
 <b>FLORIDA ATLANTIC UNIVERSITY</b>	<b>COURSE CHANGE REQUEST</b> <b>Undergraduate Programs</b>	UUPC Approval <u>10/10/22</u> UFS Approval _____ SCNS Submittal _____ Confirmed _____ Banner Posted _____ Catalog _____
	Department <u>Finance</u> College <u>Business</u>	
<b>Current Course Prefix and Number</b> <u>REE4303</u>	<b>Current Course Title</b> <u>Real Estate Investment</u>	
<i>Syllabus must be attached for ANY changes to current course details. See Template. Please consult and list departments that may be affected by the changes; attach documentation.</i>		
<b>Change title to:</b>  <b>Change prefix</b> From:                      To:  <b>Change course number</b> From:                      To:  <b>Change credits*</b> From:                      To:  <b>Change grading</b> From:                      To:  <b>Change WAC/Gordon Rule status**</b> Add <input type="checkbox"/> Remove <input type="checkbox"/>  <b>Change General Education Requirements***</b> Add <input type="checkbox"/> Remove <input type="checkbox"/>  <small>*See <a href="#">Definition of a Credit Hour</a>.</small> <small>**WAC/Gordon Rule criteria must be indicated in syllabus and approval attached to this form. See <a href="#">WAC Guidelines</a>.</small> <small>***GE criteria must be indicated in syllabus and approval attached to this form. See <a href="#">Intellectual Foundations Guidelines</a>.</small>	<b>Change description to:</b>          <b>Change prerequisites/minimum grades to:</b> Change prereqs to: FIN3403. Current prereqs: FIN 3403 with a minimum grade of "C" and junior standing.  <b>Change corequisites to:</b>          <b>Change registration controls to:</b>   Please list existing and new pre/corequisites, specify AND or OR and include minimum passing grade (default is D-).	
<b>Effective Term/Year for Changes:</b> <u>Spring 2023</u>	<b>Terminate course? Effective Term/Year for Termination:</b>	
<b>Faculty Contact/Email/Phone</b> <u>Ken Johnson/kjohns91@fau.edu/-73000</u>		
<b>Approved by</b> Department Chair <u></u> College Curriculum Chair <u><i>Thlyn Williams</i></u> College Dean <u><i>Paul Han</i></u> UUPC Chair <u><i>Thlyn Williams</i></u> Undergraduate Studies Dean <u><i>Dan Macroff</i></u> UFS President _____ Provost _____	<b>Date</b> <u><i>Sept 8 2022</i></u> <u><i>9/21/22</i></u> <u>September 26, 2022</u> <u>10/10/22</u> <u>10/10/22</u> _____ _____	

Email this form and syllabus to [mjenning@fau.edu](mailto:mjenning@fau.edu) seven business days before the UUPC meeting.

REE4303  
**REAL ESTATE INVESTMENT**

XXXX  
3 credits  
xxxx  
Classroom: XXXX

Prof. XXXX  
Office: XXXX  
Office hours: XXXX  
Telephone: XXXX  
Email: [XXXX](mailto:XXXX)



## **Course Description**

This course explores theories and techniques for analyzing commercial real estate investment and development opportunities from the viewpoint of the equity investor. Topics addressed include commercial real estate market structure, investment performance forecast, feasibility analysis, discounted cash flow valuation procedures, capital structure considerations, lease analysis, and real estate investment trusts.

Given the significant amount of the world's wealth committed to real estate assets, real estate investment decisions are much too important to be made using seat-of-the-pants or rule-of-thumb techniques. Fortunately, theorists and practitioners in the fields of financial economics and urban economics have developed an impressive corpus of knowledge and toolkit of methodologies that can be applied to real estate investment decision making situations. We will draw from state-of-the-art theories and practices from both fields of study as we explore the real estate investment decision from the viewpoint of the equity investor. The course elements are intended to provide a challenging and rewarding learning experience that will equip you with an intellectually coherent framework for analyzing real estate investment decision situations you are likely to encounter in the real world.

## **Instructional Method**

This class is designated as "in person." Students are expected to attend online lectures at the specific class times with full participation. Quizzes and assignments must be completed and submitted online by their deadlines. Exams are delivered online live on pre-announced dates and during regular class times.

All class materials (teaching slides, quizzes, exams, pre-recorded videos, etc.) are available on Canvas. Lectures are recorded and available for later viewing. Students are required to have computers with webcam and reliable internet connection throughout the course.

## **Prerequisites**

FIN3403.

## Course Objectives/Student Learning Outcomes

- make you a better-informed real estate market participant,
- stimulate your interest in real estate related investment and career opportunities and
- expose you to useful tools that will enhance your real estate investment analysis skills.

After completing this course successfully, you should be able to:

- evaluate real estate market dynamics and identify local market trends,
- understand the structure of the commercial real estate investment industry,
- apply present value mathematics in real estate investment decision contexts,
- develop operating and reversion cash flow projections (after-tax),
- measure real estate investment performance,
- perform discounted cash flow valuation procedures, and
- use all of the above skills to evaluate real world real estate investment opportunities.

