

**FIN3332-001
REAL ESTATE FUNDAMENTALS
FALL 2020
SYLLABUS**

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Virtual Office Hours: M 1:30 p.m. – 2:30 p.m. (or by appointment)

This syllabus is a general plan for the course. As necessary, any changes to this syllabus will be communicated to all students. If Texas Tech University campus operations are required to change because of health concerns related to the COVID-19 pandemic, it is possible that the delivery format of this course may change. Should that be necessary, students will be advised of any changes to the technology requirements of this course.

I. Course Details

Delivery Format: Online (asynchronous)
Teaching Assistant: TBD

II. Required Texts and Technology

Required Texts:

- David C. Ling and Wayne R. Archer, *Real Estate Principles: A Value Approach*, 5th Edition, McGraw-Hill/Irwin, 2017.
- Greg Biggs, *Is Commercial Real Estate for You?* BookBaby, 2017.

Technology Requirements:

- Personal computing device with internet access sufficient for viewing streaming videos, webcam and microphone
- Web browser with access to Blackboard, YouTube and Microsoft Teams
- Microsoft Teams, Microsoft Excel, Microsoft Word and Adobe Acrobat Reader

III. Tentative Course Schedule

Tentative Schedule: A tentative schedule of the course is attached as **Exhibit A**. As necessary, any changes from this tentative schedule will be communicated to all students.

Quiz Due Dates:

- September 15, 2020 at 11:59 PM (Lectures 1 – 13)
- October 11, 2020 at 11:59 PM (Lectures 14 – 23)
- November 1, 2020 at 11:59 PM (Lectures 24 – 33)
- November 22, 2020 at 11:59 PM (Lectures 34 – 44)

Exam Dates:

- September 16, 2020 from 3:00 PM to 7:00 PM (Exam 1)
- October 12, 2020 from 3:00 PM to 7:00 PM (Exam 2)
- November 2, 2020 from 3:00 PM to 7:00 PM (Exam 3)
- November 23, 2020 from 3:00 PM to 7:00 PM (Exam 4)
- December 7, 2020 from 3:00 PM to 7:00 PM (Final Exam)

Project Due Dates:

- September 4, 2020 at 11:59 PM (CoStar Acknowledgment)
- September 17, 2020 at 11:59 PM (Part 1)
- October 13, 2020 at 11:59 PM (Part 2)
- November 3, 2020 at 11:59 PM (Part 3)
- November 24, 2020 at 11:59 PM (Part 4)

IV. Course Administration

Blackboard: Course announcements, handouts, supplemental readings, links to online lectures, lecture slides, syllabus changes and grades will be made available through Blackboard. Students are expected to regularly check the course Blackboard site for announcements. Students are expected to read assigned materials ahead of the corresponding lecture.

Financial Calculator: The Texas Instruments BA II Plus Calculator is recommended for this course, but any basic financial calculator will suffice if it is able to process uneven cash flows to calculate internal rates of return (IRR) and the net present value (NPV) of an investment. Students will use their own calculator on exams and are responsible for understanding how to operate their chosen calculator.

V. Course Summary and Objectives

Course Summary: FIN3332 is designed to introduce the field of real estate by surveying the basic concepts of real property rights, markets, and valuation. The course introduces these concepts by observing the practical aspects of real estate investments including ownership structures, financing methods and industry components. The course is aimed at providing a broad structure of knowledge that students can build upon by pursuing further real estate course work.

Course Objectives and Learning Outcomes: The major objectives and learning outcomes of this course are to:

- Understand the models, concepts and theories of commercial real estate by:
 - Identifying rights associated with property ownership
 - Understanding the nature of common real property interests
 - Recognizing the basic processes and instruments used in real estate conveyances and lending transactions
 - Appreciating the commercial real estate industry's effect on local, regional and national economies
- Apply industry-recognized financial methods to critically analyze commercial real estate assets by:
 - Valuing equity and debt interests in commercial real estate
 - Relating risks to the value of income-producing properties
- Effectively communicate practical applications of real estate knowledge by:
 - Analyzing real estate investment opportunities
 - Discussing commercial real estate issues in a professional context
- Utilize software and other business technologies relevant to the commercial real estate industry
- Perform an analysis of a commercial real estate investment opportunity

