

**University of Texas at Arlington  
College of Business**

**FINANCE 5319: SEMINAR IN REAL ESTATE FINANCE**

**FINANCE 4319: REAL ESTATE FINANCE**

**SPRING 2017**

**Tuesday 7:00–9:50 p.m., COBA 252**

**INSTRUCTOR:** Dr. Sriram Villupuram

**OFFICE:** College of Business Administration, Room 623

**TEL:** 817 272 1020

**E-MAIL:** sriramv@uta.edu

**OFFICE HOURS:** Tuesday and Thursday, 6:00 – 7:00 p.m.; and by appointment

**COURSE DESCRIPTION**

This course provides students with the opportunity to develop the skills needed to build Market Analysis Reports to evaluate commercial and residential real estate development opportunities. Co-Star and other available databases will be extensively used. Students will receive a complimentary subscription to CoStar as part of this course. Skills needed to design the appropriate debt financing structure for a feasible Real Estate Development will be discussed.

**PREREQUISITE**

Real Estate course (REAE 5311 for graduates and REAE 3325 for undergraduates) is a prerequisite for this course. A very basic working knowledge of Excel is assumed, although advanced functions in Excel if any will be covered.

**STUDENT LEARNING OUTCOMES**

At the conclusion of the course, the students will be able to:

1. **Design debt-financing in stages for the Real Estate Development process**
2. **Package commercial real estate mortgage loans into Commercial Mortgage Backed Securities (CMBS)**
3. Quantify the risk involved in Real Estate Development
4. Forecast rent for a prospective Real Estate Development
5. Formulate the size and scope of a prospective Development
6. Create a cash flow scheme for leases
7. Create appropriate cash flows for Land Leases
8. **Make a decision on whether Real Estate Development is Feasible or not**

**RECOMMENDED TEXTBOOKS**

Finance for Real Estate Development, by Charles Long

Real Estate Market Analysis – Methods and Case Studies, by Deborah L. Brett and Adrienne Schmitz, 2nd Edition.

## **RECOMMENDED READING**

*The Wall Street Journal, Real Estate Section*

## **COURSE REQUIREMENTS**

### Quizzes:

Unannounced quizzes on the material(s) covered in class will be held from time to time. No make-up quizzes will be given. The quizzes represent 10% of the final grade.

### Project

There will be two projects. One will be on CMBS case-study (from Harvard Business Publishing). The other will be on Market Analysis. The CMBS project will be due at the middle of the semester (Exact dates will depend on the pace of the materials covered and will be announced during the semester). Both projects are individual projects. The market analysis project will be presented towards the end of the semester. The projects together represent 30% of the final grade.

### Exams

There will be three exams (including the final exam). Exams represent 60% of the final grade (20% for each exam)

## **GRADING**

The final letter grade will be based on the following schedule:

90 – 100	A
80 - 89	B
70 - 79	C
60 - 69	D
< 60	F

## **CLASS WEB PAGE DETAILS**

All class materials will be available on UTA's Blackboard system which can be accessed at [elearn.uta.edu](http://elearn.uta.edu). Your NetID and password will enable you to access Blackboard resources.

## COURSE SCHEDULE

Date	Title	Book
1/17/2017	Syllabus and Basic Evaluations / The Development Process	CL 1
1/24/2017	The Basics of Real Estate Finance	CL 1, 2
1/31/2017	Land valuation for Acquisition	CL 3
2/7/2017	Task Management and Budgeting	CL 4
2/14/2017	Capital Markets for Real Estate / Obtaining Financing for Development	CL 5, 6
2/21/2017	The Development Entity, Joint Ventures and the Financing Structure	CL 7
2/28/2017	Managing the Entitlement Process for Financial Viability	CL 8
3/7/2017	Public/Private Partnerships / How Developers get Capital/ Exam 1	CL 9, 10
3/14/2017	Spring Break	
3/21/2017	Basic Approach to Real Estate Market Studies	BS 2
3/28/2017	Analyzing Demand and Supply	BS 3
4/4/2017	Residential Market Analysis	BS 4
4/11/2017	Retail Market Analysis	BS 5
4/18/2017	Exam 2	
4/25/2017	Office and Industrial Market Analysis	BS 6
5/2/2017	Hotels and Resorts / Mixed-use Real Estate Market Analysis	BS 7, 8
5/9/2017	Final Exam (8:15 - 10:45 PM)	

## NOTES

Please bring a laptop to every class session. We will work through spreadsheet exercises towards the end of each lecture. There will be times when the focus needs to be on the lecture and not on the computer. At those times, I require your undivided attention to the lecture.

