Business Finance 3400
Introduction to Real Estate
Spring Semester, 2018

Professor: Mary Beth McCormick
Email: mccormick.397@osu.edu
Office Hours: Mondays 2-3 p.m., and by appointment

Course Description

Business Finance 3400, Introduction to Real Estate, is designed to give students a solid understanding of the commercial and residential real estate markets. The ownership, development and management of real estate has traditionally been a major economic driver and means of wealth creation. Increasingly it has grown in importance as an asset class for institutional investors, and presents a wide array of career opportunities. In addition to learning about major property types included in commercial real estate, students will learn the basics of property valuation, risk analysis, development and due diligence. In addition, they will learn about the variety of careers that relate to commercial and residential real estate.

At the end of the course, students will be able to demonstrate they understand:

1) The nature and relative importance of major property types.
2) The basic elements of property valuation, including revenues and expenses tied to operating properties
3) The relationship between real estate and the community
4) Fundamentals of due diligence, development and leasing
5) Key drivers for institutional investing, including capital flows and exit strategies

Course Resources:

Course lecture notes are posted on the course website. Please bring your notes to class each day so that you can effectively participate in the class discussion. Course packet with readings and cases will be available through Carmen. The link and information to access the material will be posted on the content section of the course website.

Required readings are posted on the class website and listed in the Course Schedule section of the Syllabus. Additional readings related to current events may be added to the course website and/or distributed in class. These additions will be announced in class.

Course Requirements:

Exam on **February 21** (25% of the grade)
Exam on **April 23** (25% of the grade)
Both exams will be given electronically on Carmen. Students must be present in the classroom to be able to take the exam. A required password will be provided at that time. Bring a laptop or similar device to access the exam.

**Course Paper.** Students will be assigned randomly to groups and given a topic of current relevance to analyze and present on their designated date. Preliminary outlines are due **Wednesday, January 17th** by 11:59 p.m. (5% of total grade). Papers are due by 11:59 p.m., **Tuesday, February 27th**. Each group will present their paper to the class as a whole. Group members will be required to provide a forced ranking of each person’s contribution to the project. (20% of the total grade)

**Participation in Industry Event.** Each student is expected to attend a local real estate industry event and provide a brief synopsis of the experience. The Center for Real Estate here at FCOB and the Columbus Council of the Urban Land Institute are two groups that regularly host informative and accessible events at little or no cost to students. (5% of the total grade)

**Class Participation.** Class participation is an important part of this class. Come prepared and ready to participate to every class. We will be breaking into small groups in class to analyze problems and report back to the entire group. Your participation here is essential. In addition, I often ask questions and I expect you to be prepared to answer them. I will track attendance and participation and expect each of you to participate regularly during the course. In addition to attendance, your class participation grade will include such things as positive participation, asking thoughtful questions, respect for your fellow students, and preparation for the scheduled lecture topic. (20% of the final grade).

**Electronic Devices:**
The absence of unnecessary distractions and interruptions is essential for a positive and effective learning environment. Thus, students **may not** use any electronic device in class without submitting a prior written request and receiving explicit permission from the instructor. All electronic devices must be turned off and put away prior to the start of class.

**Exam Policy:**
The course paper and presentation is in lieu of the final exam. There will be no make-up exams for the exams.

**Extra Credit/Grade Change Policy:**
Extra credit will not be offered unless it is available to the entire class.

**Attendance at other sections:**
There are three sections of Business Finance 3400 offered this semester. If you wish to attend a session of another section, you must have my permission in advance. All students are required to attend their home sections for the group presentations and for both exams. If you do attend a different section, please let me know so that I can give you credit for attendance.
The sections are:
3:55 - 5:15 p.m. in Mason 405
5:30 - 6:30 p.m. in Schoenbaum 215
7:05 - 8:25 p.m. in Schoenbaum 205

Office hours:
Unless announced otherwise, I am available to meet with students on an individual basis during office hours or by appointment. To make an appointment for an office visit, speak to me before class or email me. Please give me a general idea of the topic you’d like to discuss so that I may be prepared for our discussion.

Course website:
I will maintain communication through Carmen. The URL is https://carmen.osu.edu. I will use this website to post course slides, readings, and assignments. Please check this regularly.

Communication:
The quickest way to contact me is by email at mccormick.397@osu.edu. I will usually respond within a few hours.

DISENROLLMENT
University Rule 3335-8-3 provides that a student may be dis-enrolled after the third instructional day of the semester, the first Friday of the semester, or the student’s second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.

ACADEMIC INTEGRITY:
Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University’s Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University’s Code of Student Conduct and this syllabus may constitute “Academic Misconduct.” The Ohio State University’s Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: “Any activity that tends to compromise the academic integrity of the University, or subvert the educational process.” Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University’s Code of Student Conduct is never considered an “excuse” for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct. (You can find the full Code at http://studentlife.osu.edu/pdfs/csc_12-31-07.pdf ) In accordance with the University Faculty Rule 3333-5-487, all instances of alleged
academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs. There will be no exceptions to this rule. Course papers must be the own original work of your group. You may not use work done by others. If you use information from outside sources in your work, you must properly cite those sources.

STUDENTS WITH DISABILITIES:
Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately to discuss your specific needs.

Here is the Class Schedule:

Week  Date                          Topic

OVERVIEW AND BIG PICTURE
WEEK 1  January 8, 2018  Welcome/Intro to Real Estate - Property Types, Occupations.

SECTION 1: OVERVIEW OF MAJOR PROPERTY TYPES
January 10, 2018  History of Real Estate/Review of Major Property Sectors

WEEK 2  January 15, 2018  MARTIN LUTHER KING DAY - No Class
January 17, 2018  Group Project Work Session (No class)
Deliverable - Project Outline due by 11:59 p.m.

WEEK 3  January 22, 2018  Industrial Properties
January 24, 2018  HBS Case Study: SouthPark IV

WEEK 4  January 29, 2018  Office Properties/Office Case Study
January 31, 2018  Retail

WEEK 5  February 5, 2018  Retail Case Study
February 7, 2018  Multifamily

WEEK 6  February 12, 2018  Game of Real Estate Worksheet/Multifamily Case Study
February 14, 2018  Hotel
SECTION 2: WHO MAKES IT HAPPEN?

WEEK 8  February 26, 2018  Real Estate Cycles/Careers
         February 27, 2018  Group Project Due by 11:59 p.m.
         February 28, 2018  Group Presentation 1

WEEK 9  March 5, 2018  Property Management/Asset Management
         March 7, 2018  Brokerage

WEEK 10 March 12, 2018  SPRING BREAK
         March 14, 2018  SPRING BREAK

WEEK 11 March 19, 2018  Group Presentation 2
         March 21, 2018  Acquisitions

WEEK 12 March 26, 2018  Law
         March 28, 2018  Group Presentation 3

WEEK 13 April 2, 2018  Development
         April 4, 2018  Adaptive Reuse Case Study

SECTION 3: WHERE DOES THE MONEY COME FROM?

WEEK 14 April 9, 2018  Institutional Investing
         April 11, 2018  Private Equity/REITS

WEEK 15 April 16, 2018  Leverage/Banking
         April 18, 2018  Review

WEEK 16 April 23, 2018  Midterm 2