## Course Evaluation Method

There will be one mid-term tests and one final exam for the course. Mid-term tests will be announced at least one week in advance. Final exam will be given on the date determined by the University Final Exam Schedule.

In addition, there will be a DCF assignment which requires students to build a model of property valuation using Excel.

All exams and assignments are delivered via Canvas. Exams are given in real time and requires the use of **lockdown browser and camera monitoring**. Students are required to have computers with webcam and reliable internet connection.

The grading scheme is as follows:

Mid-term test	30%
Final exam	30%
Assignments	10%
DCF project	30%

Students are strongly recommended to log in Canvas routinely to check for upcoming assignments and due dates. Keeping up the reading and complete the assignments are key to success in the class.

## Course Grading Scale

Final course grades will be assigned as follows. The passing grade is C or better.

A	93%	A-	90%	B+	87%	B	83%	B-	80%	C+	77%
C	73%	C-	70%	D+	67%	D	63%	D-	60%	F	<60%

## Attendance, Makeup Tests, Late Work

Students are expected to attend lectures (in person or online), complete projects and assignments on time. Attendance is recorded via online polling via Zoom meeting, which poll involves a

single question that requires a response from students. Students who do not miss more than three (3) of the polls for the semester will receive a half-letter grade bonus in their final grade.

If you know you must miss an exam, you may take the exam at a pre-arranged time. Make-up exams are only given for emergencies and events that cannot be reasonably anticipated (verifiable proof required).

Students are responsible for arranging to make up exams missed because of legitimate class absence, such as illness, family emergencies, military obligation, court-imposed legal obligations or participation in University-approved activities. Examples of University-approved reasons for absences include participating on an athletic or scholastic team, musical and theatrical performances and debate activities. It is the student's responsibility to give the instructor notice prior to any anticipated absences and within a reasonable amount of time after an unanticipated absence, ordinarily by the next scheduled class meeting. Instructors will allow each student who is absent for a University-approved reason the opportunity to make up missed exams (but not homework assignments) without any reduction in the student's final course grade as a direct result of such absence.

## Required Texts and Equipment

To complete this course successfully, you will need the following resources throughout the semester

- [Real Estate Finance and Investments - Risks and Opportunities](#), by Peter Linneman and Bruce Kirsch, 5th Ed. (ISBN: 978-0-692-99663-8)
- Access to and working knowledge of a financial calculator with NPV and IRR functions (HP 10B or TI BAII Plus are recommended)
- Access to and working knowledge of Microsoft Excel and other Office software.
- [Computer with webcam](#) and reliable internet connection.

## Code of Academic Integrity

- Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](#).

Tentative Course Plan (subject to change based on actual class progress)

Week of 24-Aug	Reading assignment Chapter 1   Introduction: Risks and Opportunities Prerequisite I: Discounted Cash Flow & NPV Analyses
31-Aug	Chapter 2   What is Real Estate and Who Owns It? Chapter 3   International Real Estate Investing Prerequisite II: Internal Rate of Return Prerequisite III: Amortization Fundamentals
7-Sep	Chapter 4   The Fundamentals of Commercial Leases Chapter 5   Property-Level Pro Forma Analysis
14-Sep	Chapter 5 (Cont'd) Complete all figures using Online Companion
21-Sep	Chapter 6   Financial Modeling Chapter 7   Real Estate Due Diligence Analysis
28-Sep	Chapter 9   The Use and Selection of Cap Rates Supplement D   What determines Cap Rate? Supplement C   How should commercial real estate be priced?
5-Oct	Chapter 10   Development Pro Forma Analysis Chapter 13   Distressed Real Estate Loan and Bankruptcy Basics
12-Oct	Mid-term test
19-Oct	Chapter 14   Should You Borrow? Chapter 15   The Use of Debt and Mortgages
26-Oct	Chapter 16   Sources of Long- and Short-Term Debt Chapter 17   Ground Leases as a Source of Finance
3-Nov	Chapter 18   Real Estate Owner Exit Strategies Chapter 19   Real Estate Private Equity Funds
10-Nov	Chapter 21   REITs and Liquid Real Estate
17-Nov	Chapter 23   Corporate Real Estate Decision Making
23-Nov	Thanksgiving Break
8-Dec	TBD
14-Dec	Final exam (1:15 – 3:45 PM)

# Communication Plans

## Expectations for Students

- **Email - is the preferred way for routine communications with the instructor. Voice call/text message should be used as secondary option.**
- **Announcements** - You are responsible for reading all announcements posted by the instructor. Check the course announcements each time you log in.
- **Email/Video Conferencing** - You are responsible for reading all your course email and responding in a timely manner.
- **Course-Related Questions - Students are strongly encouraged to post** course-related questions to the Discussion forum in Canvas. This allows other participants with the same question to benefit from the responses. Also, make sure you review this forum prior to posting a question. Someone may have already asked and answered the question in previous posts.

## Instructor's Plan for Classroom Response Time & Feedback

**Email/Video Conferencing Policy** - Except for weekends and holidays, the instructor will typically respond to email (Canvas inbox or FAU email) within 48 hours.

