

COURSE: **FIN 5413 – REAL ESTATE FINANCE**
 INSTRUCTOR: Dr. Thomas Thomson
 OFFICE: BB 4.06.30A
 OFFICE HOURS: Tue 2:15-3:15 PM, Thu 2:15-3:15 PM, 9:45-10:45 PM, and by appointment
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TEXTBOOK

Brueggeman and Fisher. 2011. **Real Estate Finance and Investments**, 14th edition. McGraw-Hill/Irwin. 760 p.

An **HP 10bII** or **HP 10bII+** is the recommended financial calculator. Any examples shown in class will use this calculator. **If you choose to use another, it is your responsibility to learn to use it.**

LEARNING OBJECTIVES

An overview and analysis of real estate finance. Upon completion of this class you should understand the analytical issues of real estate finance including analysis of types of real estate loans, loan underwriting, development and construction financing, and how the secondary mortgage market functions. This course emphasizes mortgage lending. You will learn how to calculate the payments, amortization of principal and interest, and the current balance for a wide variety of mortgages. You should be able to measure the Federal Truth in Lending APR, the return to lender and the cost to the borrower. You will learn how commercial properties and real estate developments are financed. You will learn about the legal environment and the forms and instruments used in real estate finance. Guest speakers will present the current state of real estate lending.

PREREQUISITES

FIN5023, or permission of the instructor

COURSE OUTLINE:

Week	Topics	Reading (Chapters)
August 25	Introduction, TVM Review, Loan Amortization	3
September 1	Fixed Rate Mortgage Loans, Calculator Quiz	4
September 8	Variants of Fixed Rate Mortgages, ARM intro	4,5
September 15	Adjustable Rate Mortgages	5
September 22	Legal Considerations in Real Estate Finance	1,2
September 29	Single Family Housing	7
October 6	Underwriting Residential Mortgages	8
October 13	Exam #1	
October 20	Financing Project Development	16
October 27	Financing Land Development	17
November 3	Joint Ventures & Alternate Financing Vehicles	18
November 10	Secondary Mortgage Market – Pass through	19
November 17	Secondary Mortgage Market – CMO's	20
December 1	Guest Speaker / Review	

EVALUATION

Your success in this course will be measured using weekly homework (due at the **beginning** of each class, late homework = 0), one quiz, and two exams. Exam #2 is cumulative. The proposed dates and chapters included are shown below. Any revision announced in class supercedes the schedule below. The weights which will be applied to the exams and other measures are:

Item	Weight	Date	Chapters
Calculator Quiz	5%	September 3	N/A
Homework	25%	Weekly	TBA
Exam #1	30%	October 13	1-8
Exam #2	40%	December 10	1-8, 16-20

Though subject to a downward revision in cutoff scores (i.e. a “curve”), grades will be assigned to the following achievements.

Letter Grade	Score
A	90.0% +
B	80.0-89.9%
C	70.0-79.9%
F	0-69.9%

Exams

The exam dates are noted above. Depending on our progress, the chapters included may be revised. In addition to the text materials, exams will test materials covered in class which does not appear in the textbook. Unless revisions are announced in class, the exam dates and contents will be as noted above.

The exams, to the extent feasible, will be modeled from the homework assignments, examples covered in class, and guest speaker presentations. Exam #1 will be over Chapters 1-8, plus class materials. Exam #2 will be cumulative.

To each exam you may bring an 8.5"x11" sheet of **hand written** notes (two sided). To each exam, bring a financial calculator and a SCANTRON form.

All exams and all your work on exams are the property of the instructor. You are encouraged to review your exams during office hours.

Student Conduct in Class: Class Attendance: This class follows HOP 5.09 which can be found at: <http://www.utsa.edu/hop/chapter5/5-9.html>. Attendance at lecture is expected and sign in sheets will be randomly used to monitor and will count toward your homework grade. All students are expected to exercise self-discipline and a respect for the rights of others at all times. Students acting in a disruptive manner will be asked to leave the classroom. Please turnoff all noise making sources (cell phone and pager ringers, for example), before class. All students are expected to abide by the UTSA Honor Code, found at <http://www.utsa.edu/about/honorcode/>; to uphold the UTSA Creed: <http://www.utsa.edu/about/creed/>, and the Student Code of Conduct, <http://www.utsa.edu/osja/scholastic.cfm>. Any student suspected of participating in any academic dishonesty will be reported to Student Judicial Affairs, and the Instructor will recommend an automatic F for the course grade. Appropriate academic accommodation will be made for any student registered through the Office of Disability Services. Please note only the Office of Disability Services, 210-458-4157, (<http://www.utsa.edu/disability/>) may issue instructions for academic accommodations.

Course Revisions: Any revisions to this syllabus will be announced in class.