REAL 380-001 - REAL ESTATE INVESTMENT ANALYSIS
Spring 2019; MW 4:00 – 5:15, Beatty 216
First Class: Wednesday, January 9, 2019, 4:00pm
Instructor: Adjunct Professor Stephen Blanton
Contact Information: blantonsr@cofc.edu
Office Hours: Tate 305 MW 3:00-3:45, W 5:30-6:30 or by appointment
This syllabus is subject to change

Course Description:
This course presents the fundamental concepts of real estate investment analysis. This course will provide a framework for making real estate investment decisions. Background topics include the legal foundation for real estate ownership, lease agreements 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.

Objectives:
This is an advanced course focusing on real estate investment analysis and decision-making. Students will become familiar with various returns metrics (e.g. profit, IRR, unlevered and levered yields) and other tools available to evaluate real estate investment decisions from the perspective of an equity investor. Students will become knowledgeable about the decision-making process involved with investment across real estate asset classes and investor strategies.

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

Required Resources:
- Laptop Computer with Microsoft Excel (bring to class per professor announcements). Please see the instructor if you do not have a laptop computer for use in the classroom.
- Financial Calculator (bring to class always) Only a financial calculator (no phone apps or phones) may be used on exams and quizzes. You are expected to review the instructions for your chosen calculator and know how to operate it when required for quizzes and exams.
- Access to and knowledge of Microsoft Excel (seek supplemental skills as needed)
- Assigned articles and website links/content
- Note: The above textbook is the primary source of information. The lectures, in some cases, will follow the text, but may draw from other sources. Please know both.
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. Student will demonstrate ability to work independently and in a group format. The Project includes research, interviews, analysis, a written summary, and presentation to the class.
- **QUANTITATIVE FLUENCY:** Students will demonstrate competency in logical reasoning and analysis skills. Students will gain a working knowledge of Excel, and cash flow and returns analysis.
- **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.

Class Methodology:

This will primarily be a lecture course with discussion encouraged. Students should complete readings prior to class and be prepared to be “cold called” in class to lead class discussion of assigned reading concepts and calculations. Participation is encouraged and expected.

Professional Expectations:

Class, discussion, and work should be treated as if we were in a professional setting. Students who are organized and prepared will be rewarded in this class and beyond.

- **PROFESSIONALISM:** Treat class, your peers, your work/analysis, and your presentation as if this was a work setting. All written, spoken, and analytical work should be professional (think of the classroom like a boardroom, and peers like colleagues). Correct answers count, but so does effective presentation, grammar, and efficient communication.
- **APPLICATION BEYOND REAL ESTATE:** Regardless of if you plan to use real estate investment analysis in the future or pursue a career in the field, students should equally seize upon the opportunity to excel in communication, analysis, team work, and work output which will be applicable to all aspects of any career.

Course Work:

- **EXAMS:** There are two exams and a final exam (cumulative) during the semester which will test reading, discussions, and financial analysis.
- **PROJECT:** There will be a major end of semester project focused on a theoretical investment decision. The project will require students to analyze a financial base case and sensitivities of returns metrics for the investment, market overview, risks analysis, and other aspects of deal analysis. Students will submit a detailed project summary and will present an executive summary to the class.
- **QUIZZES / HOMEWORK:** There will be quizzes (some announced / some unannounced) occasionally at the beginning of class. If you miss a pop quiz due to an unexcused absence, it cannot be made up and will receive a grade of 0. Homework write-ups (analysis or written response) will be assigned from time to time.
- **CLASS PARTICIPATION:** Students are expected to attend class. Unexcused absences negatively affect grades. Discussion in class and participation in groups will be graded. Assignments must be turned in on time to receive full credit. Keep a back-up copy of any work you turn in. Save your returned assignments in case there is a grading discrepancy.
Grading System Weighting:

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<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Exams</td>
<td>50%</td>
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<tr>
<td>Project</td>
<td>25%</td>
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<tr>
<td>Quizzes/Homework</td>
<td>20%</td>
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<tr>
<td>Class Participation</td>
<td>5%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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Course Grade Scale:

<table>
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<tr>
<th>Grade</th>
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<tr>
<td>A</td>
<td>94-100 – Superior</td>
</tr>
<tr>
<td>A-</td>
<td>90-93 – Great</td>
</tr>
<tr>
<td>B+</td>
<td>87-89 – Very Good</td>
</tr>
<tr>
<td>B</td>
<td>83-86 – Good</td>
</tr>
<tr>
<td>B-</td>
<td>80-82</td>
</tr>
<tr>
<td>C+</td>
<td>77-79 – Fair</td>
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<tr>
<td>C</td>
<td>73-76 – Acceptable</td>
</tr>
<tr>
<td>C-</td>
<td>70-72</td>
</tr>
<tr>
<td>D+</td>
<td>67-69</td>
</tr>
<tr>
<td>D</td>
<td>63-66 – Barely Acceptable, Passing</td>
</tr>
<tr>
<td>D-</td>
<td>60-62</td>
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<tr>
<td>F</td>
<td>Below 60 – Failure</td>
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Attendance:
Non-attendance places students at a competitive disadvantage. If you miss a class, you are responsible for material covered and assignments. Participation is a significant part of the final grade, so attendance is necessary to effectively participate and achieve a top grade. Attendance will be taken daily. Absences will affect the overall course grade as follows:

- 3 Absences: Lose half a letter grade (e.g. a B+ would become a B)
- 4 Absences: Lose full letter grade (e.g. a B+ would become a C+)
- 5 Absences: Fail Class (F)

Athletic or academic absences required by a role within the university will not count toward missed classes, but students must work with the professor to make up missed work due to these extracurricular activities. Students should provide documentation of their role and notice a week prior to their absence. If a student misses class because of illness, documentation from the health center is required to not have this count as an absence.

Unfortunately, make-up tests cannot be given. If you must miss a test, you may either take it early or at a time set by the professor, provided that the request is approved by the professor.

Target Schedule:
The class will have a target schedule laying out readings, discussions, and exams. The schedule is subject to change per our pace of covering the content. Changes to the schedule will be either handed out in class or emailed/posted. Students are expected to maintain and know the latest version of the schedule. Quizzes will be announced on occasion or may be pop quizzes. Guest speakers or field trips may arise. Therefore, the course schedule may be rearranged to accommodate these opportunities. The test dates are hopefully firm but may need to change.
Tech in the Classroom:
Use common sense and treat your attendance in class like your attendance at a job in a professional setting. Phones, tablets, computers, and other similar devices are forbidden in the classroom. On occasion, the professor may announce and require the approved use of laptop computers for calculation purposes only. Texting and sending/receiving messages may result in dismissal from class and an absence recorded. The only technology allowed on exams and quizzes is a financial calculator. No phones, computers, etc.

Honor Code & Academic Integrity:
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 clearly 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 by both 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 stored on a cell phone), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Students are encouraged to ask each other questions, but unless they are given a group assignment, they are expected to do their own work. If the instructor suspects that a student is not doing his own work, the instructor will take appropriate action and will not differentiate between copier and copied students.

Accommodation Policy:
Any student in this course who has a disability that may prevent him or her from fully demonstrating his or her abilities should visit the Center for Disability Services/SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying the professor as soon as possible and contacting the professor at least 48 hours before the accommodation is needed.