**Assignment Feedback Policy** - The instructor will provide feedback on submitted assignments within one week of the submission date. Some assignments may require a longer review period, which the instructor will communicate to you.

## **Electronic Communication Policy**

In addition to the University's policy, please consider the following:

- Privacy, confidentiality, and security in all electronic communications.
- All electronic communication resources must be used for the course and in alignment with the University mission.
- Prohibited use of false identity, false identity pseudonyms, or anonymous (sender's name or electronic identification is hidden).
- Access without consent.
- Disruption of services including introducing computer contaminants (viruses).
- Harassment of any kind.

Please see the Office of Information Technology's policies on [Cyber Security Awareness](#).

## **Email Reduction Effort**

For the purpose of improving communication efficiency and reducing email traffic, the instructor has compiled a list of Frequently Asked Questions (FAQ). Students are strongly advised to first try to find answers to their questions in this FAQ list to avoid redundant emails. The instructor reserves the option to not respond to email questions to which answers can be found in this list of FAQ. This list is subject to change and update by the instructor.

## Frequently Asked Questions (FAQ)

1. *How difficult is this course?*

On the scale of 1 – 10 with 10 being “extremely difficult”, past students tend to rank this course around 6 – 7. This is not an “easy A” class. But students who are willing to put in reasonable amount of time and effort in studying the subject can expect high probability to pass the course.

2. *What are the keys to succeed in this course?*

There are three keys to succeed in the course: First, keep up the reading. This is a 3-credit class and you are expected to devote at least 6 hours of studying time on the subject every week outside of classes. Second, carefully study the “Test Problems” at the end of each chapter. Check your answers and make sure you understand them. Third, complete all practicing quizzes independently and make sure you really understand the answers. The “Test Problems” and practicing quizzes are very helpful in preparing you for the exams.

3. *What can I do to make sure I pass this course?*

You are the only one who can “make sure” you pass the course. Diligent study can certainly increase your chance to succeed. The instructor is available to help you, but the ultimate success is in your own hands.

4. *Is there any extra credit assignment I can do to improve my grade average?*

There is no extra credit assignment for individual student. But if the instructor decides to give extra credit assignment, it will be announced in Canvas and available to all students in the class.

5. *I didn't do well in the mid-term exam. Can I still pass the course?*

It depends on how bad you failed and how well you do in the remaining exams and assignments. Only you can improve your chance to pass. You can begin by carefully reviewing the exam and finding out what you did wrong and how to do it correctly. This is important because final exams is partially cumulative. Use the instructor as a resource to help you with the review.

6. *Is it possible to pass the course without having to buy or rent a textbook?*

Possible, but not likely.

7. *Are exam scores curved?*

Some but not all exams may be curved. The decision is at the sole discretion of the instructor. The decision of curve will be announced to all students.

8. *I didn't turn in my assignment in time. Do you accept late submission?*

Late submission must be submitted within 5 days after the due date and receive 10% grade penalty. After 5 days, you will receive zero. The 5-day window may be extended given special circumstances with proper supporting documents that indicate hardship.

9. *I submitted my assignment on time, but mistakenly attached the incorrect (or incomplete) files. Can I resubmit the correct files?*

Resubmission is subject to the same rule as late submission. It's the student's sole responsibility to make sure correct assignment documents are submitted in time. The instructor is not responsible for checking the completeness of the submission. Assignments are graded "as submitted". Students should re-check their submission and resubmit as soon as possible. Recheck for completeness within five days after submission to avoid getting a zero grade.

## **Netiquette**

Due to the casual communication common in the online environment, students are sometimes tempted to relax their grammar, spelling, and/or professionalism. Please remember that you are adult students and professionals—your communication should be appropriate. For more in-depth information, please see the FAU statement on netiquette.

## **Classroom Etiquette/Disruptive Behavior Policy Statement**

Disruptive behavior is defined in the FAU Student Code of Conduct as "... activities which interfere with the educational mission within classroom." Students who disrupt the educational experiences of other students and/or the instructor's course objectives in a face-to-face or online course are subject to disciplinary action. Such behavior impedes students' ability to learn or an instructor's ability to teach. Disruptive behavior may include but is not limited to non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor's expectations for classroom conduct.

## **Counseling and Psychological Services (CAPS) Center**

Life as a university student can be challenging physically, mentally and emotionally. Students who find stress negatively affecting their ability to achieve academic or personal goals may wish to consider utilizing FAU's Counseling and Psychological Services (CAPS) Center. CAPS provides FAU students a range of services – individual counseling, support meetings, and psychiatric services, to name a few – offered to help improve and maintain emotional well-being. For more information, go to <http://www.fau.edu/counseling/>

## **Disability Policy**

In compliance with the Americans with Disabilities Act Amendments Act (ADAAA), students who require reasonable accommodations due to a disability to properly execute coursework must register with Student Accessibility Services (SAS) and follow all SAS procedures. SAS has offices across three of FAU's campuses – Boca Raton, Davie and Jupiter – however disability services are available for students on all campuses. For more information, please visit the SAS website at [www.fau.edu/sas/](http://www.fau.edu/sas/).

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