SYLLABUS
FIN 323 FUNDAMENTALS OF REAL ESTATE

Course Number: FIN 323
Instructor: Richard M. Levy, M.Arch, PhD
Office Location: Brightspace
Email: richard_levy@uri.edu
Office Hours: TBA, contact by email. Students may arrange for a virtual office meeting by phone, ZOOM, or Skype.
Class Days/Time: The first day of class begins on June 27. The last day of class ends on July 29.
Final Exam: July 30.
Classroom: Online (asynchronous)
Prerequisites: Students should have ECN 201 or EEC 105, and junior standing in a degree-granting college.
Required Readings: See required readings

Course Calendar Description
Analysis of real estate principles. An examination of land utilization, valuation, financing techniques, urban development, property rights, markets, and government regulation. Pre: ECN 201 or EEC 105, and junior standing in a degree-granting college.

Course Goals
The course provides an introduction to real estate with a focus on economics, law, finance, urban design, development, marketing, and planning. The course will begin by considering market dynamics. Specific attention will focus on techniques for estimating the supply and demand for residential, commercial, and industrial development. Discussions will also include “highest and best use” as a principle in real estate property appraisal. Finance is a critical factor in the success of any real estate development project. Students will have an opportunity in this course to understand how proformas are used to evaluate real estate development projects. In the process of developing financial projections, students will be introduced to the fundamentals of financial
analysis including debt financing, taxation, and risk management. Marketing is important to any successful real estate venture. Students will learn how to use demographic and economic data to evaluate the potential success of a development project. This course will also examine real estate development from a legal perspective. The focus of this discussion will focus on land acquisition, contracts, ownership, tenancy, tax treatment, and the disposition of real property. Discussions will also consider how zoning shapes the physical form of real estate development.

**Teaching Approach**
In this course, each topic area is presented through the use of video lectures given by the course instructor. Videos, exercises, quizzes, and exams will be an important part of the course learning experience.

**Student Learning Outcomes**
Upon successful completion of this course, each student will be familiar with factors that impact the development of real estate including:

1. Appreciate the role historical development has on the future development of cities.
2. Understand Michael Porter’s framework for the “competitive advantage” of cities.
3. Understand that real estate development is a complex process involving numerous players including, developers, bankers, financial managers, investors, architects, engineers, contractors, community interest groups, and a host of government agencies and departments at the local state and the federal government.
4. Explore how macro-economic models can be used to help predict the demand and supply for new development. Consider how leading economic indicators can aid in forecasting future demand and supply for residential, commercial, and retail space.
5. Understand the role that the risk-reward function plays in the choice and preference of investors. Use “Sharpe Ratio” as a tool for analyzing the performance of investment portfolios. Gain an appreciation for the role of local markets as a determinant of capitalization rates and borrowing rates.
6. Calculate net operating income, debt to equity ratio, current ratio, cash on cash, before and after-tax rates of return on equity. Understand the role of capitalization rates, net present value (NPV), and internal rate of return (IRR) in evaluating financial projections.
7. Compare methods of appraising property. Three methods will be examined in detail: comparables, income method, and replacement value.
8. Consider approaches using NPV and IRR for determining “highest and best use” for a property.
9. Examine the role risk management plays throughout the development process.
10. Understand how the forms of business ownership impact liability, taxation, and the ability to raise capital.
11. Appreciate the role of the law in real estate development.
12. In defining property rights consider how issues of ownership, taxation, tenant rights, zoning, and easements impact development.
13. Understand the role of brokers and agents in the real estate market.

Prerequisites
Students should have ECN 201 or EEC 105, and junior standing in a degree-granting college. Students should also have a basic understanding of EXCEL for this course. If you have any questions about this course please contact the instructor.

Reaching the instructor
Students should contact the instructor through email and announcements. Email is my preferred method of contact. If you have not received a response within 24 hours please contact me again as email can be questionable at times. In addition, students will receive email from this course to their e-campus emails. It is my practice to catalogue these emails under announcements in Brightspace. Be sure to check these often. It is your responsibility to forward your campus email to any other email system you have so that you receive my communications.

Grading and Late Assignments
Since this is an online course, all students are expected to turn in the assignments on the due date as designated in the syllabus regardless of inclement weather. Points will be deducted for assignments that are turned in late.

Content: Topic Areas & Detailed Class Schedule
The schedule and syllabus for the course can be found under “Introduction to the Course” (under the Content heading). In addition, a list of all readings will be posted on Brightspace under each lesson. It is your responsibility to check the website, for handouts and calendar due date for quizzes, exams, and other assignments. See schedule under syllabus for the due dates for this course.

Readings
The textbook for this course is:
Levy, Richard M. Introduction to Real Estate Development and Finance. London: Routledge Press, 2020. The text may be purchased through the URI Bookstore or online and is available in softcover and as an eBook directly from the publisher or through Amazon.com.


