

**SYLLABUS**  
**REAE 3325.001: REAL ESTATE FUNDAMENTALS (Class# 22217)**  
**SPRING 2008: M, W, F 8:00-8:50 AM**  
**ROOM 241 Business Building**

**Professor** Dr. J. Andrew Hansz, Ph.D., CFA   **Office** 631 Business Building  
**Phone** (817) 272-5843   **E-mail** [reae3325@gmail.com](mailto:reae3325@gmail.com)  
**Office Hours** 9:00 to 11:00 AM, Monday, Wednesday and Friday and by appointment.  
**Website** <http://www.uta.edu/faculty/hansz/3325/main.htm> (check regularly)

**Teaching Assistant** Sanjukta Kar, e-mail: [sanjuktak\\_ind@yahoo.com](mailto:sanjuktak_ind@yahoo.com) (Sanjukta will primarily assist in proctoring examinations and grading the TVM tutorial.)

### **Course Description**

A foundation for study and research in specialized areas such as real estate finance, real estate investment and counseling, real estate management, real estate development, and property appraising.

### **Prerequisites**

MATH 1316 and junior standing. Completion of the spreadsheet based Finance Tutorial: Time Value of Money Tutorial is required for all students. It may be purchased at the University Bookstore. Print each lesson after it is completed. Submit the "Proof of Purchase" (blue cover sheet) or the pink "Prior Completion" form (for those that have previously completed the tutorial). If you do not complete the finance tutorial or submit a prior completion form you will not receive credit for this course. Also, I recommend that you complete the TVM tutorial as soon as possible. Please note that Exam 1 covers the time value of money. Why wait? See TVM deadlines and bonus opportunity.

### **Course Objective**

This course presents a variety of concepts and vocabulary that are useful for real estate consumers, investors, and professionals.

### **Student Learning Outcomes**

- The student will understand the time value of money and compute mortgage calculations using TVM techniques. The student will also complete the UTA Department of Finance and Real Estate Finance Tutorial. As part of the Tutorial, the student will understand NPV criteria, stock and bond valuation, discounted cash-flow analysis, and capital structure.
- The student will understand legal concepts in real estate including property rights, restrictions on property rights, deeds, and leases.
- The student will understand the real estate market using demand and supply, urban economics, and real estate appraisal.
- The student will be able to differentiate between the three real estate appraisal methods.

## Course Format

- Lectures and Video Clips – The course will be conducted on a lecture basis with discussion and questions encouraged. Specific readings in the required text will be assigned for each class period. It is expected that assignments will be read prior to class. Video clips will be viewed in class or assigned as homework.
- Exams – Three exams and a cumulative final exam. Exams, including the final, are primarily objective style questions.
- Attendance and participation is encouraged.

## Textbook

Real Estate Principles, 8<sup>th</sup> (or 7<sup>th</sup>) Edition; Charles F. Floyd and Marcus T. Allen, Dearborn Financial Publishing, Inc. 2005 (or 2002). The CD accompanying the text book is recommended but not required.

## Calculators

A basic financial calculator is required and you should know how to operate the time-value-of-money functions. You may NOT use Palm Pilots, calculators with extended memory, cell phones/smart phones, or other similar devices on the examinations. To watch your time during the exam, please bring a watch (do not use your cell phone).

## Grading and Bonus Opportunities

*Grading* The Instructor does not give out grades; instead, each student earns a grade. Further, there will be no surprises with regard to test items or grades that are not anticipated in this class. Grades will be posted during the semester under the assignments section of WebCT. For your privacy, NO grades (including exams or final grades) will be posted in a public area and NO grades will be disclosed over the phone or e-mail. **Your final grade will be the simple average of your best 3 of 4 examinations.**

The grade distribution is as follows:

90 - 100% = A

80 - 89% = B

70 - 79% = C

60 - 69% = D

Below 60% = F

The Instructor has discretion in setting the final cutoff but the average class grade point average will likely fall in the range of 2.1 to 2.5. Please do not contact the Instructor at the end of the semester in an effort to receive special consideration. Finally, please note:

- Your class grade has nothing to do with the semester you intend to graduate.
- There is no extra credit or make-up work for individual students to improve their grade. All students have the same opportunity as outlined in this syllabus.
- I do not consider your cumulative GPA or grades in other courses when calculating your grade in this course. Your 3325 grade is based on your performance in 3325 only.

*Bonus* Bonus opportunities are open to *all* students. The number of bonus points assigned depends on the quality of your work.

**Option 1: Time-Value-of-Money Tutorial completion before Exam 1** If you complete the TVM tutorial *before* this first exam, you will be eligible for up to five bonus points on the first exam.

**Option 2: Investment Problem** The Investment Problem is a complex and challenging discounted cash flow investment analysis model. Students pursuing this option will learn and practice the investment problem on their own time. The Investment Problem will be administered as part of the final exam for student pursuing this option. The Investment Problem is on the class website for your inspection. This option is worth zero to ten bonus points applied to your final exam.

### **Exams and No Make-Up Examination Policy**

Due to the large size of the class, each student must bring his/her University ID to exams. Students must also bring Scan-tron form #882E, which is available at the bookstore, a financial calculator, and pencils.

