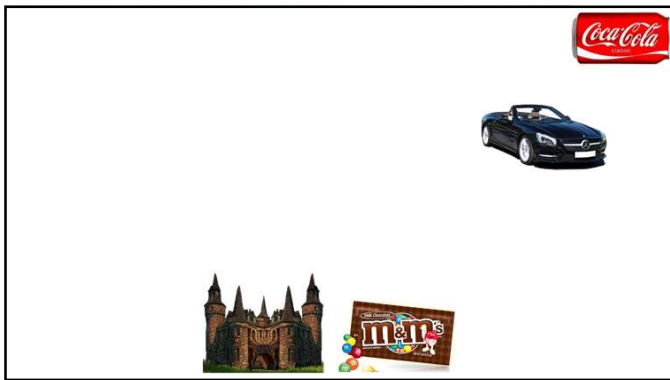
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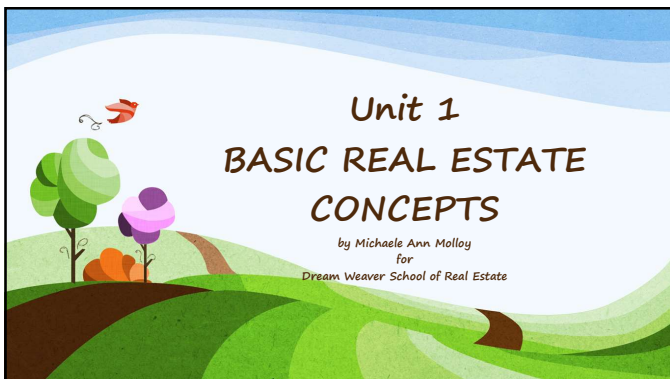
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**Unit 1 Preview**



- Terminology and Definitions
- Characteristic of Land
- Real Property vs Personal Property
- Real Estate Careers
- Supply and Demand in Real Estate Market

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**Real Property**  
aka Real Estate, Realty or Lands

<p><b>Land</b></p> <ul style="list-style-type: none"> <li>• Air</li> <li>• Surface</li> <li>• Subsurface</li> </ul> 	+	<p><b>Real Estate</b></p> <ul style="list-style-type: none"> <li>• Permanently Attached</li> <li>• Human-made</li> </ul> <p style="text-align: center;">Additions (Improvements)</p> 	+	<p><b>Real Property</b></p> <ul style="list-style-type: none"> <li>• Interests</li> <li>• Benefits</li> <li>• Rights</li> </ul> <p style="text-align: center;">Bundle of Rights</p> 
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- Tenements – Permanent structure attached to the land
- Hereditaments – Any interest in real estate that can be inherited

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### Characteristics of Real Estate

Physical	Economic
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### Characteristics of Real Estate

Physical	Immobility Indestructibility Uniqueness**
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### Characteristics of Real Estate

- Scarcity
- Location
- Improvements
- Permanence of Investment

SLIP

Economic

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### Highest and Best Use

- Greatest actual return on their investment
- Maximizes the value of the land
- Changes with time

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### Real Estate as Investment

Must have a Basic Knowledge

- Steady Income
- Rate of Return
- Long Term Financial Security
- Hedge against Inflation
- Keep Up with Inflation Rates
- Tax advantages (more in Unit 13)
- You're the boss



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## Real Estate as Investment

*Always Consult Accountant, Lawyer and/or Investment Specialist*



- Time-consuming
- Not Liquid vs Stocks/Bonds
- Tenants and maintenance issues
- Extra mortgage to purchase a property
- Risks
- Increased liability

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- Real Estate Brokerage
- Appraisal
- Property Management
- Financing
- Property development

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- Counseling
- Education
- Other Areas
- Professional Organizations

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## Supply vs. Demand



**Factors Affecting Supply**

- Labor Force/Construction Costs
- Gov't Controls & Financial Policies



**Factors Affecting Demand**

- Population
- Demographics
- Employment & Wage Levels

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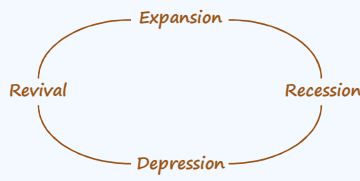
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## Business Cycle



Expansion  
Recession  
Depression  
Revival

\*Gradual & Indistinct\*Gov't Attempts to Curb Fluctuations

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## 2 Major Classifications of Property

**Personal Property**  
(aka Personality)  
Anything that is moveable [chattel] and does not qualify as real property



**Real Property**  
aka Real Estate, Realty or Lands



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**Do I Really Need a License?**

State law stipulates that a person must hold a real estate license to

- Sell, buy, auction, negotiate, leases, rents for another person
- Services are compensated by a commission or bonus.

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**Parcels Numbers:**

- APN = Assessors Parcel Number
- AIN = Assessors Identification Number
- PIN = Property Identification Number
- PID = Property ID
- Property Account Number
- Tax Account Number
- Rarely used: Sidwell Number

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**Questions**

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The "bundle of rights" refers to a set of rights:

- a) enjoyed by the owner of the property
- b) that is synonymous with the Bill of Rights
- c) guaranteed to citizens by the national statute of rights
- d) specified in a deed or land contract

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The "bundle of rights" refers to a set of rights:

- a). enjoyed by the owner of the property

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A homeowner is very upset over a drone that a neighbor flies over his house. He takes his case to court to end this possible violation of rights. Does he have a case, and on what basis?

- a. No. The neighbor is not physically on his property
- b. No. The drone is in the air, so he cannot exercise any surface rights.
- c. Yes. The drone infringes on his air rights.

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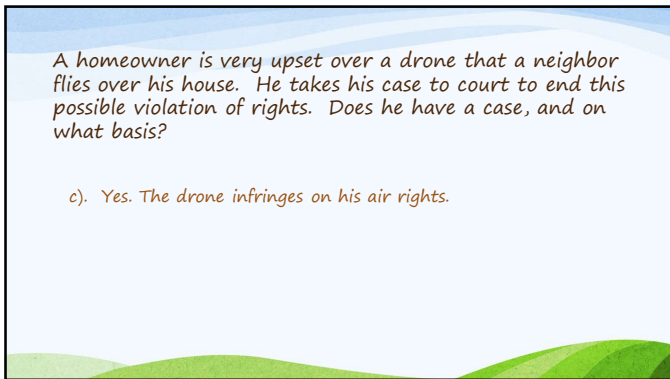
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