The textbook will be supplemented by readings that will be available on Brightspace.

Evaluation:
During the semester students will be required to take the quizzes which will count for 50% of your grade. The lowest quiz grade will be dropped before calculating the final grade for this course. Class participation in online forums will constitute 20% of the final
grade. Contributions to the forum will be twice a week and a grade of zero will be given to those not completing this assignment. To be excused from a missing assignment the student must provide written documentation that is acceptable to the instructor. Written documentation must be sent within two days of the due date. In addition to the quizzes, and participation in the forum students will be required to take a final exam (30%). On the final exam students are expected to have a working understanding of basic principles, practices and terminology associated with the study of real estate development and finance. In addition to the quantitative problems and multiple choice questions, students will be asked write short essays addressing critical issues in real estate development. The date for the final exam is July 30.

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<th>Percent of Final Grade</th>
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<tr>
<td>Quizzes</td>
<td>50%</td>
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<td>Class Participation (forum)</td>
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<td>Final Exam</td>
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<td><strong>Total</strong></td>
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**Sample Short Answer Questions:**

1. Using the information below what is the appraised value for Fairview Apartments using the Income approach. Base your answer on the data provided below.

   Rents  = $1,000,000/year  
   Vacancy factor = 10%  
   Interest payment = $200,000  
   Taxes = $100,000  
   Cap Rate  = 10%
2. In calculating the annualized holding period return (AHPR) for a bond held in the XYZ portfolio, which of the following are needed for this calculation? (mark all that apply)

A) Coupon rate  
B) Face value of the bond  
C) Year of purchase  
D) Holding period  
E) Purchase Price

3. At the closing of a real estate transaction which is NOT a concern?

A) Survey has been updated (real property report)  
B) Mortgage proceeds paid  
C) Price of the property  
D) Maintenance contracts for future services are paid in full  
E) Payment of utilities

Sample Essay Questions:

What is a limited partnership? Why are Limited partnerships used as a vehicle for raising capital for real estate development?

How can economic indicators be used to predict a trend that is helpful in examining the market for real estate?

As part of the data collection process, what information would I need about the physical properties of a site and the buildings that are under consideration for development?
Grading Scale

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<th>Lower</th>
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<td>A-</td>
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How This Class Works:
This course is completely online but is not self-paced. Over the term, you will be required to complete each unit of work. Each lesson has an online video, specific readings, exercises, and assignments. Please complete the lesson by the designated date. Each lesson will take you through a discussion of the key issues in real estate development and finance. Each week you will have access to two new units of work which includes videos, PowerPoints, readings exercises. Excel spreadsheets and online resources.

BRIGHTSPACE
Along the top of the Brightspace webpage for this course you will see: (1) Course Home, (2) Content, (3) Assignments, (4) Discussions, (5) Quizzes, (6) Classlist, (7) Grades, (8) Class Progress, (9) Course Tools, (10) Help, and (11) More. Each contains information that you will need to access at the very beginning of this course, as well as throughout the course duration. For documentation on the course see https://documentation.brightspace.com/EN/learners/learners.htm To get started with Brightspace see:

https://web.uri.edu/its-covid19/using-brightspace-2/

(1) Course Home is a central area for accessing course-specific information. Like My Home, Course Home pages have a navigation area across the top of the page, and a number of widgets that contain information and links. Information and links on Course
Home are specific to the course unless the information relates to course-independent tools

(2) **Content** tool is used to access course materials, complete required activities, and monitor your completion progress on topics contained within each course module.

(3) **Assignments**: The location of graded work for the course.

(4) **Discussions**: The location for entering forum posts. The forum will be used for commenting on student work. It will also be used as a vehicle for discussing the material covered in the course. Participation in the forum is a requirement for the course.

(5) **Quizzes**: Quizzes will be submitted twice a week.

(6) **Classlist**: Use the classlist to view who is enrolled in your course, send email messages or instant messages, view shared locker files, and read their blogs if they have one.

(7) **Grades**: The Grades tool within Brightspace Learning Platform is an application that is used to track grades.

(8) **Class Progress**: Tracks your progress in a course by measuring the completion of different progress indicators.

(9) **Course Tools**: Provides access announcements, assignments, calendar, checklists, quizzes, and surveys, and other basic operations within Brightspace.

(10) **Help**: Location of documentation and guides for Brightspace.