#### *General exam instructions*

- Do not be late. We only have the classroom during the scheduled time.
- Keep your exam booklet closed until the exam is officially started.
- You will need a basic calculator (no manuals), pencils, and a Scan-tron answer sheet. Place your photo ID on the desk, photo-side up. Put all other materials away.
- Do not share calculators during the exam.
- Remove baseball caps
- Turn-off/put away all pagers/cell phones and other communication devices.
- Write your name and 'REAE 3325 Exam X' on the Scan-tron answer sheet.
- You may mark (write-on) the exam booklets.
- Do not look around the room or make any noise. If you have a question, raise your hand and I will come to you.
- Keep your Scan-tron answer sheet and test booklet in front of you. (Don't let the person behind you look off your papers.)
- Answer the questions that you know and return to the question you don't know toward the end. Do not spend too much time on any one question.
- Please watch your time as we must finish by end of the scheduled class time.
- Do not remove test booklets from classroom.

**No make-up exams. Your final grade is based on the best three of four exams. If you miss an exam, the remaining three exams will determine your final grade. If you are unable to make the scheduled exam dates, please consider another REAE 3325 section.**

### **Cell Phones and Other Communication Devices**

Please turn off all cell phone and communication devices prior to class. You must turn off and put away all cell phones and communication devices during examinations. If you need to watch your time, please bring a watch to the exams.

**Policy on Attendance**

Students are expected, but not required to come to each class session. It is the student's responsibility to prepare for all classes, particularly a missed class. YOU will be responsible for any and all material or announcements discussed in the class. Student should obtain any lecture notes, handouts, and announcements from classmates. You should get to know at least one student in the class and the instructor will introduce you to at least one student during the first class orientation. "I don't know anyone" is not a valid excuse, if you attended the first class (and if you missed the first class, please re-read this section).

**Policy on Handing in Assignments Late**

Several homework assignments will be made during the semester. A penalty per class period will be assessed for all assignments turned in late. Absence from class is not a valid excuse for a late assignment.

**Policy on Disruptive Classroom Behavior**

This course will be conducted in a professional manner. Unprofessional behavior of any form in the classroom will not be tolerated. Students can be withdrawn at the discretion of the instructor for unacceptable behavior. Additionally, a portion of the final grade is attributed to class attitude/contribution. This grade, made at the instructor discretion, is based on attendance and attitude during class.

**Academic Honesty**

It is the philosophy of The University of Texas at Arlington that academic dishonesty is a completely unacceptable mode of conduct and will not be tolerated in any form. All persons involved in academic dishonesty will be disciplined in accordance with University regulations and procedures. Discipline may include suspension from the University. You are responsible to maintain the standards of Academic Honesty included in the current UTA catalog.

**Bomb Threats**

Effective April 8, 1996, the College of business Administration has adopted a policy to deal with the classroom disruption caused by bomb threats in the building. (A) Section 22.07 of the Texas Criminal Law Statutes states that a Class A misdemeanor is punishable by (1) a fine not to exceed \$4,000, (2) a jail term of not more than one year, OR (3) both such a fine and confinement. (B) If anyone is tempted to call in a bomb threat, be aware that UTA has the technology to trace phone calls. (C) Every effort will be made to avoid cancellation of presentation/tests caused by bomb threats to the Business Building. Unannounced alternate sites will be available for these classes. If a student who has a class with a scheduled test or presentation arrives and the building has been closed due to a bomb threat, the student should immediately check for the alternate site notice which will be posted on/near the main doors on the south side of the Business Building. If the bomb threat is received while class is in session, your instructor will ask you to leave the building and reconvene at another location. (D) Students who provide information leading to the successful prosecution of anyone making a bomb threat will

receive one semester's free parking in the Maverick Garage across from the Business Building. UTA's Crime stoppers will provide a reward to anyone providing information leading to an arrest. To make an anonymous report, call (817) 272-5245.

### **Withdrawing**

It is the student's responsibility to complete the course or withdraw from the course in accordance with University regulations. Students are strongly encouraged to verify their grade status before dropping a course after the first withdrawal date. A student who drops a course after the first withdrawal date may receive an "F" in the course if the student is failing at the time the course is dropped.

### **Drop for Non-payment**

It is the policy of the University of Texas at Arlington that students who have not paid by the census date and are dropped for non-payment cannot, under any circumstances, receive a grade for the course. Therefore, a student dropped for non-payment whom continues to attend the course will not receive a grade for that course. Emergency loans are available to help students pay tuition and fees. Students can apply for emergency loans by going to the Emergency Tuition Loan Distribution Center at E.H. Hereford University Center (near the southwest entrance.).

### **Student Evaluation of Teaching**

The following appears in Administrative Memorandum No. 98-5 dated August 21, 1997, from the President for academic and administrative offices. "Beginning in Fall 1997, teaching evaluations will be conducted in every class every semester for every instructor of record".

### **Evacuation Procedures**

In the event of an evacuation of the College of Business building, when the fire alarm sounds, everyone must leave the building by the stairs. With the fire alarm system we no have, the elevators will all go to the first floor and stay there until the system is turned off.

