	Course	**FIN/REAL 3365** **Real Estate Finance**
UTD	**Professor**	George DeCourcy
	Term	Fall 2016
	Meetings	Mon. 4:00pm – 6:45pm JSOM 2.802

Professor's Contact Information

Office	JSOM 2.410 972-883-5810
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Office Hours	By appointment or "drop in"

General Course Information

Pre-requisites	FIN 3320; 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: • Evaluate income-producing properties as investments • Develop cash flow models to evaluate property • Use advanced modeling tools for property analysis • Contrast alternative financing structures • Explain financing sources and capital markets structures
Required Text	*Real Estate Finance and Investments*, 14th *Edition, or* 15th *Edition* © 2011/ © 2016, by William Brueggeman and Jeffrey Fisher. Hardcover. McGraw Hill. ISBN-13 9780073377339 or 9780073377353. Earlier editions acceptable but not recommended. Highly Recommended Reading: *The Big Short*, by Michael Lewis (author of *Liar's Poker*). Available on Amazon ~ $10. The Big Short has also been made into a movie released 2015.
Calculators	Any financial calculator such as TI BA II Plus or HP 12C
Laptops/Software	Microsoft Excel is used extensively in this course and students should have access to these resources. We will also be referring to a program called ARGUS. The use of this program is optional and it is available to students in the computer lab.
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
1	8/22	Basic Concepts Nature and Cycle of RE Finance	Chapter 1	Introduction Q1-1,Q1-3
		Real Estate Financing Money & Monetary System Instruments of RE Finance Defaults & Foreclosure	Chapter 2	Excel Q2-1, 2-4, 2-9, 2-11, 2-17 P2-3, 2-10, 2-11
2	8/29	Mortgage Loan Foundations Gov't Influence Sources of Funds Fixed Rate Mortgages (start)	Chapter 3 Chapter 4	Focus on Concept Boxes Q3-4, 3-10 P3-6, **3-13a**, **3-18ab**
		Fixed Rate Mortgage (continued) Loan Types, Terms & Issues	Chapter 4	Q4-3,6,9,10,13 P4-13, **4-15**
	9/5	No class – Labor Day		
3	9/12	Variable Rate Mortgages Additional Terms & Issues	Chapter 5 (some Ch 6)	**P5-8**, 5-10
		Underwriting and Closing Residential Mortgages Government Loan Programs Lender Loan Process Intro to Secondary Mtge Markets Review	Chapter 8	**P8-3** Preview for Ch19
4	9/19	**Exam 1**	SCANTRON	
		Income Producing Property	Chapter 9 (skim p254-266) focus on Concept 9.1,9.2	Groups Formed Q9-1, 9-2, 9-3
5	9/26	Income Producing Property Continued	Chapter 9	**P9-3**, **9-4**, **9-5**, 9-9, 9-10
		Income Properties – Valuation	Chapter 10	Income approach
6	10/3	Income Property Valuation	Chapter 10	Oakwood Apartments Q10-3a, 10-4, 10-10 P10-1a, 10-3, 10-8, **10-9**, 10-14
		Income Properties Applications Introduction to Argus Start Chapter 11	Chapter 10 Chapter 11	Oakwood Apartments case (p328) - Argus
7	10/10	Analysis and Taxation	Chapter 11 Skim 1st section & examples	**Ch10 Assignment Due** Q11-4, 11-5, 11-6, 11-8, 11-10 P11-1 *(use template)*, 11- 2abcd – *see assignment*

		Analysis and Taxation – continued; Tax Deferred (Sec. 1031) exchanges Case (Project) Discussion	Chapter 11 (Overview of Ch14 p468-474) (1031 exchange)	Excel Monument case P11-4excel, P11-5excel & Argus Monument **Please read Case before class**
8	10/17	Leverage & Financing	Chapter 12 start	**Ch11 Assignment Due**
		Leverage and Financing & Review (Practice)	Chapter 12	Q12-1,12-3,12-4,12-5, 12-7 **P12-1acd**, P12-2ac, **P12-3**, P12-8, P12-9 Excel, *P12-10 Arg*. Monument Case
9	10/24	**Exam 2**	SCANTRON	
		Deal Structuring	Chapter 18	Q18-4, 5, 8, 13
10	10/31	Deal Structuring - finish	Chapter 18	**Case Part 1 Assignment Due** P18-1, P18-2
		Secondary Mtge. Market	Chapter 19	Q19-6, **19-12**
11	11/5	CMOs & CMBS	Chapter 20	Q20-7,20-11,20-12,20-17 P20-1, P20-7
		Risk Analysis Defaults & Foreclosures	Chapter 13	Q13-2, 13-3, 13-4, 13-5, 13-7 *P 13-1*, P13-2, P13-6Arg, *P13-7Arg.* Westgate case
12	11/14	Financing Development (p508 to 534 only)	Chapter 16	Q16-5, 7, 9, 16 P16-1
		Land Development	Ch17	Q17-4,17-5, P17-1
	11/21	No class – Fall Break		
13	11/28	REITs	Chapter 21	Ch 21 Q21-4, 5,7 **P21-1** Discuss Peer eval.
		Case Presentations & Review		**Case due** **Peer Evaluations due**
14	12/5	**Exam 3**	SCANTRON	

* Schedule is subject to change. Please consult eLearning for updates.

Course Policies

	The course will be graded as follows:
Course Grade	Exam 1 15% Exam 2 25% Exam 3: 25% Case Project (Full Case Part 2): 15% Assignments (Excel & Case Part 1): 15% Extra allocation to highest Exam: 5%

Grading	Grade ranges are shown below. A : 90-100% B : 80-89% C : 70-79% D: 60-69% F: Below 60% Instructor may assign a "+" or "-" suffix to the above grade ranges.
Class Procedure	Students should review assigned chapter material prior to the class session and are expected to participate in class.
Homework/Cases	Homework and/or 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 Instructor through review of a Peer Evaluation process.
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 handwritten responses on the exam.
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/

The information available in these links is incorporated herein.