(11) **More**: Online URI resources

**Minimum Technical Skills for Students**

Students taking this online course will need to have minimum technical skills prior to starting the course. These skills include the following:

- All students will need to be familiar with navigating through Brightspace.
- All students will need to be able to use email and send attachments or receive attachments if necessary.
- All students will need to be able to copy and paste text into Brightspace.
- All students will need to have a basic skill set in Excel including entering and formatting data, numbers, and tables, calculating totals, creating simple equations, inserting functions, and making a chart in Excel.
- Students with limited knowledge of Excel will be given an on-line tutorial and exercises. It is important that students become familiar with Excel.
Technology Accessibility Statements
Brightspace: The following provides access to Brightspace’s Accessibility Statement: https://Brightspaceproject.org/accessibility


YouTube: The following provides access to YouTube’s Accessibility Statement: https://support.google.com/youtube/answer/189278?hl=en

Technology Access and Privacy Statements
Computer access to the internet is required to successfully navigate this course. Firefox or Chrome is the recommended browser for Brightspace compatibility and can be downloaded free from www.mozilla.com/firefox. You will require additional plug-ins (Adobe Reader, Adobe Flash, Real Player, Quicktime). These are all free downloads. Internet Explorer for Windows, version 11 or higher is also an option. Be sure to turn off the pop-up blocker.

You will also be watching videos through YouTube videos in this course. Privacy policies for YouTube can be accessed here: https://www.youtube.com/static?template=privacy_guidelines

Brightspace Help
In the Brightspace menu on the left, you will see Brightspace Documentation at the top of the menu. If you click on it, it will take you to the help pages. You can also call the Help Desk at 401-874-4357.

Remember to use Firefox or Chrome as your browser as there have been compatibility issues with Internet Explorer and Safari. Firefox works on both PC and Mac platforms (see Brightspace Help).

Expectations:
This is an intensive 3-credit course. Distance Education Accrediting Commission (DEAC) defines a credit hour as one credit/semester hour is 15 hours of academic engagement or 135 course activity hours for a 3 credit course. Points will be deducted for late submission of quizzes, posts, and other assignments unless there is a documented excuse. A grade of zero will be entered for all assignments which are more than 2 days late.

Other Equipment/Material requirements
A laptop with a word processing application and EXCEL or an equivalent spreadsheet program will be needed to complete the assignments for this course. An inexpensive hand calculator may also be helpful in this course.
The Academic Enhancement Center (AEC)
(From the AEC web page)

https://web.uri.edu/aec/
At the Academic Enhancement Center, we support academic success for all URI students. Our well-trained staff of tutors and academic consultants combine subject knowledge with an understanding of what students need to do to be successful.

To learn more about our programs, click a link above. Or, stop by one of our reception areas in Roosevelt Hall – in room 009 for the Writing Center, or room 411 for tutoring and other programs. You can also call us at 401.874.2367.

Students with Disabilities
Any student with a documented disability should contact your instructor early in the semester so that he or she may work out reasonable accommodations with you to support your success in this course. Students should also contact Disability Services for Students: Office of Student Life, 330 Memorial Union, 874-2098. They will determine with you what accommodations are necessary and appropriate. All information and documentation are confidential.

ACADEMIC INTEGRITY AND CONSEQUENCES

Academic Integrity:
Students are expected to be honest in all academic work. A student’s name on any written work, quiz, or exam shall be regarded as assurance that the work is the result of the student’s own independent thought and study. Work should be stated in the student’s own words, properly attributed to its source. Students have an obligation to know how to quote, paraphrase, summarize, cite, and reference the work of others with integrity. The following are examples of academic dishonesty.

• Using material, directly or paraphrasing, from published sources (print or electronic) without appropriate citation
• Claiming disproportionate credit for work not done independently
• Unauthorized possession or access to exams
• Unauthorized communication during exams
• Unauthorized use of another’s work or preparing work for another student
• Taking an exam for another student
• Altering or attempting to alter grades
• The use of notes or electronic devices to gain an unauthorized advantage during exams
• Fabricating or falsifying facts, data or references
• Facilitating or aiding another’s academic dishonesty
• Submitting the same paper for more than one course without prior approval from the instructors
All students should recognize that under no circumstances will I tolerate this kind of behavior. Violations of this policy will result in a grade of F on the assignment and quite possibly for the course. Please reference the following website for more information on academic integrity policies at URI:
www.cba.uri.edu/home/current/AcademicHonestyandIntegrity/

Professional Conduct:
Cheating and plagiarism are serious academic offenses, which are dealt with firmly by the College and University. Scholastic integrity presumes that students are honest in all academic work. **Cheating** is the failure to give credit for work not done independently (i.e., submitting a paper written by someone other than yourself), unauthorized communication during an examination, or the claiming of credit for work not done (i.e., falsifying information). **Plagiarism** is the failure to give credit for another person’s written or oral statement, thereby falsely presuming that such work is originally and solely your own.

If you have any doubts about what constitutes plagiarism, visit the following website: http://gervaseprograms.georgetown.edu/hc/plagiarism.html, the URI Student Handbook, and University Manual sections on plagiarism and cheating at http://www.uri.edu/facsen/8.20-8.27.html-cheating.