

COURSE: **Fin 4300 Real Estate Finance** **Fall 2013**
INSTRUCTOR: Neil Walter email: walter@dixie.edu
OFFICE: Office: 652-7567
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CREDIT: 3 Semester Hours,
CLASS SCHEDULE: Tuesday @ 5:15 PM Room 229
TEXT: Real Estate Finance and Investments, 14th Edition by Brueggeman & Fisher

CORRESPONDANCE: Expect to receive correspondence via Canvas. In the event there is a syllabus change or an announcement that needs to be sent to the class, it will be posted to Canvas. If you have questions, please don't hesitate to give me a call or send me an e-mail. I usually check my e-mail each day, but sometimes when I am not on campus for a couple of days, I may be slow to get to all of my email. The office number is for my office here on campus. To contact me via phone, call my cell. If I don't answer, if you don't leave a message, I won't return your call. I am fine with text messages—just make sure you tell me who you are.

PLEASE NOTE: The syllabus includes objectives and a schedule for the course. Any changes to the syllabus will be posted to Canvas or announced in class.

OFFICE VISITS:

Feel free to contact me at any time via phone or e-mail with questions regarding the class. I will return your call or e-mail as soon as possible. Office hours will be posted on my office door, although I can be available right after class on most days.

COURSE DESCRIPTION:

This course is designed to help you learn to analyze real estate assets in the context of the finance tools you are learning at Dixie State. We will evaluate real estate investments as an asset class similar to stocks, bonds, and commodities. The course covers lending, calculating rates of return, and structuring real estate transactions with a specific emphasis on income properties. This course is not designed to meet any state licensing criteria, nor does it qualify toward licensing or continuing education for real estate agents, brokers, mortgage brokers, or appraisers in the State of Utah; nevertheless, they should find the information helpful in their respective professions.

OBJECTIVES:

When the student successfully completes this course he/she will be able to:

1. Describe the difference between various real estate interests
2. Set up amortization schedules and calculate the yield for various debt structures
3. Explain the difference in risk profiles for various real estate assets
4. Value various types of real estate assets using the DCF method and calculate NPV and IRRs
5. Evaluate corporate real estate issues such as lease versus buy and sale leasebacks
6. Analyze the impacts of inflation, depreciation, and taxes on the valuation of real estate assets.

ATTENDANCE:

Regular Attendance is recommended for this course. If you must be absent, it is your responsibility to contact a fellow student or me to find out what you missed. Attendance will be taken in class. Even if you know you will be absent for institutional absences, you still must let me know in advance and make arrangements for materials covered. If you attend all but one of the scheduled classes, you will receive a 2.5% bonus added to your final grade.

University approved absences: Dixie State University Policy explains in detail what needs to happen if you anticipate being absent from class because of a university-sponsored activity (athletic events, club activities, field trips for other classes, etc). Please read this information and follow the instructions carefully! The policy can be found at: <http://www.dixie.edu/humanres/policy/sec5/523.html>

ASSIGNMENTS:

Reading: In order to remain current with class progress and discussion, you will be required to read the chapters assigned for each lecture. This will enable you to learn the material much better, contribute more to class discussion, and prepare you for any tests and quizzes.

Quizzes: Quizzes are due at the beginning of class on the date scheduled. They must be completed individually. Some will be open neighbor and open book. Late quizzes will receive no more than ½ credit. If you are going to be absent/late for a any reason on the day a quiz is scheduled due, please make arrangements to turn in the quiz **prior** to when it is due. Please note, some are for double points. Also quizzes with an “a” or a “b” after the quiz number are not on the course website, but will be available on Canvas.

Cases

There will be a series of cases. You will work on each of these projects in groups of two. Each of these assignments will require preparation of a written summary that will be turned in for a grade. As a group, you will need to be prepared for each class to discuss your findings and recommendations. The respective assignments will outline the requirements for that particular situation.

Grading will come from three components:

- 1) **Written Summaries:** A written summary is required for every case. Each written summary **must be typed** and will be scored from 0 to 10 where a 10 will be given for an exceptional assessment meeting all of the objectives. Late summaries are ½ credit and no credit is given where minimal effort is made or no written summary is turned in. In addition to specific questions asked in the case assignments, you will be graded on how well you articulate your findings and your analysis of the situation and the necessary assumptions.
- 2) **Presentations:** Each group will be required to make at least one presentation. If your group is not present or unprepared on a day when they are assigned to present, you will receive a 0.
- 3) The third component is your peer evaluation. At the end of the semester, the other members of your group will evaluate your performance and this evaluation will be incorporated into your grade.

All work *must* be your own. Plagiarism or cheating in any form will result in no credit for the assignment and may result in no credit for the class.

Final Exam:

There will be a final exam. It will be comprehensive and open book, but not open neighbor.

