REAL ESTATE 310  
PRINCIPLES OF REAL ESTATE  
Spring 2017  
V. Lynn Hammett, PhD, Beatty Center, Room 416  
Contact Information: hammettl@cofc.edu  
Office hours: Mon & Wed 10:30 a.m. – 12:00 p.m.  
Other hours by appointment

21749 REAL 310 04  MW  2:00-3:15 – Beatty Center, Room 214  
22283 REAL 310 03  MW  3:25-4:40 – Beatty Center, Room 214

COURSE DESCRIPTION
The College of Charleston Undergraduate Course Catalog describes this course in the following manner. A basic course designed to cover the legal, financial, economic and marketing concepts related to real estate. Topics include property rights (contracts, deeds, mortgages, leases, liens); property ownership (titles, closing of settlement, insurance, taxes); financing (interest rates and mortgage types); brokerage; and property evaluation.

Essentially, this course serves as an introduction to the field of real estate, and provides an overview of many concepts within that field. For students who wish to learn more, many of the concepts covered have entire elective courses devoted to them.

COURSE OBJECTIVES:
At the end of the term, students will understand what real property is, the forms of ownership that exist for real property, and how ownership of real property is transferred and leased. Further, they will understand the types of agency relationships that can be formed when selling real property and some basic methods of carrying out real estate investment. Finally, students will be knowledgeable about the closing process in real estate transactions. Students will understand the terminology and processes involved in the sale or rental of real estate, and the ethical obligations of those involved.

PREREQUISITE: Junior Standing

REQUIRED RESOURCES:
Real Estate Principles: A Value Approach by David Ling and Wayne Archer, 4th Edition. We are using an abridged version made specifically for this course that is entitled Real Estate Principles: REAL 310. CARTER REAL ESTATE CENTER.

To purchase an e-copy of the book for $96.04 please go to https://create.mheducation.com/shop and search by the ISBN 9781308281148. You can purchase with a credit card.

You can purchase a hard copy of the book from the bookstore for $106.55.

You can also buy a complete version of the book at Amazon or some of the other booksellers. The abridged version simply has fewer chapters to save students money on the brand new version of the book.

Calculator:
This class will involve the use of a financial calculator. In class, I use the HP12C Programmable Financial Calculator to work problems. You may use any financial calculator you wish, but I will support the HP12C in class. There is a high probability that your future finance and real estate classes will require the use of a financial calculator. You may not use a cell phone or computer as a calculator for any test or quiz.
Internet:
Each student will need access to a computer with Internet capability and a printer for various research assignments. In addition, you will be using Microsoft software including Excel. Documents uploaded to OAKS must use this software.

SB LEARNING GOALS
This course directly addresses the Learning Goals established by the School of Business:

COMMUNICATION SKILLS: Students will demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in a cogent, persuasive manner. Thus class participation is imperative.

QUANTITATIVE FLUENCY: Students will demonstrate competency in logical reasoning and data analysis skills. Measures of influencing factors on the real estate environment will be constantly monitored.

GLOBAL AND CIVIC RESPONSIBILITY: Students identify and define social, ethical, environmental and economic challenges at local, national and international levels. Students integrate knowledge and skills in addressing these issues in the context of the real estate industry, including ethical standards and statutes that apply to real estate professionals.

INTELLECTUAL INNOVATION AND CREATIVITY: Students demonstrate their resourcefulness and originality in addressing extemporaneous problems through projects designed to provide real world experience in the field of real estate. Student projects will incorporate field data with creative problem solving to apply solutions to real estate problems.

SYNTHESIS: Students will demonstrate the ability to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks. Specific attention will be paid to documents related to real estate transactions.

Supplementary Texts/Resources:
The Appraisal of Real Estate, 14th Edition
The Dictionary of Real Estate Appraisal, 6th Edition
The Big Short: Inside the Doomsday Machine, Michael Lewis (You may choose to watch the movie which can be rented through Online sources)

CLASS METHODOLOGY
Class lecture will include a great deal of information based on the instructor’s experience and knowledge. In addition, class participation is important. Students are expected to be engaged and ask questions. The information in assigned text readings will enhance this classroom experience. Students are required to read the textbook assignments PRIOR to class so that a meaningful discussion can be held. This course is not designed as a monologue and student participation is expected and important.

ASSIGNMENT EXPECTATIONS
Following the School of Business learning goal of effective communications, all written work (including presentations) must be completed in professional style and follow basic principles of effective written communication. As any potential investor (or employer) would expect, all written work should be neat,
well-organized, clearly written, and free from grammatical and/or typographical errors. In other words, grammar, spelling and formatting will count as part of the grade on all assignments (including presentations).

