



RE510/URBDP 552A: Introduction to Real Estate

WINTER 2021

Lecture: Tuesday and Thursday | 10.00-11.20am | Online via Zoom

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Course Description

This is the introductory graduate course in real estate and does not assume any previous knowledge of real estate, although it balances the interests of beginner students and those currently in the industry. The mixture of fundamental concepts with discussions on real estate related topics allows students to understand the workings of the real estate industry in more depth. The lectures cover: a) the participants and processes; b) the workings of different components of the real estate industry (e.g. property development, management, law etc.); and c) an overview of the quantitative components of the real estate decision-making.

All lecture materials will be posted on the course canvas website (<https://canvas.uw.edu/courses/>) at least one day in advance of each lecture. Additionally, the canvas course site will include all assignments and sources for market analysis sites, sites with up-to-date news and multimedia on real estate markets. To receive announcement notifications from canvas please access your notifications and select announcement (ASAP)

Learning Objectives

By the end of the course the students should have accomplished the following goals:

A. Overall:

- Apply basic analytical and quantitative techniques
- Demonstrate an ability to use technology & apply knowledge in new and unfamiliar circumstances
- Adopt innovative problem solving
- Communicate effectively
- Develop effective decision making

B. Specific:

- Understand the participants and processes involved in the real estate market
- Understand the steps needed before a real estate investment takes place
- Acquire basic competency in real estate finance calculations
- Improve real estate decision making capabilities & ethical decision making
- Identification of students' real estate area of interest

Texts & Equipment:

The course does not require a textbook, however, for those who prefer a more in depth understanding of topics like finance etc. a **recommended Textbook is:** David C. Ling, Wayne R. Archer, **Real Estate Principles: A Value Approach**, 4th edition, 2013, McGraw-Hill ISBN-13: 978-0073377346

Additionally, Barron's Business Dictionaries, *Dictionary of Real Estate Terms*, 2017, ISBN-13: 978-1438008769 can be a good resource for those the course is required.

- **Calculator:** None required for this class. All financial calculations will be taking place on excel.

Expectations & Grading

The syllabus outlines the material students need to review each week. The references to book chapter readings are only recommended and not required. Students should review the power points (ppt), excel spreadsheets and any other resources provided on canvas for each lecture. It would be best if students review the ppt before each class and come prepared with questions and observations to allow for discussions on the subjects, but preparation before each class is not mandatory. The course format will include in most cases a short lecture at the beginning, break-out rooms, and reconvening for discussion on the topic of the day.

The course will be graded as Credit/Non-credit. Determining factors of the final grade are (Table 1): participation, two assignments (Assignment 1 is quantitative focusing on real estate finance problems and Assignment 2 is qualitative, requiring socioeconomic research on various free websites) and a final paper on either a site-specific project (Table 2) or a real estate related issue which is not site specific (Table 3).

Table 1. Percentage determinants of final course grade

	<i>Date given out</i>	<i>Date due</i>	<i>Percentage</i>
Assignment 1 – quantitative	1/12	1/28	35%
Assignment 2 - qualitative	1/28	2/18	25%
Final paper		3/16	40%
Total			100%

Students are free to choose their final paper topic as long as it is real estate related, follows the two general outlines (Tables 2 & 3) and receives the instructor's approval. All students are required to notify the instructor by email until **February 23rd** on the following: a) which paper option they will be working on, b) the topic – even if it is preliminary and c) if they will be working alone or as part of a team. Students can work in teams on their final paper with up to three members but expectations will be higher than individual papers. Students will be responsible for their data gathering and if they are working as part of a team they will need to notify the instructor in writing on the sections of the final paper they worked on and provide them with their final paper submission. The instructor reserves the right to grade the team members differently based on their individual performance on the final paper.

A student/team can follow one of the two proposed general paper outlines. The first option is tailored to facilitate a student's understanding of the material covered in the class through a specific site (e.g. development of a property at a specific site, acquisition or disposition of a property at a specific site, etc.) (Table 2). The project is limited to 8 pages (1.5 spacing), without illustrations, and should include a one-page executive summary.

Table 2. General outline of first paper option - site specific

	<i>Points</i>
1. Location - description of metro area, city and neighborhood	15%
2. Market analysis – identification of steps & results of market analysis	25%
3. Appraisal - determination of appraisal method and why it is the best (if it is only one). Identification of comparable properties, their characteristics and how do they compare with the property in question	25%
4 a. Assumptions for your new development based on market analysis and area's new development (e.g. rents, expenses, etc) or b. Determination of criteria for the selection of the property to be bought	20%
5. DCF analysis	5%
6. Overall quality of paper	10%
7. Complexity of project (bonus points)	5%
Total	105%

The second paper option is not specific to a site but deals with a local, national or international real estate issue (e.g. subprime mortgage crisis, impact of interest rate fluctuations in the real estate market, impact of NIMBY's on real estate development etc.) (Table 3). This paper option is again limited to 8 pages (1.5 spacing), without illustrations, and should include a one-page executive summary (Table 3).