Do not use e-mail or surf the web during class.

All cell phones must be turned off and out of sight during class.

UT-Arlington has adopted MavMail (e-mail) as an official means of communication with students. I may provide some information to all of you via e-mail to your UTA e-mail address. It is your responsibility to check your UTA e-mail account.

I reserve the right to make any modifications to this syllabus. Modifications, if any, will be announced during class. You are responsible for all changes announced in class.

## SYLLABUS ADDENDUM

### **Academic Integrity:**

All students enrolled in this course are expected to adhere to the UT Arlington Honor Code:

*I pledge, on my honor, to uphold UT Arlington's tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.*

*I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.*

Per UT System *Regents' Rule* 50101, §2.2, suspected violations of university's standards for academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student's suspension or expulsion from the University.

### **Americans with Disabilities Act (ADA):**

The University of Texas at Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including the Americans with Disabilities Act (ADA). All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Any student requiring an accommodation for this course must provide the instructor with official documentation in the form of a letter certified by the staff in the Office for Students with Disabilities, University Hall 102. Only those students who have officially documented a need for an accommodation will have their request honored. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at [www.uta.edu/disability](http://www.uta.edu/disability) or by calling the Office for Students with Disabilities at (817) 272-3364.

### **Attendance Policy:**

Students are expected to attend each class and students are expected to come to each class with their assignments completed. Any student who must miss a class is responsible for securing any and all assignments for coursework missed.

### **Student Support Services:**

UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include tutoring, major-based learning centers, developmental education, advising and mentoring, personal counseling, and federally funded programs. For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to [resources@uta.edu](mailto:resources@uta.edu), or view the information at [www.uta.edu/resources](http://www.uta.edu/resources).

### **Drop Policy:**

Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance.** Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://www.uta.edu/ses/fao>).

### **Distribution of Grades:**

The distribution of grades for the semester will normally adhere to the guidelines of the Department of Finance and Real Estate. These guidelines are generally based on College of Business averages for similar courses.

**Student Feedback Survey:**

At the end of each term, students enrolled in classes categorized as lecture, seminar, or laboratory shall be directed to complete a Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student's feedback enters the SFS database anonymously and is aggregated with that of other students enrolled in the course. UT Arlington's effort to solicit, gather, tabulate, and publish student feedback is required by state law; students are strongly urged to participate. For more information, visit <http://www.uta.edu/sfs>.

**Electronic Communication Policy:**

UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

**Final Review Week:**

A period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week unless specified in the class syllabus. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

**College of Business Bomb Threat Policy:**

Effective April 8, 1996, the College of Business adopted a policy to deal with the classroom disruption caused by bomb threats in the building. Section 22.07 of the Texas Criminal law states that a Class A misdemeanor is punishable by (1) a fine not to exceed \$4,000, (2) a jail term of not more than one year, or (3) both such a fine and confinement. If anyone is tempted to call in a bomb threat, be aware that UTA has the technology to trace such phone calls.

Every effort will be made to avoid cancellation of presentations/tests caused by bomb threats to the Business Building. Unannounced alternate sites will be available for these classes. If a student who has a class with a scheduled test or presentation arrives and the building has been closed due to a bomb threat, the student should immediately check for the alternate class site notice which will be posted on/near the main doors on the south side of the Business Building. If the bomb threat is received while class is in session, your instructor will ask you to leave the building and reconvene at another location.

To provide information about anyone making a bomb threat, call UTA's crime prevention program at 817-272-3381.

**Evacuation Procedures:**

Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. All those in the North tower side of the building should proceed to the fire escape stairs located on the East and West sides of that wing. With the current fire alarm system, the elevators will all go to the first floor and stay there until the system is turned off. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist disabled individuals. For disabled persons: Please go to the Northeast fire stairs. There is an evacu track chair located on the 6<sup>th</sup> floor stairwell. There are people trained in the use of this chair and there will be someone who will go to the 6<sup>th</sup> floor to get the chair and bring it to any lower floor stairwell to assist disabled persons.

**Food/Drink in Classrooms:**

College policy prohibits food and/or drinks in classrooms and labs. Anyone bringing food and/or drinks into a classroom or lab will be required to remove such items, as directed by the class instructor or lab instructor.