

Real Estate Economics: Understanding Market Forces

Master the economic principles driving real estate markets for smarter investment, policy, and planning decisions.

Business Instructor: Daniel Brooks • 5 sections • 53 lessons • 17.25h total

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About this course

Real estate markets are shaped by intricate economic forces, yet many professionals focus on transactions without grasping the underlying systems. This course addresses that gap by treating real estate as a capital asset and exploring why prices fluctuate, cities grow, and policies ripple through markets.

You'll learn through video lectures, real-world case studies, and practical projects like market diagnostics and cycle mapping. Topics include supply-demand dynamics, market cycles, financial mechanisms, commercial sector analysis, and contemporary challenges such as climate adaptation and remote work impacts.

Course curriculum

Foundations of Real Estate Economics

- **Introduction to Real Estate as a Capital Asset (15m)**
Understand why real estate is more than property; it's a financial instrument with broad economic implications.
- **The Four-Quadrant Market Model (20m)**
Learn the space, asset, development, and capital markets and how they interact to shape real estate outcomes.
- **Supply and Demand in Property Markets (18m)**
Explore how microeconomic forces drive rental prices and vacancy rates at the local level.
- **Location, Scarcity, and Land Value (22m)**
Analyze why location is paramount and how land scarcity influences economic value.
- **Replacement Cost and Physical Asset Economics (16m)**
Discover the role of construction costs and depreciation in property valuation.
- **Land Use Theory and Economic Principles (24m)**
Study how economic theories explain urban development and land allocation.
- **Key Data Sources for Market Analysis (12m)**
Identify and use government reports, commercial databases, and central bank data for real estate analysis.
- **Case Study: Diagnosing a Local Market (30m)**
Apply foundational concepts to analyze the supply, demand, and pricing dynamics of a chosen metropolitan area.

Market Cycles and Dynamics

- **The Four Phases of Real Estate Cycles (20m)**
Learn the characteristics of recovery, expansion, hyper-supply, and recession phases.
- **Macroeconomic Indicators and Market Signals (18m)**
Identify how interest rates, employment, and GDP growth signal market shifts.
- **The Lag in New Supply Delivery (15m)**
Understand the time delays between demand changes and construction responses.
- **Demographic Trends Shaping Demand (2026) (22m)**
Examine current migration patterns and population changes affecting housing needs as of mid-2026.
- **Historical Market Cycles: Lessons Learned (25m)**
Study past cycles to recognize patterns and avoid common pitfalls.
- **Positioning Your Market in the Current Cycle (18m)**
Use data to determine where your local market stands relative to economic indicators today.
- **Identifying Inflection Points (16m)**
Learn techniques to spot early signs of market turns based on economic data.
- **Construction Activity and Market Timing (14m)**
Analyze how building permits and construction starts influence future supply and prices.

- **Case Study: A Cycle from 2008 to 2026 (28m)**
Trace the evolution of a market through recent economic events and recovery phases.
- **Scenario Planning for Market Changes (22m)**
Develop skills to model different economic scenarios and their potential impacts on real estate.

Financial Systems and Investment Analysis

- **Real Estate vs. Stocks, Bonds, and Commodities (20m)**
Compare the risk-return profile of real estate with other asset classes for investment decisions.
- **Capital Markets: Debt and Equity Flows (18m)**
Understand how financing mechanisms from loans to equity investments drive real estate activity.
- **The Economics of Borrowed Capital (16m)**
Learn how using borrowed funds amplifies both returns and risks in property investments.
- **Cap Rates and Cash Flow Analysis (22m)**
Master key metrics for evaluating property income streams and estimating value.
- **Real Estate as an Inflation Hedge (15m)**
Explore how rents and property values perform in inflationary environments over time.
- **Global Capital Flows and Foreign Investment (20m)**
Analyze the impact of international capital movements on domestic real estate markets.
- **Risk Assessment in Property Investment (18m)**
Identify and quantify risks such as market volatility, liquidity constraints, and regulatory changes.
- **Portfolio Diversification with Real Estate (14m)**
Discuss how real estate fits into a broader investment portfolio to balance risk and return.
- **Case Study: Investment Analysis Across Markets (25m)**
Apply financial concepts to compare investment opportunities in different cities or sectors.