Table 3. General outline of second paper option – not site specific

	<i>Points</i>
1. Depth of research in the topic of interest a. Literature review (recent books, academic journals, companies/project reports, newspapers) b. Local, regional, national, international effects of the topic discussed c. Interviews of real estate professionals and/or community representatives if there is conflict of interests)	20%
2. Local and regional effects of the area of study on the real estate market	20%
3. Justification of personal views on the future trends of the area studied	25%
4. Conclusion of study	25%
5. Overall quality of paper	10%
6. Complexity of paper (bonus points)	5%
Total	105%

All students/teams are required to upload on canvas their final paper on **March 16th by 10am**

Late Assignments/Final paper

Unless there are extraordinary circumstances, students are expected to turn in their assignments on canvas the day they are due at the beginning of the class. Late assignment submissions are not going to be accepted unless there is a verifiable emergency, with the student being required to provide evidence. Any assignment extensions must be approved in advance. If a verifiable emergency occurs and the student is not able to submit his/her final paper at the specified date he/she is required to notify the instructor immediately and will be given an extension to submit it electronically **until March 20th**, otherwise the final paper will not be included in their final grade.

Contingencies for truncated quarters

Submitting your assignments timely is very important as they will allow you to be graded more accurately based on your performance in case of unexpected disruptions during the quarter. If the university mandates the truncation of the quarter your credit/non-credit grade will be determined based on your work until that date.

Class Attendance

It is recommended that students attend the course on a regular basis as the sessions will be offered synchronously and will not be recorded. Additionally, students will benefit from group discussions and sharing of different perspectives.

Class Etiquette

To facilitate a good learning environment, I would really appreciate if you could follow the following:

- Be punctual and do not cause disruption if you come late in class or need to step away for a minute (make sure you are muted, and your camera is off)
- Cell phones should be on silent mode
- Be respectful of other's opinions
- If you need to leave the room in a virtual classroom, make sure your video and microphone are turned off
- You cannot record without instructor's permission

Virtual (zoom) classroom- Etiquette

Zoom is integrated in canvas and you should be able to access each class through canvas. Please make sure your video/audio works properly before class. I would recommend you find a quiet place during the class as you will need to unmute for the breakout room when we have them and possibly ask questions. If you have a busy background you can use a professional virtual background. Additionally, please dress for the course as if you are in the classroom – so no pajamas please. If you experience technical issues please reach out to: be-help@uw.edu or 206-543-8531

During class, please follow these guidelines:

- Muting and unmuting your mic: Your microphone is set on mute when you enter the virtual classroom. Please unmute yourself to speak. Mute your mic when you are not speaking to eliminate ambient feedback and other unwanted background noises.
- Start Video: Your video is off by default at the start of the class. Please start your video when class starts and keep the camera on during the entire class, especially when you are speaking. For class engagement, it is important that we can see each other. If you are interrupted during class or need to step away, please turn off your video but restart it as soon as you return.
- Chat: We will not be using this function in this course since it can be distracting. If you have questions or comments, please unmute your mic.
- Raise Hand: During class, you can use the Raise Hand button to speak but my preference is that you turn off your microphone when you want to speak.
- Share Screen: When presenting using a PowerPoint or another application, share the application only rather than your desktop to protect your privacy.

Academic Integrity

Students are expected to adhere to the UW's code of conduct. The student conduct code requires students to practice "high standards of academic and professional honesty and integrity." Students who

are suspected of cheating or plagiarism will be confronted directly by the instructor, who will inform the appropriate parties within the Department, College, and University in order to determine if the student's actions warrant disciplinary action, which may include probation or dismissal. If you have any doubt about whether a specific use of material constitutes plagiarism or whether it is appropriate to work with others on a project or assignment, ask! The University's Student Conduct Code is Washington Administrative Code 478-120 (<http://app.leg.wa.gov/WAC/default.aspx?cite=478-120>). Also see: <https://depts.washington.edu/grading/pdf/AcademicResponsibility.pdf>
Additionally, please keep in mind that the university provided site (VeriCite) will screen your assignments and the final paper, helping in the identification of plagiarism from internet resources.

Religious Accommodations

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at [Religious Accommodations Policy](https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/) (<https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>).

Accommodations must be requested within the first two weeks of this course using the [Religious Accommodations Request form](https://registrar.washington.edu/students/religious-accommodations-request/) (<https://registrar.washington.edu/students/religious-accommodations-request/>).

Student Safety

Students are advised to refer to UW policies and procedures to ensure their safety and security on campus. For more information, go to: <http://www.washington.edu/safecampus/> To report threats, seek advice, or get counseling, dial 206-685-SAFE (7233).