ATTENDANCE
You are towards the end of your business school careers, and you should begin to recognize that attendance is critical in the business community. Therefore, you are expected to attend class unless there is an exceptional excuse for the absence or unless you have an official excuse from the campus health services. It is not necessary to explain the reason for any class(es) missed because it is automatically assumed that it is for a valid, legitimate reason. This policy includes class sessions from the first day of the semester. Thus, two (2) absences are allowed for any such exceptional purpose(s). There is a sliding scale of attendance points thereafter with a five point reduction in your final grade for each absence in excess of two. Six absences results in a final grade of F.

Remember:
1. You are granted only 2 absences whether it is excused or not excused.
2. Late arrival for class or use of PDA in class will be counted as an absence.
3. If you miss 6 classes you will receive a final grade of F. **This policy is non-negotiable.**

USE of PDA DEVICES: The use of all PDA devices, including cell phones and laptop computers, pads and pods is expressly forbidden in the classroom during lectures and class discussions. Texting, receiving or sending messages, cell phone use, or the use of laptop computers during these times will result in immediate dismissal from the lecture with an absence recorded. Students must keep these devices turned off and out of sight during class. It is a violation of this policy to keep such devices on your lap. Of course the use of these devices during team meetings in class to prepare cases or assignments is not prohibited.

COURSEWORK

**Misc. Assignments:** Assignments will be given during the course of the semester. These have been designed to increase your understanding of real estate analysis and decision-making in the context of current events. Assignments may require the use of Excel spreadsheets, short quizzes, or written essays. A final project will be due on the date of your final exam. Late submittals will not be accepted unless prior arrangements have been made in advance of the due date. Assignments are graded for clear and organized presentation, as well as the correct methodology. All work should be shown as partial credit may be given. Students may work together, however, unless indicated otherwise, each student must turn in his/her own work.

**Exams:** There will be one mid-term exam and one final given during exam week. They will not be deliberately cumulative but the course builds on previous material so later exams will include concepts learned from earlier in the term.

Grading Policies % of final grade:

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<tr>
<td>Assignments:</td>
<td>30</td>
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<tr>
<td>Midterm Exam:</td>
<td>15</td>
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Final Exam: 30
Class Participation: 25
Total 100

Disagreements with the grading on a particular assignment must be made in writing and turned in within one week after assignment is returned.

**GRADING SCALE:**
Late assignments will NOT be accepted.

Final course grades will be determined as follows (percentages of total possible points):
92 + = A
90-91.9 = A-
88-89.9 = B+
82-87.9 = B
80-81.9 = B-
78-79.9 = C+
72-77.9 = C
70-71.9 = C-
68-69.9 = D+
62-67.9 = D
60-61.9 = D

**CLASS SCHEDULE:** Wednesday, January 11, 2017 – First class; Wednesday, April 26, 2017 – Last class; Final exams – Friday, April 28th for 3:25 class; Monday, May 1 for 2:00 class.

**THE HONOR CODE AT THE COLLEGE OF CHARLESTON SPECIFICALLY FORBIDS:** Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved. Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file. Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board. Students should be aware that unauthorized collaboration—working together without permission—is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance. Research conducted
and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor. Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php

DISABILITY STATEMENT

• The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying the instructor as soon as possible, at least one week prior to needing the accommodation.

• If there is a student in this class who has a documented disability and has been approved to receive accommodations through SNAP, please feel free to contact the instructor if any discussion is needed.

• The College of Charleston abides by section 504 of the Rehabilitation Act of 1973 that stipulates no student shall be denied the benefits of an education “solely by reason of a handicap.” Disabilities covered by law include, but are not limited to, learning disabilities and hearing, sight, or mobility impairments. If you have a documented disability that may have some impact on your work in this class and for which you may require accommodations, please contact the Center for Disability Services (953-1431) and then see the instructor so that such accommodation may be arranged.

