

**Fall 2022 FIN 4723 – Principles of Real Estate Investment**

INSTRUCTOR: Dr. Thomas Thomson  
OFFICE: BB 4.06.26  
OFFICE HOURS: T H 11:15 AM – 12:45PM and by appointment  
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**TEXTBOOK**

Ling, D.C. and W. R. Archer. 2021. **Real Estate Principles: A Value Approach**, 6<sup>th</sup> edition. McGraw Hill. Electronic or Print versions are fine. Previous versions also acceptable

Other readings may also be assigned as announced in class.

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 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 about the leases that for the foundations for estimating cash flows. You will learn how commercial real estate is securitized as Real Estate Investment Trusts.

**PREREQUISITES**


FIN 3013, FIN3433, and FACT exam, or consent of instructor

**COURSE OUTLINE**

Week of	Topics	Reading (Chapters)
Aug 23	Introduction	
Aug 30	Investment Goals	
Sep 6	Types of Properties and Leases	22
Sep 13	Investment Analysis I: Before Tax Cash Flow	8
Sep 20	Investment Decision: Ratios and Mortgages	18
Sep 27	Investment Decision Making: IRR & NPV	19
Oct 4	Excel Lease (Video); Exam 1 (Mar 3; 2:30 PM)	N/A
Oct 11	Intro to Taxation of CRE	20
Oct 18	Using Excel for Pre-Tax Investment Proforma	N/A
Oct 25	Guest Speaker; Taxation of CRE	20
Nov 1	Exam 2 (Spreadsheet)	N/A
Nov 8	Tax Strategies for CRE	“Handout”
Nov 15	Exam 3 (Nov 15) Excel for After-Tax Proforma;	N/A
Nov 22	Professional Development, Thanksgiving holiday	N/A
Nov 29	Funding CRE	17
Dec 6	Final Exam (5:00 PM)	

## EVALUATION

Your success in this course will be measured using homework, professional development, three midterm exams, and a comprehensive final exam. Homework will be received as a **single pdf** or an **excel file** for each assignment via Blackboard Learn, and it must be successfully submitted by the date and time noted in Blackboard. Homework that is not received by the cutoff time in Blackboard will be docked 1 percent per minute until it receives the **grade of zero**). Students are expected to earn fifty points from professional development events. . The details regarding professional development can be found on Blackboard Learn. The proposed exam dates are shown below. If you cannot be present at Exam 1 or Exam 3, your final exam weight will be adjusted upward to makeup for the missed points. If you miss Exam 2 you will receive zero for that exam. When in person this is an electronics free class, except for the calculator (not eligible for any curve if using non-approved electronics during non-exam classes). Any revision announced in class supersedes the schedule below. Points are earned as shown in the table below.



Item	Points	Date	Chapters
Homework	150	Ongoing	N/A
Professional Development	50	Due Nov 18	N/A
Exam 1	180	Oct 4 (6:00 PM)	8, 18, 22
Exam 2 (Spreadsheet)	100	Nov 1 (6:00 PM)	N/A
Exam 3	180	Nov 15 (6:00 PM)	19-20
Final Exam	340	Dec 6 (5:00 PM)	8, 17-20, 22

Though subject to a “curve”, grades will be assigned to the percentage achievements noted in the Table below.

A+	970-1000	B+	870-899	C+	770-799	D+	670-699
A	930-969	B	830-869	C	730-769	D	630-669
A-	900-929	B-	800-829	C-	700-729	D-	600-629

## Exams

The exam dates are noted above. Depending on our progress, the chapters included may be revised. In addition to the lectures, exams will test materials covered in the textbook. Some exam questions may be taken from review material at the end of each chapter and the online quizzes. Other exam questions will be from materials discussed in class, and homework exercises. **Exams will be administered through Blackboard Learn but you must be present in the classroom to take the exam. You must bring a notebook computer (or other appropriate device) to class on exam days to complete the exam. Attempting to take an exam when you are not in the classroom will be considered academic dishonesty and the Instructor will recommend an automatic F for the course if you do so.** You must turn in any scrap paper you use during exams to the instructor at the completion of the exam. 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. All students are expected to uphold the UTSA Creed: <http://www.utsa.edu/about/creed/>, and the Student Code of Conduct, <http://www.utsa.edu/infoguide/appendices/b.html>. **Any student suspected of participating in any academic dishonesty will be reported to the Office of Student Conduct and Community Standards, and the Instructor will recommend an automatic F for the course grade.** Full details on Common Syllabus Information, which this class adheres to, is provide at the following link; <http://provost.utsa.edu/syllabus.asp>

**Course Revisions:** Any revisions to this syllabus will be announced in class or via email.