Course Syllabus: Principles of Real Estate, Finance 3349

Course Title: Principles of Real Estate, Finance 3349, Class #2756, Section N, 3 credit hours

Course Meeting Time & Location: Monday, 7-9:45pm, Welder 117

Instructor: Mr. Ed W. Socha, sochae@stthom.edu, (713) 562-6040

Office: Welder 117  Office Hours: 6:15-6:45pm, Mondays and by appointment

Course Prerequisite: ACCT 1341, ECON 1331, 1332

Course Description

This course is a real estate principles and real estate finance course that provides a financial overview of the investment decisions involved in real estate with a focus on valuation. The course covers the economic, social and legal processes that affect real estate markets as well as real estate valuation and investment decisions involving real estate acquisition and real estate instruments. Various types of real estate acquisition and financing are considered and analyzed with respect to specific property: residential, apartments, shopping centers, office buildings, industrial properties and special use properties.

BBA Learning Goals

The Bachelors of Business Administration has five goals.

When students complete the BBA degree at the University of St. Thomas:

1. They will communicate clearly, effectively and logically in a business situation:
   - Objective 1: Graduates can demonstrate mastery of appropriate communication technology.
   - Objective 2: Graduates can produce written materials that flow logically and are grammatically correct.
   - Objective 3: Graduates can deliver a compelling oral presentation grounded in relevant information and facts.

2. They will be adept at critical thinking and be able to demonstrate creative decision making skills.
   - Objective 1: Graduates can identify the main problem and key surrounding assumptions.
   - Objective 2: Graduates can evaluate the logic, validity and relevance of data.
   - Objective 3: Graduates can solve challenging problems and discuss conclusions, implications.
3. They will be able to work effectively in teams towards achievement of goals.
- Objective 1: When working in a group, graduates can demonstrate collaborative behaviors in the achievement of group goals
- Objective 2: When working in a group, graduates can evidence accountability for the achievement of group goals
- Objective 3: When working in a group, graduates can demonstrate a positive attitude towards the group and the other members of the group

4. They will be able to state moral standards/principles, recognize possible moral issues and bring their moral knowledge to bear in resolving these moral issues.
- Objective 1: Graduates can state professional codes for ethical conduct as they apply to business situations.
- Objective 2: Graduates can discern moral issues in a business case.
- Objective 3: Graduates can bring moral principles to bear in resolving business issues.

5. They will demonstrate an understanding of fundamental business issues and processes.
- Objective 1: When students complete the BBA, they can demonstrate their management specific skills and competencies in Accounting, Economics, Management, Quantitative methods, Finance, marketing, Legal and Social Environments, Information System and Global Issues

Program Learning Goals

The goal of the finance curriculum is to acquaint students with the facts of financial markets and financial instruments and to teach them to perform financial calculations and analysis. In addition, the finance curriculum, along with their complementary business training, will enable students to attain professional workforce status in a financial environment. Specifically, students are expected to perform the following:

1. Effective and logical communication in a business situation.
2. Critical thinking and ability to demonstrate creative decision making skills.
3. Effective teams work towards achievement of goals.
4. Recognition of moral standards/principles and ability to resolve moral issues.
5. Understanding of fundamental business issues and processes.

Course Learning Goals and Objectives

By the end of this Principles of Real Estate course, you should understand and explain real estate valuation principles and concepts, the market determinants of value, the legal foundations of value, ownership benefits and value forecasts, real estate investment decisions, governmental impacts on real estate at the national, state and local level, the real estate development cycle, valuation using sales comparisons, cost approaches and income approaches; and real estate market research. You will compute, explain and compare real estate valuation on various types of residential and commercial property using sales comparisons, cost approaches and income approaches as well perform and explain calculations for investment decisions using Net Present Value (NPV) and Internal Rate of Return (IRR).
**Requirements for Students**

Students are expected to attend class, participate in class, prepare required assignments and take scheduled tests. Any make-up tests are allowed at the discretion of the instructor and must be scheduled with the instructor. The University of St. Thomas catalog governs final exam absences and conflicts. Students are expected to attend class regularly and punctually. Lack of attendance can be result in being dropped from the class and/or failure of the class according to the University of St. Thomas catalog.