VI. Outcome Measurement

- There will be **five (5) exams**, with the fifth exam given as a comprehensive final exam. Each of the first four (4) exams will count as **twelve percent (12%)** of the final course grade. The fifth and final exam will count as **seventeen percent (17%)** of the final course grade. Exams will be a combination of short answer essays and multiple-choice questions. Exams will cover the material from lectures, corresponding textbook chapters and other assigned readings.
 - Any exam scheduling conflicts must be communicated in writing no later than one (1) week prior to the first exam. If received, the facts and circumstances of each exam scheduling conflict will be considered on a case-by-case basis.
 - To ensure fairness to all students, aid pertaining to exam content will not be provided by instructors or teaching assistants during the testing period.
 - The Texas Tech University Code of Student Conduct (the "Code of Student Conduct") is in force during and after all exams. The Code of Student Conduct can be found at www.depts.ttu.edu/dos/handbook/conduct.php
 - Any violation (including conveying or discussing an exam, or its contents, with other students that have not taken the exam) will result in (a) a score of zero (0) for the applicable exam and (b) the incident being reported to the Office of Student Conduct for potential other sanctions. It is the obligation of all students to report violations of applicable testing policies to the instructor.
 - Failure to complete the exam during the applicable testing period without an excused absence will result in a zero (0) for the exam.
- Proper preparation for, and active viewing of, all lectures is expected and will aid the learning process and enjoyment of the course. Graded quizzes will be embedded in the online lectures. The four (4) lowest quiz scores will be dropped and the remaining total quiz points will collectively count as **fifteen percent (15%)** of the final course grade.
- Each student will participate in a project that analyzes a "real world" investment property. The project will collectively count as **twenty percent (20%)** of the final course grade. The project will be a practical application that integrates material presented in this course. The objectives of the project are for students to (a) learn practical, industry-specific skills and (b) prepare a basic analysis of an investment property. Further details regarding the project will be posted to Blackboard and discussed in the lectures.
- Final course letter grades of A - B - C - D - F will generally correspond to the traditional numeric grade breaks of 90 - 80 - 70 - 60. However, final course grades and/or exams may be curved as necessary. As a result, final numeric grade breaks will not be known until after the final exam is graded.

VII. Extra Credit

Extracurricular participation in the Texas Tech Real Estate Organization ("REO") will aid the learning process and enjoyment of the course. Extra credit (up to a maximum of five [5] points) will be awarded in tiers as follows:

Tier 1 Extra Credit (up to 3 total extra credit points)

- Become a dues-paying member of REO for the semester (2 points)
- Attend a REO event (0.5 points per event; maximum of 2 points)

- Attend a ShortCourse offered by TTU Technology Support (0.5 points per ShortCourse; maximum of 1 point). ShortCourse schedule and registration information can be found at <http://www.depts.ttu.edu/itts/training/shortcourses/>
- Attend a Communication Workshop offered by the Rawls Center for Business Communication (0.5 points per Workshop; maximum of 1 point). Workshop schedule and registration information can be found at <https://www.depts.ttu.edu/rawlsbusiness/about/snyder/workshops/>

Tier 2 Extra Credit (up to 5 total extra credit points)

- In order to be eligible for Tier 2 extra credit points, you must complete 3 points of extra credit from Tier 1
- Attend the entire software training sponsored by REO (2 points)
- Successfully complete the ARGUS Software Certification in ARGUS Enterprise (2 points). More information and registration information can be found at <http://customer.argussoftware.com/s.nl/it.A/id.1825/.f>
- Successfully complete Level One, Level Two and/or Level Three of the REFM Certification Program in Excel for Real Estate (1 point per Level; maximum of 2 points). More information and registration information can be found at <https://www.getrefm.com/training-and-certification/refm-certification-program-in-excel-for-real-estate/>
- Schedule and attend an appointment with the Rawls Center for Business Communication to discuss the project for this course (1 point). Appointments can be scheduled at <https://ttu.mywconline.net/>

To be eligible for extra credit, the activity must be completed in the current semester. If requested, students must provide appropriate documentation of participation in extra credit opportunities. Except as listed above, there are no other extra credit opportunities for this course.