Commercial Real Estate Economics

- **Office Market Economics in a Remote Work Era (22m)**
Examine how hybrid work models affect demand for office space and corporate location choices.
- **Flexible Space and Co-Working Disruption (18m)**
Analyze the rise of flexible workspaces and their economic implications for traditional offices.
- **Industrial Real Estate and E-Commerce Growth (20m)**
Study the drivers behind logistics, warehouses, and distribution centers in the digital economy.
- **Retail Real Estate: Adapting to Omnichannel (16m)**
Learn how brick-and-mortar retail evolves alongside online shopping trends and consumer behavior.
- **Multifamily Housing Economics and Affordability (24m)**
Explore demand, supply, and policy issues in rental housing markets, focusing on affordability.
- **Hotel and Hospitality Sector Analysis (14m)**
Understand the economic factors influencing lodging and tourism real estate investments.
- **Specialized Properties: Data Centers and Life Sciences (18m)**
Explore niche sectors with high growth potential and unique economic drivers.
- **Corporate Location Decisions and Incentives (22m)**
Examine how businesses choose sites and the role of government incentives in shaping locations.

- **Sector-Specific Investment Strategies (20m)**
Develop practical approaches for investing in different commercial property types based on economics.
- **Case Study: Analyzing a Commercial Sector (28m)**
Conduct a deep analysis of one sector's economics, trends, and challenges using real data.
- **Valuation Methods for Commercial Properties (25m)**
Learn techniques like income capitalization and comparable sales to estimate property values.
- **Lease Economics and Tenant Agreements (16m)**
Understand how lease structures affect property cash flows, risk, and long-term value.

Advanced Topics and Future Trends

- **Climate Change and Real Estate Risk (20m)**
Introduction to how climate factors like sea-level rise and wildfires influence property values and investment decisions.
- **Sea-Level Rise and Coastal Economics (18m)**
Analyze the economic impact of rising seas on coastal real estate and adaptation costs.
- **Wildfire Risk and Adaptation Strategies (16m)**
Study the costs and benefits of managing properties in wildfire-prone areas.
- **Retrofitting vs. Relocation Economics (22m)**
Compare the financial logic of upgrading existing buildings or moving to safer locations.
- **Government Policy and Market Regulation (20m)**
Examine how zoning, taxes, and regulations shape real estate development and pricing.
- **Zoning Laws and Land Use Control (18m)**
Understand the economic effects of zoning on housing supply, density, and property values.
- **Affordable Housing Policy and Economics (24m)**
Explore policies aimed at increasing housing affordability and their market trade-offs.
- **Sustainability and Green Building Incentives (15m)**
Learn how environmental standards and incentives affect real estate economics and investment.
- **PropTech and Technological Disruption (22m)**
Analyze how technology changes property management, transactions, and market dynamics.
- **Long-Term Trend Analysis (20m)**
Identify and interpret major trends like urbanization, remote work, and climate migration for 2026 and beyond.
- **Scenario Modeling for Future Markets (18m)**
Use data and models to project future market conditions under different economic assumptions.
- **Data Interpretation: Government and Commercial Reports (16m)**
Practice reading and analyzing reports from sources like Census, HUD, CoStar, and central banks.
- **Capstone Project: Local Market Diagnostic (35m)**
Produce a comprehensive economic report on a chosen metropolitan area, covering supply, demand, prices, and policy environment.
- **Course Wrap-Up and Applying Your Knowledge (12m)**
Review key concepts and discuss practical next steps for using economic insights in your profession.

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