Disability Accommodation

The program is committed to ensuring learning opportunities for students with disabilities. If you would like to request academic accommodations due to a disability, please contact the office of Disability Resources for Students (<http://depts.washington.edu/uwdrs/>). If you have a letter from the office of Disability Resources for Students indicating you have a disability that requires academic accommodations, please present it to the instructor so we can discuss specific accommodations for this class.

Student Athletes

Student athletes who have conflicts with attending any lecture or submitting any assignment should submit a list of such conflicts along with a letter from the athletics department by Tuesday, January 19th, 2020.

Course schedule

Lecture 1 (1/5) General Course Overview & Introduction to Real Estate

Readings: power point & Ling & Archer Chapter 1

- Overview of the Real Estate System
- Real Estate Market participants & their skills

Lecture 2 (1/7) Basic Real Estate Finance process and tools (part 1)

Readings: power point & Ling & Archer Chapters 10, 11, 14, 15

- Basic finance tools

- Influences on interest rates
- Mortgage markets & types

Lecture 3 (1/12) Basic Real Estate Finance process and tools (part 2)

Assignment 1 given out

Readings: power point & Ling & Archer Chapters 10, 11, 14, 15

Lecture 4 (1/14) Introduction to Investment concepts & risk (part 1)

Readings: power point & Ling & Archer Chapters 8, 19

- Sources of real estate returns
- Investment return characteristics
- Causes of risk
- Proforma (DCF analysis)

Lecture 5 (1/19) Introduction to Investment concepts & risk (part 2)

- Proforma (DCF analysis)

Lecture 6 (1/21) Urban - Spatial Economics & Real Estate (part 1)

Readings: power point & Ling & Archer Chapters 4, 5

- Theories on city development
- Metro & local area definitions
- Factors attracting firms to an urban area
- Factors attracting labor & population to an urban area

Lecture 7 (1/26) Urban - Spatial Economics & Real Estate & Appraisal (part 2)

Readings: power point & Ling & Archer Chapters 4, 5, 7

- Urban form & land values
- Urban economics & urban growth
- Appraisal methods & processes

Lecture 8 (1/28) Review of socioeconomic & other databases (part 1)

Readings: canvas links

Assignment 1 due

Assignment 2 given out

- Review web-based demographic & economic resources

Lecture 9 (2/2) Review of socioeconomic & other databases (part 2)

- Review web-based demographic & economic resources

Lecture 10 (2/4) Review of socioeconomic & other databases (part 3)

- Review web-based demographic & economic resources

Lecture 11 (2/9) Sustainability, Real Estate & Construction

Readings: power point & other provided links

- Sustainability certifications (LEED, BREEAM and Green Globes)
- LEED trends on different ratings (NC, EB, CS, CI etc.) and levels
- Objectives in Managing Projects & types of Project Managers
- Construction project challenges & timeline development

- SWOT analysis, Gantt, Pert Charts, Critical Path method

Lecture 12 (2/11) Real Estate Market Analysis (Residential, senior housing) (part 1)

Readings: power point & Ling & Archer Chapter 6

- Demand & supply factors of residential properties
- Why is senior housing important?

Lecture 13 (2/16) Real Estate Market Analysis (Residential, senior housing) (part 2)

Readings: power point & Ling & Archer Chapter 6

Lecture 14 (2/18) Real Estate Market Analysis (Office and retail) (part 1)

Readings: Ling & Archer Chapter 6

Assignment 2 due

- Purpose of market analysis
- Overview & phases of real estate market analysis
- How is market analysis conducted & who uses it
- Demand & supply factors of office, retail and specialized uses
- Alternative uses of certain property types

Lecture 15(2/23) Real Estate Market Analysis (industrial, specialized uses and hotels) (part 2)

Readings: power point

- Demand & supply factors of industrial, specialized uses and hotels
- Alternative uses of certain property types

Lecture 16(2/25) Property Management/Corporate Real Estate, Brokerage

Readings: power point & Ling & Archer Chapter 23

- What is corporate real estate and property management
- Management considerations
- Differences between residential and commercial brokerage

Lecture 17(3/2): Property Development & Public-Private Development Initiatives

Readings: power point & other provided links

- Steps/timeline of the development process & decision-making process
- Components of feasibility studies
- Types of public/private partnerships and their advantages & disadvantages of development for public & private partner
- TIFs (Tax Increments Financing), SSAs (Special Service Areas) and BIDs (Business Improvement Districts)

Lecture 18(3/4): Real Estate Law, Negotiations & Ethics in Real Estate

Readings: power point & Ling & Archer Chapter 2, 3, 9, 13

- Legal concept of land
- Legal descriptions of real property
- Negotiation philosophy – process
- Contract negotiation
- Ethical decision making in real estate

Lecture 19(3/9): Discussion on student papers

Lecture 20(3/11): Discussion on student papers

3/16: Papers need to be uploaded on canvas by 10am