VIII. Attendance Policies

- Make-up quizzes will not be offered. If a student misses a quiz due to an excused absence, the weight of the missed quiz will be evenly distributed to the other quizzes. For an absence to be excused, (a) the absence must span the entire period of the applicable quiz and (b) twenty-four (24) hours' written notice must be provided (or as soon as possible in the case of an emergency). If requested, students must provide appropriate documentation to substantiate any excused absence. If a student misses a quiz (a) without an excused absence or (b) without giving timely written notice, they will receive a zero (0) for the missed quiz.
- Make-up exams will only be allowed for excused absences that span the entire testing period for the applicable exam. For an absence to be excused, twenty-four (24) hours' written notice must be provided (or as soon as possible in the case of an emergency). If requested, students must provide appropriate documentation to substantiate any excused absence. Make-up exams must be taken by the earlier of (a) one (1) week after the end of the applicable testing period or (b) the day before the date of the final exam. Scheduling a make-up exam is the student's responsibility. If a student misses an exam (a) without an excused absence, (b) without giving timely written notice or (c) without scheduling a timely make-up, the student will receive a zero (0) for the missed exam.

- The Illness-Based Absence Policy of Texas Tech University is attached as **Exhibit B**.
- The Texas Tech University policy on requesting accommodations as a result of personal health concerns is attached as **Exhibit C**.

IX. Other Details

Office Hours: Office hours will be conducted virtually during the times listed above. Students will be notified in advance of the virtual platform to be used for office hours (e.g. Zoom, Microsoft Teams, Blackboard Collaborate or phone). Office hours appointments must be scheduled in advance through email, Calendly or phone. Subject to availability, appointments during office hours are scheduled on first-come, first-served basis. You can easily schedule an office appointment at <https://calendly.com/professor-harrell>

Texas Real Estate Licensing Exam: This course is not intended to prepare students for licensure pursuant the Texas Real Estate Licensing Act. For additional information on licensing, go to www.trec.texas.gov/licenses/

Academic Misconduct: It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. Any attempt by students to present work as their own that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension.

Cheating: Dishonesty on exams, quizzes, projects or other written assignments, unauthorized possession of exams, the use of unauthorized notes during an exam or quiz, obtaining information during an exam from the exam paper or otherwise from another student, assisting others to cheat, alteration of grade records, illegal entry to or unauthorized presence in an office are instances of cheating. If a student commits an act of cheating on any quiz or project component, the student will receive a zero (0) for the entire quiz or project portion of the course (as applicable) and may be subject to further consequences as provided by the Code of Student Conduct. If a student commits an act of cheating on any exam, the student will receive a zero (0) for that exam and may be subject to further consequences as provided by the Code of Student Conduct.

Plagiarism: Offering the work of another as one's own, without proper acknowledgment, is plagiarism. Any student that fails to give credit for quotations or an essentially identical expression of material taken from books, encyclopedias, magazines, and other reference works, or from the themes, reports, or other writings of a fellow student, commits plagiarism. If a student commits an act of plagiarism on any quiz or project, the student will receive a zero (0) for the entire quiz or project portion of the course (as applicable) and may be subject to further consequences as provided by the Code of Student Conduct. If a student commits an act of plagiarism on any exam, the student will receive a zero (0) for that exam and may be subject to further consequences as provided by the Code of Student Conduct.

Civility: Professional behavior is expected at all times during course activities.

Disability Accommodation: Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services and/or AccessTech during the instructor's office hours. Instructors are not allowed to provide accommodations to a

student until appropriate verification from has been provided. No requirement exists that accommodations be made prior to completion of this approved university procedure. For additional information, please contact Student Disability Services.

Religious Holy Day Observance: A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent for the observance of a religious holy day shall be allowed to take an exam, quiz or complete an assignment scheduled for that day within a reasonable time after the absence.

TTU Resources for Discrimination, Harassment, and Sexual Violence: Texas Tech University is committed to providing and strengthening an educational, working, and living environment where students, faculty, staff, and visitors are free from gender and/or sex discrimination of any kind. Sexual assault, discrimination, harassment and other Title IX violations are not tolerated by the University. Report any incidents to the Office for Student Rights & Resolution, (806)-742-SAFE (7233) or file a report online at titleix.ttu.edu/students. Faculty and staff members at TTU are committed to connecting students to resources on campus. Some of these available resources are:

- TTU Student Counseling Center, 806-742-3674 www.depts.ttu.edu/scc/ (provides confidential support on campus), 24-hour Helpline, 806-742-5555 (assists students who are experiencing a mental health or interpersonal violence crisis)
- Voice of Hope Lubbock Rape Crisis Center, 806-763-7273, www.voiceofhopelubbock.org (24-hour hotline that provides support for survivors of sexual violence)
- The Risk, Intervention, Safety and Education (RISE) Office, 806-742-2110, www.depts.ttu.edu/rise/ (provides a range of resources and support options focused on prevention education and student wellness)
- Texas Tech Police Department, 806-742-3931, www.depts.ttu.edu/ttpd/ (to report criminal activity that occurs on or near Texas Tech campus)

EXHIBIT A
Tentative Schedule

Unit	Date	Class	Topic	Lectures	Reading Chapters		Quizzes	Project	REO	
					Ling & Archer	Biggs				
Intro.	M 24-Aug	A	Course Introduction and Overview			1, 21, 22				
I	W 26-Aug	B	Property Rights	Class B Overview		1, 2	1, 2	Due Sept. 15	CoStar due Sept. 4	
				1 Nature and sources						
				2 Bundle of rights						
	M 31-Aug	B	Property Interests	Class B Overview		1, 3	3, 4, 6, 9	Due Sept. 15		
				3 Other estates						
				4 Investment property types						
	W 2-Sep	C	Conveyances	Class C Overview		2, 3		Due Sept. 15		REO Meeting
				5 Forms of ownership						
				6 Non-possessory interests						
				7 Easements						
M 7-Sep			Labor Day							
W 9-Sep	C	Ownership Forms	Class C Overview		11, 17	14	Due Sept. 15			
			8 Liens and restrictive covenants							
M 14-Sep	D	Unit I Summary	Project Part 1 Workshop					Part 1 due Sept. 17		
			Exam 1 Review							
W 16-Sep	Exam 1 (3:00 PM to 7:00 PM)								REO Meeting	
II	M 21-Sep	E	Market Participants	Class E Overview		11, 17	15	Due Oct. 11		
				14 Private equity						
				15 REITs						
	W 23-Sep	E	Real Estate Valuation	Class E Overview		14	19, 20	Due Oct. 11		
				16 Real estate decisions						
				17 Unique characteristics						
	M 28-Sep	F	Real Estate Appraisal	Class F Overview		7	19	Due Oct. 11		
				18 Concepts of value						
				19 Appraisal overview						
				20 Three (3) appraisal approaches						
W 30-Sep	F	Income Valuation	Class F Overview		8		Due Oct. 11			
			21 Real estate income and property classes							
			22 Direct capitalization and cap rates							
M 5-Oct	G	Unit II Summary	Project Part 2 Workshop					Part 2 due Oct. 13	REO Meeting	
			Exam 2 Review							
W 7-Oct	Rawls Career Fair									
M 12-Oct	Exam 2 (3:00 PM to 7:00 PM)									
III	W 14-Oct	H	Sales and Cost Valuation	Class H Overview		7		Due Nov. 1		
				24 Comparable sales approach						
				25 Cost approach						
	M 19-Oct	H	Lease Basics	Class H Overview		22	16, 17	Due Nov. 1		
				26 Valuation preferences						
				27 Legal background of leases						
	W 21-Oct	I	Tenant Recoveries	Class I Overview		8, 22		Due Nov. 1		
				28 Lease cash flows						
				29 Important lease provisions						
	M 26-Oct	I	Intermediaries	Class I Overview		12, 21	16, 17, 18	Due Nov. 1		REO Meeting
30 Operating expenses of real estate										
W 28-Oct	J	Unit III Summary	Project Part 3 Workshop					Part 3 due Nov. 3		
			Exam 3 Review							
M 2-Nov	Exam 3 (3:00 PM to 7:00 PM)									
IV	W 4-Nov	K	Mortgage Basics	Class K Overview		9, 10		Due Nov. 22		
				34 Notes and deeds of trust						
				35 Mortgage types						
	Th 5-Nov			Thanksgiving						
	F 6-Nov			Thanksgiving						ARGUS
	M 9-Nov	K	Real Estate Debt	Class K Overview		15, 16		Due Nov. 22		
				36 Foreclosure						
	W 11-Nov	L	Investment Criteria	Class L Overview		18, 19		Due Nov. 22		
				37 Mortgage calculations						
				38 Mortgage costs						
39 Real estate investment decisions										
M 16-Nov	L	Investment Analysis	Class L Overview		19		Due Nov. 22			
			40 Equity analysis							
			41 Ratio analysis							
W 18-Nov	M	Unit IV Summary	Project Part 4 Workshop					Part 4 due Nov. 24	REO Meeting	
			Exam 4 Review							
M 23-Nov	Exam 4 (3:00 PM to 7:00 PM)									
W 25-Nov	Thanksgiving									
Final	M 30-Nov	N	Final Exam Review - Part 1							
			Final Exam Review - Part 2							
			W 2-Dec	Final Exam (3:00 PM to 7:00 PM)						
M 7-Dec	Final Exam (3:00 PM to 7:00 PM)									

