REAL ESTATE 380
REAL ESTATE INVESTMENT ANALYSIS
Spring 2017
William R. Hassett, Adjunct Professor
Office Hours: TR 8 - 9:15 a.m., Tate 305 (or by appointment)
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561-445-3035

COURSE DESCRIPTION:

The College of Charleston Undergraduate Course Catalog describes this course in the following manner: This course presents the fundamental concepts of real estate investment analysis. The course will provide a framework for making real estate investment decisions. Background topics include the legal foundation for real estate ownership, lease arrangements and alternative ownership structures. The course will focus on the development of a financial decision-making model that will incorporate cash flow forecasting and risk analysis.

COURSE OBJECTIVES:

REAL 380 is an advanced course focusing on real estate investment analysis and decision-making. By the end of the course the students will be very familiar with the discounted cash flow (DCF) models and other tools to evaluate real estate investment alternatives from the perspective of an equity investor with an additional emphasis on market analysis and financing. The students will be knowledgeable about the decision-making process involved with investment into many different types of real estate assets as well as the alternative types of real estate investors.

PREREQUISITES:

Junior Standing; ACCT 203, 204, FINC 303, ECON 200, 201 MATH 104 or 250 and REAL 310; or permission of the instructor.

REQUIRED RESOURCES:

Textbook/Cases:

Calculator:
This class will involve the use of a financial calculator. In class, I use the HP12C 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 assignments.

SCHOOL OF BUSINESS 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.

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.

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 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. An attendance sheet will be distributed during each class which students are to sign. If a student falsely signs for another student’s attendance, both students will receive an F and will have the case forwarded to the administration for further disciplinary action.

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. 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 in-class exams and one final given during exam week. They are not deliberately cumulative but the course necessarily builds on previous material so later exams will include concepts learned from earlier in the term.

Grading Policies

<table>
<thead>
<tr>
<th>% of final grade</th>
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<tbody>
<tr>
<td>Assignments</td>
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<tr>
<td>Two Exams (15 and 30%),</td>
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<tr>
<td>Class Participation</td>
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<tr>
<td>Total</td>
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Disagreements with the grading on a particular assignment must be made in writing and turned in within one week after being returned.

GRADING SCALE:
Late assignments will NOT be accepted. Final course grades will be determined as follows (percentages of total possible points):

<table>
<thead>
<tr>
<th>92 +</th>
<th>90-91.9 = A-</th>
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</thead>
<tbody>
<tr>
<td>88-89.9 = B+</td>
<td>80-81.9 = B-</td>
</tr>
<tr>
<td>78-79.9 = C+</td>
<td>70-71.9 = C-</td>
</tr>
<tr>
<td>68-69.9 = D+</td>
<td>60-61.9 = D-</td>
</tr>
</tbody>
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CLASS SCHEDULE:
Thursday, January 12, 2017 – First class
Tuesday, April 25, 2017 – Last 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.