

**California State University Northridge**  
**RE420 Real Estate Finance Course Syllabus**

Spring 2022

W 4 PM – 6:45 PM, Bookstein Hall BB 2230/32 or Zoom

Instructor Name and Preferred Title: Dr. Suyan Zheng

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Office Hours: M&W 12:15PM – 1:45PM, others by appointment, via Zoom at 6975397430

Note: Zoom live lecture links are provided under tab “Zoom” on Canvas.

### **Academic Bulletin Description**

Theory and methods of real estate mortgages and investment analysis. Analysis of the instruments, institutions, agencies, and operations involved in the funding and underwriting of real estate investments. Includes emphasis on analytical techniques and computer applications.

### **Full Course Description**

This course is designed to give the student a detailed understanding of real estate finance and investment. It covers the basics of what you need to know as a real estate investor before buying or developing a property and introduces a variety of real estate topics. Since real estate is closely linked with finance and economics, this course will have a quantitative emphasis.

The structure of the course requires significant individual study and preparation outside of class. Each class session will cover major points and concepts contained in the text and readings as well as material not contained in the text. You should not consider the class lectures and discussions to be the entirety of the course.

### **Prerequisites**

RE 412; RE 414; Upper Division Writing Proficiency Exam (UDWPE) score of 8 or higher. BUS 302 and BUS 302L are prerequisites for Business majors.

### **Learning Outcomes**

Integrate real estate financial leverage with financing alternatives. Define and discuss legal considerations in real estate finance. Compare and contrast different methods of financing residential and commercial properties. Integrate income producing properties with valuation fundamentals.

### **Course Materials**

The text for this course is Real Estate Finance (15th edition, ISBN 978-0-007-337735-3) by William Brueggeman and Jeffrey Fisher. The 14th or 16th edition is also suitable for this course. This text contains many excellent problems and examples that will help clarify concepts covered in class. Additional readings will also be set for topics during the course. You are responsible for material covered both in class as well as in all readings.

Three case studies/projects will be assigned in this class. (1) Pinckney Street is an introductory case highlighting the many hurdles one must go through to find and acquire a small income-producing property. (2) Angus Cartwright IV is a classic case on the financial analysis of real estate investments. The case asks you to create pro formas for four different property investments and to consider a range of factors influencing their profitability. (3) Find an investment property and use the techniques learned from this course to calculate holding period returns and make comparison. Note that if a case study is assigned there is an additional charge to download the case study from the publisher.

To achieve a high grade in the case study, students will be required to do more than correctly compute a solution to the case. I will expect a well-argued and critical assessment of the case study question. Students need to be able to provide an explanation of the information they have calculated and show they understand any limitations of the techniques used. They should also make the reader aware of any wider implications of their recommendations.

All course materials comply with copyright/fair use policies.

### **Financial Calculator**

All students are required to have, and know how to use, a calculator that can derive the internal rate of return (IRR) for unequal cash flows, such as the Ti BAII plus, HP-12C, HP-10B or an equivalent model. The memory for all programmable calculators must be cleared before all exams. You may use the calculator function of your cell phone during the exam.

### **Course Requirements**

This course is being offered as a blended course. Much of the work in this course will occur online in Canvas. Online activities and in-class activities are designed to build on each other. Active participation in the online activities and completion of all courework is required in this course. In Canvas, you will interact with course content, me and your classmates in a variety of online activities. I suggest setting aside days and times for completing the online course activities.

The typical structure in Canvas will consist of learning modules, which include:

- Short Video/PowerPoint Lectures
- Readings
- Online Discussions
- Quizzes
- Written Exercises

This course will meet face-to-face one time per week before Spring Break (Monday) and then be asynchronous classes. The typical activities in the face-to-face classroom will include interacting with guest speakers, engaging with me and your classmates in question and answer sessions, discussing major concepts, practicing difficult key concepts and completing exams.

