

	Course	FIN/REAL 3365 Section 001 Real Estate Finance
	Professor	George DeCourcy
	Term	Fall 2013
	Meetings	Monday 4:00m – 6:45pm JSOM 1.117

Professor's Contact Information

Office Phone	972-883-5810
Office Location	JSOM 2.410
Email Address	george@utdallas.edu
Office Hours	By appointment or “drop in”
Other	Please email me at UTD email address

General Course Information

Pre-requisites	FIN3320 and Excel spreadsheet capabilities
Course Description	This course is a finance course with special focus on the real estate industry. It prepares students to understand the risks and rewards associated with investing and owning real estate with an emphasis on income producing properties.
Learning Outcomes	At the end of the course, students will be able to: <ul style="list-style-type: none"> • Identify the risks associated with financing real estate • Understand various loan structures • Calculate mortgage payments • Develop basic cash flow models to evaluate property • Use advanced modeling tools for property analysis • Understand financing sources and capital market influences on the real estate marketplace
Required Text	<i>Real Estate Finance and Investments</i> , 14 th Edition, © 2011, by William Brueggeman and Jeffrey Fisher. Hardcover. McGraw Hill. ISBN-13 9780073377339. Earlier editions not recommended.
Text Resources	http://highered.mcgraw-hill.com/sites/0073377333/student_view0/
Calculators	Recommended: TI BA II Plus or HP 12C
Laptops/Software	Laptops with Excel (MS 2007 or above) are REQUIRED for this course and will be used extensively in class. We will also be using a program called ARGUS which <u>only runs on MS Windows</u> machines (not Mac). Instructor will provide details for obtaining a license to use this program. Students without Windows based laptops must make special arrangements.
Class Schedule / Academic Calendar	The material covered in each session is subject to change and may be updated throughout the semester. Students should regularly check eLearning for updates to the Schedule shown below.

SCHEDULE OF CLASSES

Version 1.0

Date	Topic	Reading Assignment	Comment
8/26	Basic Concepts	Chapter 1	Introduction Q1-1,Q1-3
	Real Estate Financing	Chapter 2	Excel & Argus setup Q2-1, 2-4, 2-9, 2-11, 2-17 P2-3, 2-10, 2-11
9/2	No class – Labor day		
9/9	Mortgage Loan Foundations (time value of money)	Chapter 3	Focus on Concept Boxes Q3-4, 3-10 P3-6, 3-13a , 3-15, 3-18ab
	Fixed Rate Mortgage Loans (Brief Overview of Variable Rate Loans)	Chapter 4 (Chapter 5)	Q4-3,6,9,10,13 P4-13, 4-15 Load Argus
9/16	Income Producing Property	Chapter 9 (skim p254-266) focus on Concept 9.1,9.2	Groups Formed Q9-1, 9-2, 9-3 P9-3, 9-4, 9-5, 9-9, 9-10
	Income Producing Property Continued	Chapter 9	
9/23	Exam 1	SCANTRON	
	Income Properties - Valuation	Chapter 10	Income approach
9/30	Income Property Valuation	Chapter 10	Oakwood Apartments Q10-3, 10-4 P10-1a, 10-3, 10-8, 10-9, 10-14, <i>10-16</i>
	Income Properties Applications	Chapter 10	Oakwood Apartments case p.328
10/7	Analysis and Taxation	Chapter 11 Skim 1 st section, focus on Examples	Ch10 Assignment Due Q11-4, 11-5, 11-6, 11-8 <i>P11-1 (use template), 11-2abcd</i>
	Analysis and Taxation – continued	Chapter 11	Excel Monument case P11-4excel, P11-5argus
10/14	Analysis and Taxation Apps	Chapter 11	Argus
	Leverage and Financing	Chapter 12	Case Project Discussion
10/21	Leverage and Financing	Chapter 12	Ch11 Assignment Due Q12-1,12-3,12-4,12-5, 12-7 P12-1acd,P12-2ac,P12-3, P12-8, P12-9 Excel, <i>P12-10 Arg.</i>
	Review		Monument case
10/28	Exam 2	SCANTRON	
	Risk Analysis (may need more time)	Chapter 13	Q13-2, 13-3, 13-4, 13-5, 13-7 P 13-1, P13-6Arg, <i>P13-7Arg.</i> Cases: Westgate & Worthington

	11/4	Organizational Forms	Chapter 18	Ch13 Assignment Due Q18-4,18-5,18-8,18-13, 18-14, P18-4
		Deal Structure & Capital Accounts	Chapter 18	P18-3
	11/11	Financing Development (p508 to 534 only)	Chapter 16	Q16-5,16-7,16-9,16-10,16-16 P16-1, 16-3
		Financing Land Development (time permitting)	Chapter 17	Q17-4,17-5, P17-1
	11/18	Secondary Mtge. Market	Chapter 19	Q19-6, 19-12
		CMOs & Derivatives	Chapter 20	Q20-7,20-11,20-12,20-17 P20-1, P20-7
	11/25	No Class - Holiday		
	12/2	REITs	Chapter 21	Ch 21 Q21-4, 5,7 P21-1
		Case Presentations		Evaluations Due
	12/9	Review then Exam 3	SCANTRON	

Course Policies

Course Grade	The course will be graded as follows:			
	Exam 1		15%	
	Exam 2		25%	
	Exam 3:		25%	
	Case Project:		15%	
	Reports(Excel/Argus):		15%	
	Extra allocation to highest exam		5%	
Undergraduate Grading	A+: 96%+	C+: 77-79%		
	A : 92-95%	C : 73-76%		
	A-: 90-91%	C-: 70-72%		
	B+: 87-89%	D+: 67-69%		
	B : 83-86%	D : 63-66%		
	B-: 80-82%	D-: 60-62%		
	F: Below 60%			
Class Procedure	Students should read assigned chapter material <u>prior</u> to the class session and are expected to participate in class.			
Homework/ Cases	Homework/ report requirements will be posted on eLearning. Students should check at least weekly for this information. Problems listed on Class Schedule are not necessarily those assigned for homework – but are suggested problems.			
Group Assignments	Any grades allocated to assignments or projects undertaken in a group format may be subject to adjustment on an individual basis if warranted by means of a Peer Evaluation.			

EXAMS	No make-ups allowed unless pre-arranged with Instructor in which case there will be a decrement to the grade. Laptops are NOT allowed during exams. Financial calculators are required. If Scantrons are used, they supersede responses on the exam itself.
Academic Integrity	The faculty expects a high level of responsibility and academic honesty from its students. This is important and could affect your grade and university status. See http://policy.utdallas.edu/utdsp5003

UTD Policies

Policies and Procedures for Students

The University of Texas at Dallas provides a number of policies and procedures designed to provide students with a safe and supportive learning environment. Brief summaries of the policies and procedures are provided for you at <http://go.utdallas.edu/syllabus-policies> and include information about technical support, field trip policies, off-campus activities, student conduct and discipline, academic integrity, copyright infringement, email use, withdrawal from class, student grievance procedures, incomplete grades, access to Disability Services (Office of Student AccessAbility – OSA), religious holy days and avoiding plagiarism. You may also seek further information at these websites:

- <http://www.utdallas.edu/deanofstudents/>
- <http://www.utdallas.edu/deanofstudents/policies/>
- <http://www.utdallas.edu/studentaccess/>