IMPORTANT DATES

Martin Luther King Holiday – Monday, January 16
Last day to Drop/Add - Wednesday, January 18
Spring Break – March 5-11
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<tr>
<th>Date</th>
<th>Readings</th>
<th>Discussion Goals</th>
<th>Assignments</th>
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<tr>
<td>1/11/2017</td>
<td>Chapter 1</td>
<td>We will begin by defining real estate and examine the real estate market. The role of real estate in the household will be discussed. We will look at real estate in comparison with other assets and look for differences in how various participants view the real estate transaction.</td>
<td>Your assignments for Chapters 1-4 will allow you to explore county websites used by various real estate professionals to complete real estate transactions. Assignments will include locating deeds and mortgages for a parcel of real estate, identifying judgments and liens, and locating tax data. Specific assignments and due dates will be provided. <a href="http://www.charlestoncounty.org/">http://www.charlestoncounty.org/</a></td>
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<tr>
<td>1/18/2017</td>
<td>Chapter 2</td>
<td>The legal foundations of real estate are introduced including the “bundle of rights and types of ownership. The effect of liens and judgments on ownership of real estate is explored.</td>
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<td>1/23/2017</td>
<td>Chapter 3</td>
<td>Real estate transactions and typical business transactions are compared and contrasted. Significant clauses and covenants within the deed are introduced. Methods of voluntary and involuntary conveyance are identified. The role of the title search and evidence of title are discussed. Legal statutes affecting conveyance is introduced. Three methods of describing property are investigated.</td>
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<td>1/30/2017</td>
<td>Chapter 4</td>
<td>Market forces and the social benefits of land use are analyzed. The positive and negative effects of zoning and value are explored through an historical context. The effect of land use and development is examined through local regulations and planning offices are examined. Environmental hazards and risk are discussed, including methods of mitigation, sustainability, and adaptability for new and existing construction. Eminent domain and public use of real estate is discussed. The property tax system is explored from the context of revenue growth</td>
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and fairness. We will learn how property taxes are calculated.

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<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
<th>Assignments</th>
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<tr>
<td>2/6/2017</td>
<td>Chapter 5</td>
<td>The evolution of cities is discussed through transportation nodes, natural resources, and economic activity. We will identify factors that affect supply and demand and discuss the concept of location, location, location. Types of goods will be distinguished. The role of industry and economies of scale are explored.</td>
<td>Current Event Due 2/8</td>
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<td>2/8/2017</td>
<td>Chapter 6</td>
<td>The focus of this chapter is to understand segmentation in real estate markets. Market research for real estate decision-making is initiated through multiple data sources and GIS systems online.</td>
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<td>2/13/2017</td>
<td>Chapter 7</td>
<td>Valuation Methods for Real Estate: Sales Comparison/Cost Approach</td>
<td>Current Event Due 2/15</td>
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<td>2/27/2017</td>
<td>Review</td>
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<td>Midterm 3/1</td>
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<td>3/13/2017</td>
<td>Chapter 8</td>
<td>Valuation Methods for Real Estate: Income Approach</td>
<td>Assignment TBA Due 3/22</td>
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<td>3/20/2017</td>
<td>Chapter 9</td>
<td>Real estate finance, understanding interest rates and loan terms, and mortgage clauses are explored. We will identify three forms of recording documents used in the context of financing a purchase. We will talk about foreclosure, bankruptcy, and laws affecting home mortgage lending.</td>
<td>Time Value of Money / Mtg Cal Quiz TBD</td>
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<td>3/27/2017</td>
<td>Chapter 10 Chapter 11 Chapter 14 Chapter 15</td>
<td>Understanding how banking works is fundamental to mortgage markets. We will continue our discussion of real estate finance through an</td>
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<td>4/3/2017</td>
<td>Chapter 12</td>
<td>The role of the real estate broker is explored. Legal responsibilities and licensing requirements are identified. Listing contracts are reviewed and important provisions identified.</td>
<td>Independent Project Assignment: Sign-ups on 4/3/2017</td>
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<td>4/5/2017</td>
<td>Chapter 13</td>
<td>Requirements for sales contracts are identified. Closing costs and pre-closing activities are discussed. A HUD-1 closing statement and sales contract will analyzed.</td>
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<td>4/10/2017</td>
<td>Chapter 16</td>
<td>Commercial mortgages and financing types are identified. Decision making tools are introduced.</td>
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| 4/12/2017  | Chapter 17| Sources of capital for commercial ventures are identified. Comparisons are made between commercial investment and alternative assets. Public and private mortgage debt are discussed as well as the role of syndications. Real Estate Investment Trusts are examined. | Independent Project Assignment: Online presentation due 4/14  
Student responses to Online presentations due 4/21   |
<p>| 4/17/2017  | Chapter 18| Review of ratios and investment tools to analyze cash flows and return on investment are introduced. The effect of income taxes and debt will be analyzed.                                        | Student responses to Online presentations due 4/21                                             |
| 4/19/2017  | Chapter 19| Maintaining value through effective management.                                                                                         |                                                                                                |</p>
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<th>Date</th>
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<tr>
<td>4/24/2017</td>
<td>Chapter 20</td>
<td>Lease and property types</td>
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<td>4/26/2017</td>
<td>Wrap-Up</td>
<td>Review and Discussion</td>
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<td>White Paper due date TBD</td>
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Final Exam