### **Course Communication**

I will be communicating with you regarding grades and assignments. If you need to get in touch with me, the best method is via email. Generally, I will reply to emails within 24 hours and will provide feedback on assignments within 72 hours.

If you are having trouble with this course or its material, you should contact me via email to discuss the issues.

Announcements will be posted to this course whenever necessary. If there is any other information I think is important, I will send it to your inbox you have in Canvas. It is your responsibility to ensure that your email account works properly in order to receive email.

### **Technology Requirements**

Online lectures through Panapota and YouTube will be provided in Canvas. Therefore, you must have access to the Internet to view/hear lectures. No special software is required.

The lecture presentations, links to articles, assignments, quizzes, and rubrics are located on Canvas. To participate in learning activities and complete assignments, you will need:

- Access to a working computer that has a current operating system with updates installed, plus speakers or headphones to hear lecture presentations;
- Reliable Internet access and a CSUN email account;
- A current Internet browser that is compatible with Canvas;
- Microsoft Word as your word processing program; and
- Reliable data storage for your work, such as a USB drive or Office365 OneDrive cloud storage.

### **Minimum Technical Skills Needed**

Minimum technical skills are needed in this course. Most course work will be completed and submitted in Canvas. Therefore, you must have consistent and reliable access to a computer and the Internet. The minimum technical skills you have include the ability to:

- Organize and save electronic files;
- Use CSUN email and attached files;
- Check email and CSUN daily;
- Download and upload documents;
- Locate information with a browser; and
- Use Canvas

### **Course Assignments and Grading**

#### **General Assignment Information**

- Most coursework (assignments, quizzes, etc.) is secured in Canvas with a username and password. Exams will be administered in class.
- All assignments are due by 11:59 PM PT on the day indicated on the course schedule.
- Complete rubrics for assignments will be provided in Canvas.

#### **Formatting**

All written assignments are required to be submitted using Microsoft Word. There are no exceptions to this rule. Documents should be proofread to avoid spelling and grammatical mistakes. Additionally, all

written assignments will be evaluated based on “quality” and not simply “quantity.” In addition, all written assignments should adhere to the following guidelines:

- Spacing: one and a half;
- Font: either Tahoma or Arial in 12 point (size);
- Title of assignment centered on first page, followed by student name in next line;
- Documentation for all references and quotations using APA style; and
- Accurate spelling and grammar.

### **Quizzes**

Nine quizzes will be assigned. Each quiz will be based on book chapters and will consist of True/False & Multiple Choice questions. Quizzes will be automatically evaluated. Quiz questions/answers are randomly displayed and drawn from substantial test banks. You will have 2 opportunities to complete quizzes to achieve a higher score. The highest score will be recorded.

### **Case Studies**

Three case studies will be assigned. You may only complete each case study one time. Complete rubric will be provided in Canvas.

### **Final Exam**

The final exam will consist of True/False, Multiple Choice and Short Answer questions. The final exam is comprehensive. Exam questions/answers are randomly displayed and drawn from substantial test banks. The exam is secured in Canvas with a password.

### **Evaluation and Grading Scale**

All grades will be posted on Canvas. You are strongly encouraged to check you scores in Canvas regularly. A final letter grade will be assigned based on percentages.

	Weight
Quizzes (9 @ 5% each)	45%
Case Analysis (3 @ 10% each)	30%
Final Exam	25%

### **Disability Services**

If you have a disability and need accommodations, please register with the Disability Resources and Educational Services (DRES) office or the National Center on Deafness (NCOD). The DRES office is located in Bayramian Hall, room 110 and can be reached at 818.677.2684. NCOD is located on Bertrand Street in Jeanne Chisholm Hall and can be reached at 818.677.2611. <http://www.csun.edu/dres/index.php>

If you would like to discuss your need for accommodations with me, please contact me to set up an appointment. I cannot help if I do not know you need help.

