

COURSE: FIN 5433 – REAL ESTATE INVESTMENT
INSTRUCTOR: Dr. Thomas Thomson
OFFICE: BB 4.06.30A
OFFICE HOURS: Mon 9:45-10:45 PM and by appointment
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TEXTBOOK

Brueggeman and Fisher. 2011. **Real Estate Finance and Investments**, 14th edition. Irwin, McGraw Hill. 760 p. (ISBN-9780073377339)
 An **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

This course presents an overview and analysis of real estate investment. Upon completion of this class you should understand the analytical issues of real estate investments including investment analysis of the major types of real commercial real estate (CRE) including lease structures, proformas, and before and after tax cash flow analysis. This course emphasizes real estate proformas. You will learn how to calculate the NOI, before and after tax cash flows and income from reversion. You should be able to evaluate the appropriate leverage to use in a real estate investment. You will learn how commercial properties and real estate developments are financed. You will learn about the leases that for the foundations for estimating cash flows. Guest speakers will present the current issues regarding CRE real estate investing.

PREREQUISITES

FIN5023, or permission of the instructor

COURSE OUTLINE:

Week	Topics	Reading (Chapters)
January 23	Introduction, TVM Review, Loan Amortization	3
January 30	Types of Properties and Leases	9
February 6	Investment Analysis I: Before Tax Cash Flow	11
February 13	Investment Analysis Continued	11
February 20	Investment Analysis II: After Tax Cash Flow	12
February 27	Exam 1	N/A
March 5	Valuation of Income Properties	10
March 12	Effect of Leverage & Risk Analysis	13
March 19	Spring Break	N/A
March 26	Disposition and Renovation	14
April 2	Operation and Asset Maintenance	TBA
April 9	Exam 2	N/A
April 16	REIT's	21
April 23	Real Estate Portfolios	22
April 30	Guest Speakers	N/A

EVALUATION

Your success in this course will be measured using weekly homework (due at the **beginning** of each class, late homework = 0), two midterm examinations and the final exam. The final exam will be comprehensive. 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
Homework	20%	Weekly	TBA
Exam 1	20%	Feb 27	3, 9, 11, 12
Exam 2	20%	April 9	10, 13, 14, 21, 22
Final Exam	40%	May 7, 8:00 PM	3, 9-14, 21,22

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

A+	97.0-100	B+	87.0-89.9	C+	77.0-79.9	F	0-69.9
A	93.0-96.9	B	83.0-86.9	C	73.0-76.9		
A-	90.0-92.9	B-	80.0-82.9	C-	70.0-72.9		

Exams

The exam dates are noted above. Depending on our progress, the chapters included or date 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. The Final Exam will be comprehensive.

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: This Syllabus is provided for informational purposes regarding the anticipated course content and schedule of this course. It is based upon the most recent information available on the date of its issuance and is as accurate and complete as possible. I reserve the right to make any changes I deem necessary and/or appropriate. I will make my best efforts to communicate any changes in the syllabus in a timely manner. Students are responsible for being aware of these changes. Any changes will be announced in class.