All those in the North tower side of the building should proceed to the fire escape stairs located on the East and West sides of that wing.

FOR DISABLED PERSONS...please go to the Northeast fire stairs. We have an evacu track chair located on the 6<sup>th</sup> floor stairwell. We have people trained in the use of this chair and there will be someone that will go to the 6<sup>th</sup> floor to get the chair and bring it to any lower floor stairwell to assist disabled persons.

Should this be a real emergency, the Arlington Fire Department and UTA Police will also be here to help.

## Important Dates

See University Academic Calendar Spring 2008 at <http://www.uta.edu/uta/acadcal/>

### *General UTA Dates*

First Day of Classes	January 14
Late Registrations	January 14-21
MLK Day Holiday	January 21
UTA Census Date	January 30
Mid-Session	March 7
Spring Break	March 17-21
COBA Business Leadership Week	March 10-14
Last Date to Drop for Undergraduates	March 28
Last Day of Classes	May 2

*IMPORTANT CLASS DATES AND DEADLINES: Exams and Assignment Deadlines (Please record this dates in your personal calendar at the start of the semester!)*

Exam 1 (Friday, February 8<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)\*

Exam 2 (Friday, March 7<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)\*

Exam 3 (Friday, April 18<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)\*

TVM Tutorial Deadline Friday, April 25<sup>th</sup>

Cumulative Final Exam: Friday, May 9<sup>th</sup> from 8:00 AM to 10:30 AM\*

\*Must bring Scan-tron, financial calculator, pencils, and student ID to all exams.

If you have a conflict or difficulty with any of these important dates listed above, contact the Instructor during the first week of class to discuss the conflict. We offer several sections of REAE 3325 each semester and each section has different examination dates and deadlines.

**Tentative Schedule and Important Dates: This is a tentative schedule for coverage of the text material and adjustments will be necessary during the semester. It is your responsibility to be aware of any changes announced in class.**

<u>Subject</u>	<u>Chapter</u>
Introduction/The Market for Real Estate Knowledge	
1	
<i>Real Estate Finance and Investment Analysis</i>	
Residential and Commercial Property Financing	13
Risk, Return, and the Time Value of Money	14
Mortgage Mechanics	15
<b>Exam 1 (Friday, February 8<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)*</b>	
<i>Real Estate Legal Analysis</i>	
Property Rights and Legal Descriptions	2
Private Restrictions to Ownership	3
Public Restrictions on Ownership	4
Deeds and Leases	5
Contracts in Real Estate Transactions	6
Title Examination and the Closing Process	7
<b>Exam 2 (Friday, March 7<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)*</b>	
<i>COBA Business Leadership Week: Guest Speakers Phil Sandlin and Jeremy Normand</i>	
<i>Spring Break March 17-21</i>	
<i>Real Estate Market Analysis</i>	
Understanding Real Estate Markets	8
Urban and Regional Economics	9
<i>Real Estate Service Industries</i>	
Real Estate Brokerage	10
Principles of Real Estate Property Insurance	19
Real Estate Appraisal	11
Property Management	12
Residential Uses	17
Commercial and Industrial Development	18
<b>Exam 3 (Friday April 18<sup>th</sup> from 8 AM to 8:50 AM – Do not arrive late!)*</b>	
<b>TVM Tutorial Deadline April 25<sup>th</sup></b>	
Analyzing Income-Producing Properties	16
Home Purchase Decisions (time permitting)	20

**Cumulative Final Exam: Friday, May 9<sup>th</sup> from 8:00 AM to 10:30 AM\***

\*Must bring Scan-tron, financial calculator, pencils, and student ID to all exams.

**Prior to class**

- Read the assigned text chapter and view any video clips posted on the class website as homework.
- Download the chapter notes (found on my website) and review the notes.
- Try the end of chapter problems.
- Download the answers to selected end of chapter problems (found on my website) and review your answers.
- Take notes during class and rewrite your notes after class.
- Read the text chapter a second time.
- Download and complete the chapter true/false questions and discussion questions.

**Other study suggestions**

- Make flashcards.
- Read your notes into a tape recorder (and playback).
- Take notes as you read the text.
- Combine (rewrite) your class notes and text notes into a single set of notes.
- Study several hours per day everyday (do not wait until the night before the exam).
- Study with a friend or small group (discuss terms and topics, try problems together, and quiz each other).
- Do the case studies accompanying the text found on the student CD.

**General comments**

- The class periods move very quickly. We will start on time and do our best to finish on time. Your cooperation is appreciated.
- I will review the answers to the T/F and discussion questions when time permits.
- I will do my best to follow the tentative schedule. The primary reason that the schedule is “tentative” is that I try to bring in busy guest speakers to share their real estate industry experience with us. Because guest speakers are volunteering their time and gas to visit UTA, I try to accommodate their schedules. This may mean modifying the order of our material. This should not be a problem if you are attending class regularly (and if you aren't, you are always responsible for class announcements).
- To protect your privacy, exam scores and final grades will not be posted in public spaces, e-mailed, or released over the phone. Grades will be posted on WebCT.