DISABILITY ACCOMMODATIONS:

Students with medical, psychological, learning or other disabilities desiring reasonable academic adjustment, accommodations, or auxiliary aids to be successful in this class will need to contact the Disability Resource Center Coordinator (Baako Wahabu) for eligibility determination. Proper documentation of impairment is required in order to receive services or accommodations. DRC is located in the North Plaza Building. Visit or call 652-7516 to schedule appointment to discuss the process. DRC Coordinator determines eligibility for and authorizes the provision of services.

DMAIL EMAIL ACCOUNTS:

Important class and university information will be sent to your Dmail account. This information includes your DSU bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSU. All DSU students are automatically assigned a Dmail account. If you don't know your user name and password, go to www.dixie.edu and select "Dmail," for complete instructions. You will be held responsible for information sent to your Dmail email, so please check it often.

DISRUPTIVE BEHAVIOR:

It is the responsibility of an instructor to manage the classroom environment to ensure a good learning climate for all students. This means not talking when the teacher is talking, following instructions, and speaking and acting respectfully to the professor and fellow students. For more details, please see the disruptive behavior policy at: <http://www.dixie.edu/humanres/policy/sec3/334.html>

ACADEMIC INTEGRITY:

In order to ensure that the highest standards of academic conduct are promoted and supported at the University, students must adhere to generally accepted standards of academic honesty, including but not limited to, refraining from cheating, plagiarizing, falsification, misrepresentation, and/or inappropriately colluding or collaborating. The University shall consistently hold students accountable for instances of academic dishonesty and apply appropriate consequences. For more information, see the Student Academic Misconduct section of DSU policy at <http://www.dixie.edu/humanres/policy/sec5/533.html#appeals>.

ADDITIONAL CAMPUS RESOURCES:

If you need help understanding the content of your courses, go to the Tutoring Center located on the 4th floor of the Holland Centennial Commons in Room 431. You can visit them online at <http://www.dixie.edu/tutoring/>

If you need help writing papers, essays, etc go to the Writing Center on the fourth floor of the Holland Centennial Commons in room 421. You can also visit them online at <http://dixiewritingcenter.com/>

If you need to use a computer to do schoolwork on campus, go to the Smith Computer Center or the Holland Centennial Commons on the second, mezzanine, or third floors.

If you are assigned to take a test in the Testing Center, go to the North Plaza. You can get information on their website at <http://www.dixie.edu/testing/>

The Library has all kinds of information and resources. Visit the Dixie State University Library on the 2nd, and 3rd floors of the Holland Centennial Commons, or go to the library website at <http://library.dixie.edu/>

If you need help with dispute resolution with other students, faculty or staff, the Ombuds Office provides assistance in resolving problems and conflicts. It is an independent, impartial, informal, and confidential resource available to all members of the Dixie State University community. More information is available at <http://www.dixie.edu/ombuds/>

If you need computer assistance, please contact the IT Helpdesk at 435-879-4357.

GRADING:

Please keep all graded tests and homework assignments until you complete the course and receive a final grade. If I make a mistake in your grade, your graded work will be required to make corrections. Grades are for percentages greater than or equal to the percentage shown and are calculated using the weightings below. I reserve the right to adjust the weights to reflect changing workload or adjustments to this syllabus.

Quizzes	30%
Cases	30%
Presentations	10%
Peer Evaluations	5%
Final Exam weight	<u>25%</u>
Total	100%

Percent	93%	90%	87%	83%	80%	77%	73%	70%	67%	63%	60%	0%
Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F

CLASS SCHEDULE:

Date	Chapters	Topic	Assignments/Tests
Aug 20	1, 2	Legal Concepts/Notes and Mortgages	
Aug 27	3,4	Interest Factor in Financing/Fixed Rate Mortgage Loans	Quiz 1, 2 Due
Sep 03	5	Adjustable Rate Mortgage Loans/	Quiz 3, 4 Due
Sep 10	7	Single Family Housing	Quiz 5, 7A(double points) Due
Sep 17		Case 2 Presentations and Discussion	Case 1 Due
Sep 24	9	Introduction to Income Producing Properties	Quiz 9a Due
Oct 01	10	Valuation of Income Properties	Quiz 9B (double points) Due
Oct 08		Case 2 Presentations and Discussion	Case 2 Due
Oct 15	11	Investment Analysis & Taxation	
Oct 22		Case 3a Presentations and Discussion/Investment Analysis	Case 3a Due
Oct 29	12, 13	Investment Analysis & Taxation	
Nov 05		Case 3b Presentations and Discussion/Lease vs Buy	Case 3b Due
Nov 12	15	Lease Versus Buy	
Nov 19	19, 20	Case 4 Presentations and Discussion/Secondary Market	Case 4 Due
Nov 26	16	Financing Project Development	Quiz 19, 20 Due
Dec 03		Case 5 Presentations and Discussion	Case 5 Due
		Final Exam	Final Exam