## Course Policies and Procedures

The [Undergraduate Policies and Procedures \(https://catalog.csun.edu/policies/categories/undergraduate-policies-and-procedures/\)](https://catalog.csun.edu/policies/categories/undergraduate-policies-and-procedures/) is the official document of record concerning undergraduate academic programs and regulations.

### Attendance Policy

Success in this course is dependent on your active participation throughout the course. You are expected to log into Canvas several times a week and complete course assignments. Even if your work is completed, you still need to login to ensure that you have seen all announcements, etc. It is your responsibility to check updates related to the course.

### Academic Integrity

You are expected to practice the highest possible standards of academic integrity. Any deviation from this expectation will result in a minimum academic penalty of your failing the assignment, and will result in additional disciplinary measures. This includes improper citation of sources, using another student's work, and any other form of academic misrepresentation.

Below are some websites for you to visit to learn more about University policies:

<https://catalog.csun.edu/policies/academic-dishonesty/>

### Plagiarism

Using the words or ideas of another as if they were one's own is a serious form of academic dishonesty. If another person's complete sentence, syntax, key words, or the specific or unique ideas and information are used, one must give that person credit through proper citation.

### Class Conduct/Netiquette

Professionalism will be expected at all times, but most especially with your interactions online. Because the university classroom is a place designed for the free exchange of ideas, we must show respect for one another in all circumstances. We will show respect for one another by exhibiting patience and courtesy in our exchanges. Appropriate language and restraint from verbal attacks upon those whose perspectives differ from your own is a minimum requirement. Courtesy and kindness is the norm for those who participate in my class.

Our discussion board is a way for you to share your ideas and learning with your colleagues in this class. We do this as colleagues in learning, and the Discussion Board is meant to be a safe and respectful environment for us to conduct these discussions.

Some Netiquette Rules:

- Treat one another with respect. It will be expected that we will not attack one another personally for holding different opinions.
- Do not use all CAPITAL LETTERS in emails or discussion board postings. This is considered "shouting" and is seen as impolite or aggressive.

- Begin emails with a proper salutation (Examples: Dr. Name; Ms. Name; Hello Professor Name; Good afternoon Mr. Name). Starting an email without a salutation or a simple "Hey" is not appropriate.
- When sending an email, please include a detailed subject line. Additionally, make sure you reference the course number (Ex. RE418) in the message and sign the mail with your name.
- Use proper grammar, spelling, punctuation, and capitalization. Text messaging language is not acceptable.
- Use good taste when communicating. Profanity should be avoided.
- Re-Read, think, and edit your message before you click "Send/Submit/Post."

Please remember when posting to be respectful and courteous to your colleagues, and limit your posts to discussions of this course and its assignments.

### **Late Work/Make-up Policy**

All assignments, quizzes, and exams are due by the deadline as posted on the course schedule.

Please plan accordingly, and complete these assignments in advance of their deadlines to ensure any unanticipated circumstances do not result in a missed assignment. User error does not qualify you for any kind of makeup or retake opportunity.

Completing and submitting the assignments or quizzes responses by the due date is the sole responsibility of you. If you receive an incomplete score because of failure to submit the assignment or test by the due date, then your score for that assignment will be recorded as "zero."

You will be allowed to access the assignments an unlimited number of times until the due date/time, and take quizzes one time each on or before the due date/time as indicated on the course calendar. If you are concerned about missing a deadline, you may want to do any of the following:

- Post your assignment the day before the deadline; or
- Begin quizzes as soon as they are made available online.

Late quizzes will be accepted if the following two requirements are met:

1. You must contact me in advance of the exam's deadline to make arrangements for its completion.
2. You must complete the exam within the week following its due date.

Late assignments and quizzes will be subject to the following penalty: 5% will be deducted from your grade for the first day late, and an additional 3% will be deducted on each subsequent day.

Be Careful: The clock on your computer may be different than the clock in Canvas. If the clock is different by one second, you will be locked out of the assignment or quiz. Plan accordingly. I recommend that you submit your assignments, quizzes, and exams well before deadline.