EXHIBIT B
Illness-Based Absence Policy

If at any time during this semester you feel ill, in the interest of your own health and safety as well as the health and safety of your instructors and classmates, you are encouraged *not* to attend face-to-face class meetings or events. Please review the steps outlined below that you should follow to ensure your absence for illness will be excused. These steps also apply to not participating in synchronous online class meetings if you feel too ill to do so and missing specified assignment due dates in asynchronous online classes because of illness.

1. If you are ill and think the symptoms might be COVID-19-related:
 - a. Call Student Health Services at 806.743.2848 or your health care provider. After hours and on weekends contact the TTU COVID-19 Helpline at 806.743.2911.
 - b. Self-report as soon as possible using the Dean of Students COVID-19 webpage at <https://www.depts.ttu.edu/dos/COVID-19Absence.php>. This website has specific directions about how to upload documentation from a medical provider and what will happen if your illness renders you unable to participate in classes for more than one week.
 - c. If your illness is determined to be COVID-19-related, all remaining documentation and communication will be handled through the Office of the Dean of Students, including notification of your instructors of the period of time you may be absent from and may return to classes.
 - d. If your illness is determined not to be COVID-19-related, please follow steps 2.a-d below.

2. If you are ill and can attribute your symptoms to something other than COVID-19:
 - a. If your illness renders you unable to attend face-to-face classes, participate in synchronous online classes, or miss specified assignment due dates in asynchronous online classes, you are encouraged to visit with either Student Health Services at 806.743.2848 or your health care provider. Note that Student Health Services and your own and other health care providers may arrange virtual visits.
 - b. During the health provider visit, request a “return to school” note;
 - c. E-mail the instructor a picture of that note;
 - d. Return to class by the next class period after the date indicated on your note.

Following the steps outlined above helps to keep your instructors informed about your absences and ensures your absence or missing an assignment due date because of illness will be marked excused. You will still be responsible to complete within a week of returning to class any assignments, quizzes, or exams you miss because of illness.

EXHIBIT C

Accommodation Requests from High-Risk Students

Texas Tech University is taking considerable measures to provide effective social distancing and sanitation protocols as we prepare to return to campus in the Fall. We need to be mindful that, because of underlying health conditions, some students will be at higher risk for COVID-19. Other students, although healthy themselves, might live with someone who has compromising health conditions. Students in one or both of these two categories might request accommodations or alternatives to fulfill course requirements to avoid potential exposure to the virus.

The Office of the Provost authorizes instructors of record (IoRs), in coordination with their department chairs, academic advisors, and academic associate deans, with the flexibility necessary to make instructional accommodations for students to avoid exposure to COVID-19. Accommodations might include, as examples, alternatives to face-to-face group assignments, remote learning such as online instruction or off-site activities, changing to an online section of the same course or to an independent study with the same learning objectives as the original course, or approval of a substitute course that is offered online and can fulfill the same degree requirements of the original course.

Keep in mind the following criteria when considering making an accommodation for a student: (1) whether the requested accommodation would make a substantive alteration of the course material or objectives; (2) whether the accommodation provides an equally effective alternative to the original objectives or activities of the class; and (3) whether the accommodation can be uniformly applied should more than one student request it. If the IoR can satisfactorily address these three requirements for accommodation, and is comfortable providing it, then it is appropriate to do so. If the IOR feels unable to provide accommodation that satisfies these three criteria or is unsure how the requested accommodation can be provided, the IoR is encouraged to contact their academic associate dean's office for guidance. Students should also be advised to follow the steps for reporting illness-related absences outlined on the Dean of Students COVID-19 webpage at <https://www.depts.ttu.edu/dos/COVID-19Absence.php>.

If a high-risk student asks for a substantial alteration to the essential elements of the class, then the IoR, advisor, or associate dean should suggest that the student work with SDS to provide a Letter of Accommodation (LOA).