

SYLLABUS
REAE 5334.01: REAL ESTATE APPRAISAL (ID 81241) - FALL 2008
Saturday 11:00 AM to 1:50 PM
252 Business Building

Instructor J. Andrew Hansz Ph.D., CFA
Office 631 Business Building **Phone** (817) 272-5843
Office Hours Tuesday, Thursday 2:00 to 4:00 PM and by appointment
Website www.uta.edu/faculty/hansz **E-mail** reae5334@gmail.com

Course Description

Sale comparison, cost, and income approaches, with emphasis on income forecasting and capitalization.

Student Learning Outcomes

- The student will analyze property using the normative real estate valuation process.
- The student will estimate the value of property using the three traditional approaches to valuation: sales comparison approach, income approach, and cost approach.
- The student will understand the advantages and disadvantages of alternative methods of appraising income-producing property.
- The student will use valuation technologies.

Prerequisites

REAE 5311 Real Estate Analysis. See graduate or undergraduate bulletin.

Course Format

- Discussion/Seminar - Specific text readings will be assigned for each class period. Class will be conducted in a seminar format and it is expected that each assignment will be read prior to class and you will be ready to discuss the materials.
- Lectures/Assignments
- Mid-term, Unannounced/No Make-up Quizzes, and Mandatory Cumulative Final Exam
- Optional Project: Narrative Appraisal Assignment (see project description and outline)

Textbooks

The Appraisal of Real Estate, 12th Edition, Appraisal Institute, 2001.

The Student Handbook to The Appraisal of Real Estate, Mark A. Ratterman, MAI, SRA, Appraisal Institute, 2004.

Also, assigned articles and handouts (TBA and will be provided).

Calculators and Spreadsheet

A financial calculator (HP 10-B or equivalent) and a spreadsheet (Excel or equivalent) are required. The calculator must be able to calculate Internal Rate of Return (IRR) and Net Present Value (NPV). This means that the calculator must be able to deal with entry of uneven cash flows. Check the manual before you buy a calculator. You are responsible for learning the keystrokes. Please, do not use any electronic devices with memory during quizzes or exams. I also assume that you have basic spreadsheet skills.

Grading (3 options)

Option 1: No Appraisal Project (highest possible grade 'B')

	<u>Percent</u>
Mid-term	35%
Quizzes	30
Final Exam	35
Narrative Valuation Assignment	<u>0</u>
Total	100%

Generally, the grading scale used by the Instructor can be:

90 - 100% = B
80 - 89% = B
70 - 79% = C
60 - 69% = D
Below 60% = F

Option 2: No Quiz Grade (highest possible grade 'B')

	<u>Percent</u>
Mid-term	35%
Quizzes	0
Final Exam	35
Narrative Valuation Assignment	<u>30</u>
Total	100%

Generally, the grading scale used by the Instructor can be:

90 - 100% = B
80 - 89% = B
70 - 79% = C
60 - 69% = D
Below 60% = F

Option 3: Appraisal Report and Quizzes (highest possible grade 'A')

	<u>Percent</u>
Mid-term	35%
Quizzes	10
Final Exam	35
Narrative Valuation Assignment	<u>20</u>
Total	100%

Generally, the grading scale used by the Instructor can be:

90 - 100% = A
80 - 89% = B
70 - 79% = C
60 - 69% = D
Below 60% = F

The instructor can apply a "curve" which could lower these ranges.

Quizzes

I would like to give 4 to 6 unannounced quizzes this semester. A quiz might be at the start of the class period and test on the reading material that was assigned. Conversely, a quiz may be given at the middle or end of class to test material that was covered. Although I will drop your lowest quiz grade, you can also consider this as an attendance grade. If you are not in class or leave early/late you may not take the quiz and your grade for a missed quiz is zero.

Make-up Quiz Policy

No make-up quizzes given. I will drop your lowest quizzes grade. If you are not in-class for a quiz for any reason, you will receive a zero. I do not formally take attendance but attendance may influence your quiz grade.

Make-up Examination Policy

The instructor reserves the rights to change the style, format, and content of a make-up examination. A make-up exam will be given if the student has a reasonable, verifiable excuse. However, students should not expect to take more than one make-up exam. The make-up exam must be completed before the end of the week in which the original exam was scheduled. Once a student has taken an exam, a make-up exam cannot be given.

Policy on Handing in Assignments Late

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

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.

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.

Americans with Disabilities Act

The University of Texas at Arlington is on record as being committed to both the spirit and letter of federal equal opportunity legislation; reference Public Law 92-112 - The Rehabilitation Act of 1973 as amended. With the passage of federal legislation entitled *Americans with Disabilities Act (ADA)*, pursuant to section 504 of the Rehabilitation Act, there is renewed focus on providing this population with the same opportunities enjoyed by all citizens.

As a faculty member, I am required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing faculty of their need for accommodation and in providing authorized documentation through designated administrative channels. Information regarding specific diagnostic criteria and policies for obtaining academic accommodations can be found at www.uta.edu/disability. Also, you may visit the Office for Students with Disabilities in room 102 of University Hall or call them at (817) 272-3364.

Academic Integrity

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 or expulsion from the University.

"Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts." (Regents' Rules and Regulations, Series 50101, Section 2.2)

Student Support Services Available

The University of Texas at Arlington supports a variety of student success programs to help you connect with the University and achieve academic success. These programs include learning assistance, developmental education, advising and mentoring, admission and transition, and

federally funded programs. Students requiring assistance academically, personally, or socially should contact the Office of Student Success Programs at 817-272-6107 for more information and appropriate referrals.

Final Review Week

A period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week unless specified in the class syllabi. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. Classes are held as scheduled during this week and lectures and presentations may be given.

E-Culture Policy

The University of Texas at Arlington has adopted the University email address as an official means of communication with students. Through the use of email, UT-Arlington is able to provide students with relevant and timely information, designed to facilitate student success. In particular, important information concerning registration, financial aid, payment of bills, and graduation may be sent to students through email.

All students are assigned an email account and information about activating and using it is available at www.uta.edu/email. New students (first semester at UTA) are able to activate their email account 24 hours after registering for courses. There is no additional charge to students for using this account, and it remains active as long as a student is enrolled at UT-Arlington. Students are responsible for checking their email regularly.

Attendance Policy

Students are expected to attend each class and students are expected to come to each class with their assignments completed. Any student who must miss a class is responsible for securing any and all assignments for coursework missed.

Drop Policy

These policies include by reference all provisions for grade adjustment or drop policies included in the applicable Graduate or Undergraduate Catalog in effect at the start of the semester. It is the student's responsibility to complete the course or withdraw from the course in accordance with University regulations. No student will be dropped from the class rolls for absences. 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 who 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).

Distribution of Grades

The distribution of grades for the semester will normally adhere to the guidelines of the Department of Finance and Real Estate. These guidelines are generally based on College of Business Administration averages for similar courses.

Student Evaluation of Teaching

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

College of Business Bomb Threat Policy

Effective April 8, 1996, the College of Business Administration adopted a policy to deal with the classroom disruption caused by bomb threats in the building. Section 22.07 of the Texas Criminal law 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. If anyone is tempted to call in a bomb threat, be aware that UTA has the technology to trace such phone calls.

Every effort will be made to avoid cancellation of presentations/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 class 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.

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 Crimestoppers will provide a reward to anyone providing information leading to an arrest. To make an anonymous report, call 817/272-5245.

UTA Student Success Programs

The University of Texas at Arlington supports a variety of student success programs to help you connect with the University and achieve academic success. They include learning assistance, developmental education, advising and mentoring, admission and transition, and federally funded programs. Students requiring assistance academically, personally, or socially should contact the Office of Student Success Programs at 817/272-6107 for more information and appropriate referrals.

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 6th floor stairwell. We have people trained in the use of this chair and there will be someone that will go to the 6th 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 UTA Website www.uta.edu

Tentative Schedule: This is a tentative schedule. Adjustments will be necessary during the progression of the semester. It is the student's responsibility to be aware of any changes announced in-class.

<u>Class</u>	<u>Topics</u>	<u>Text Homework</u>
8/30	Course Administration; Introduction	1, 2, 3, 4, 5
9/6	The Determinants of Value; Valuation Process <i>OPTION 2 Assignment: select property, collect data</i>	6, 7, 8, 9, 10
9/13	Real Estate Markets; Data; Land; Improvements <i>OPTION 2 Assignment: collect data</i>	11, 12, 13
9/20	Market Analysis; Highest and Best Use; Site Valuation <i>OPTION 2 Assignment: area & neighborhood, property description</i>	14, 15, 16
9/27	The Cost Approach; Building Cost Estimate; and Depreciation <i>OPTION 2 Assignment: highest and best use analysis</i>	17, 18, 19
10/4	The Sales Comparison Approach; Adjustments; Application <i>OPTION 2 Assignment: land value and cost approach</i>	20, 21, 22
10/11	The Income Approach; Income/Expense Analysis; Capitalization <i>OPTION 2 Assignment: land value and cost approach</i>	Study!
10/18	Mid-term Examination <i>OPTION 2 Assignment: sales comparison approach</i>	
10/25	Dprofiler with Beck's Doug Maiden <i>OPTION 2 Assignment: income approach</i>	
11/1	Yield Capitalization; DCF; Special Applications <i>OPTION 2 Assignment: income approach</i>	23, 24, 25
11/8	Argus Lab <i>OPTION 2 Assignment: reconciliation and addenda</i>	
11/15	Southlake Town Square Field Trip with Brian Stebbins <i>OPTION 2 Assignment: report writing and editing (final draft)</i>	
11/22	The Appraisal Report; Appraisal Specialties; Emerging Issues	26, 27
11/29	No Class (Thanksgiving Holiday) <i>OPTION 2 Assignment: report assemblage and presentation preparation</i>	
12/6	Final Exam All Appraisal Projects Due (absolute deadline)	

Please bring a basic calculator, pencils, Scan-tron answer sheets, and photo ID to all exams. To protect your privacy, I do not give grades over the phone or via e-mail (applies to all quizzes, mid-term, final exam, and final grade). I will do my best to post grade on WebCT in a timely manner (please give me at least three days after an exam).