### **Incomplete Grades**

You may assigned an 'I' (Incomplete) grade if you are unable to complete some portion of the assigned course work because of an unanticipated illness, accident, work-related responsibility, family hardship, or verified learning disability. An Incomplete grade is not intended to give you additional time to complete

course assignments or extra credit unless there is indication that the specified circumstances prevented you from completing course assignments on time.

### **Instructional Methods**

The course will be taught using multiple instructional methods. These methods will include lecture videos, YouTube videos, group projects and video presentations with an associated critical discussion.

### ***Title IX***

This course affirms equality and respect for all gendered identities and expressions. Please don't hesitate to correct me regarding your preferred gender pronoun and/or name if different from what is indicated on the official class roster. Likewise, I am committed to nurturing an environment free from discrimination and harassment. Consistent with Title IX policy, please be aware that I as a responsible employee am obligated to report information that you provide to me about a situation involving sexual harassment or assault.

### **Expectations of the Instructor**

I am expected to facilitate learning, answer questions appropriately, be fair and objective in grading, provide timely and useful feedback on assignments and treat you as I would like to be treated.

### **Copyright/Fair Use Statement**

I will cite and/or reference any materials that I use in this course that I do not create. You, as students, are expected to not distribute any of these materials, resources, quizzes, tests, homework assignments, etc. (whether graded or ungraded).

### **Course Schedule**

This is a tentative course schedule. I will notify you ahead if a change is needed.

### Tentative Course Schedule

<b>Week</b>	<b>Date</b>	<b>Topics</b>	<b>Chapter</b>	<b>Teaching</b>	<b>Due Date</b>
<b>1</b>	1/26/2022	L1 The Nature and Cycle of Real Estate Finance	Notes	Online	
		L2 Basic Legal Concepts, Notes & Mortgage	1, 2		
<b>2</b>	2/2/2022	L3 Money and the Monetary System	Notes	Online	L1&2 Quiz
		L4 Direct Real Estate Investments and Debt Markets	Notes		
<b>3</b>	2/9/2022	L4 Continued	Notes	Online	L3&4 Quiz
		L5 Income-Producing Properties	9		
<b>4</b>	2/16/2022	L6 The Basic of Valuation	9, 10	Face-to-Face	L4&5 Quiz
<b>5</b>	2/23/2022	L7 Investment Analysis	10, 11	Face-to-Face	L6 Quiz
<b>6</b>	3/2/2022	Case Study I	Notes	Face-to-Face	L7 Quiz
		L8 Primer on Debt	4, 11		
<b>7</b>	3/9/2022	Case Study I	Notes	Face-to-Face	L8 Quiz
<b>8</b>	3/16/2022	L9 Financial Leverage	12	Face-to-Face	Case Study I
		L10 Risk Analysis	13		
<b>9</b>	3/23/2022	Spring Break			
<b>10</b>	3/30/2022	L11 Disposition & Corporate Real Estate	14, 15	Online	L9&10 Quiz
		L12 Residential Mortgages & Advanced Mortgage Analysis	5, 6		
<b>11</b>	4/6/2022	Case Study II	Notes	Online	L11&L12 Quiz
<b>12</b>	4/13/2022	L13 Residential Markets	7	Online	
<b>13</b>	4/20/2022	L14 Mortgage Underwriting	8	Online	Case Study II
<b>14</b>	4/27/2022	L15 Mortgage Backed Securities, CMOs & CMBS	19, 20	Online	L13, 14, &15 Quiz
		Case Study III			
<b>15</b>	5/4/2022	L16 REITs	18,21,22	Online	Case Study III
<b>16</b>	5/11/2022	Q&A		Online	
<b>17</b>	<b>5/18/2022</b>	<b>Final Exam, 5:30PM - 7:30PM</b>	All Chapters	TBA	