**Grading Policy**

90-100 = A, A-
80-89 = B+, B, B-
70-79 = C+, C, C-
60-69 = D+, D
Below 60 = F

**Class Requirements, Tests and Value**

Class Participation = 5%
First Test = 30%
Second Test = 30%
Project = 10%
Final Exam = 25%

**Textbook & Materials Requirement**

Ling & Archer, *Real Estate Principles: A Value Approach, Fourth Edition*. Boston: McGraw-Hill Irwin, 2013. **Intended Audience:** This book is designed for use in an introductory real estate course at both the undergraduate and graduate levels. There are prerequisites for the course in accounting and economics. Please note that real estate finance concepts are emphasized throughout the course.

**Note:** This textbook has introductory calculation exercises involving the use of a financial calculator. Students are expected to have access to a financial calculator and are expected to use the calculator in class during lecture demonstrations and during exam periods.

**Class Schedule**

See attached Projected Class Schedule on page 4 of the syllabus.
## Class Schedule for Fall 2016*

*Note: Projected class schedule for Fall 2016.

**Principles of Real Estate, Finance 3349 N, Fall 2016**  
**Location & Time:** Welder 117, 7-9:45pm, Mondays  
**Instructor:** Ed W. Socha, sochae@stthom.edu

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<tr>
<th>Session</th>
<th>Date</th>
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| One     | 8/22/16 | Introduction, Chapter 1 & 2: The Nature of Real Estate & Real Estate Markets; Urban Land Institute—Montrose  
Assignment: Chapter 2—Legal Foundations to Value |
| Two     | 8/29/16 | Chapter 2; Assignment: Chapter 23—Development: The Dynamics of Creating Value |
| Three   | 9/05/16 | No Class; School Holiday |
| Four    | 9/12/16 | Chapter 23—Assignment: Chapters 3—Conveying Real Property Interests |
| Five    | 9/19/16 | Chapter 3—Conveying Real Property Interests; Assignment: Chapter 4—Government Controls & Real Estate Markets |
| Six     | 9/26/16 | Chapter 4, Assignment: First Test |
| Seven   | 10/03/16 | First Exam: Chapters 1, 2, 3, 4, 23  
Assignment: Chapter 6—Forecasting, Chapter 7—Valuation Using the Sales Comparison & Cost Approaches |
| Eight   | 10/10/16 | Fall Break—No Class |
| Nine    | 10/17/16 | Chapter 6 & 7; Assignment: Chapter 8—Valuation Using the Income Approach; Chapter 9—Real Estate Finance: The Laws & Contracts |
| Ten     | 10/24/16 | Chapter 8 & 9; Second Test Review |
| Eleven  | 10/31/16 | Second Exam: Chapters 6, 7, 8 & 9  
Assignment: Chapter 12—Real Estate Brokerage & Listing Contracts |
| Twelve  | 11/07/16 | Chapter 12; Assignment: Chapter 13—Contracts for Sale & Closing; Chapter 14—The Effects of Time & Risk on Value |
| Thirteen| 11/14/16 | Chapter 13 & 14; Assignment: Chapter 19—Investment Decisions: Ratios; Chapter 20 Investment Decisions: NPV & IRR |
| Fourteen| 11/21/16 | Chapter 19 & 20; Assignment: Chapter 17—Sources of Commercial Debt & Equity Capital; Chapter 22 Leases & Property Types; Project Assigned |
| Fifteen | 11/28/16 | Chapter 17 & 22 |
| Sixteen | 12/05/16 | Project Review & Final Exam Review (Required) |
| Final Exam | 12/12/16 | Final Exam; Project Due(Final Deadline) + Complete Final Exam |

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**November 04, 2016 (Friday)**—Last day to withdraw with a “W” grade
The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

The Cameron School of Business will serve students of diverse backgrounds, providing them the necessary professional skills for a changing global economy, and instilling in them a deep appreciation for ethical behavior as the hallmark of a successful and fulfilling business career. The Cameron School will provide its students a timely and comprehensive business curriculum, with opportunities for specialized study in major business fields. The faculty will provide quality teaching, as this is the core of our mission. As an extension of our teaching mission, the faculty will engage in scholarly activity and service to the University, the profession, and the community.

Academic Honesty Ethical conduct is essential to a community of scholars and students searching for truth. Anything less than total commitment to honesty and honorable conduct undermines the efforts of the entire community. Academic integrity lies at the very heart of any institution of higher learning. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual's honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable.

**Accommodations** The University of St. Thomas abides by the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that no student shall be denied the benefits of an education "solely by reason of a handicap." If you have a documented disability that may impact your performance in this class and for which you may require accommodations, you must be registered with and provide documentation of your disability to Counseling and Disability Services which is located on the second floor of Crooker Center. Contact Counseling and Disability Services at (713) 525-2064.