**ECON 325 Real Estate Economics**
Fall 2025, Final Exam (take home)

Record a "video essay" to answer the questions below. Your video should be 4-6 minutes in length. Please do not exceed 6 minutes. Send me a link (via email) to your video by **11:59pm on Wed, Dec 17.**

1. What are the advantages of a 30-year fixed-rate mortgage?
    a. Under what circumstances might you consider a 15-year fixed-rate mortgage?
    b. Under what circumstances might you consider an adjustable-rate mortgage (ARM)?

2. What is Private Mortgage Insurance (PMI)?
    a. When is it required?
    b. Who pays for it?
    c. Who benefits from it?

3. Use the following data to perform a ***Comparable Sales Analysis*** and provide an estimated Selling Price for the *Target* single-family property.

| Property | Address | Beds | Baths | SqFt | Selling Price |
|---|---|---|---|---|---|
| Target | 1001 E. 10th St. | 3 | 2 | 1500 | |
| Comp 1 | 1002 E. 10th St. | 3 | 1.5 | 1200 | $184,000 |
| Comp 2 | 1003 E. 10th St. | 3 | 2 | 2000 | $205,000 |
| Comp 3 | 1004 E. 10th St. | 4 | 1 | 1300 | $179,000 |

4. Are we in another real estate bubble? Why or why not? How is the current housing and mortgage market similar/different from 2008 in terms of …
    a. Monetary policy?
    b. Regulatory environment?
    c. Potential for loan default and foreclosure?

5. Choose 1 of your 3 selected multifamily properties and answer the following:
    a. Why did you select this property over the other 2?
    b. Describe your ROI analysis and comment on projected rent, expenses, cashflow, appreciation and annualized return rate.