



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

BUSINESS FINANCE #: 3400 Sec 4646 COURSE NAME: Intro to Real Estate

Spring 2022

COURSE DESCRIPTION:

The purpose of this course is to give students a foundational understanding of income producing real estate. The ownership, development and management of real estate assets have been a major economic driver and means of wealth creation for centuries. Increasingly since the 1970s, it has grown in importance as an asset class for institutional investors. The unique characteristics of real estate have made it an important component of well-diversified portfolio. The class will discuss the major asset types – Multifamily, Retail, Office, Industrial and Hotel. In addition, the class will learn the basics of development, asset management, property management, brokerage and real estate law as well as the capital sources for real estate including mortgage lending, bank construction loans, private equity and institutional equity.

The real estate industry provides a wide array of career opportunities that will be touch upon in this class. The class will host an array of real estate practitioners to discuss real life experience within the real estate industry.

LEARNING OUTCOMES:

At the completion of the class, students should be able to demonstrate a fundamental understanding of:

- Real Estate role in a well-diversified investment portfolio.
- The major property sectors – Office, Industrial, Retail and Multifamily plus Hotel – their characteristics, return profile and role in a well diversified real estate portfolio.
- The return drivers for the various property sectors.
- The relationship between real estate and the community.
- Property Management/Leasing, Asset Management, Acquisitions/Due Diligence Process, Land Use/Development.
- Key drivers for investing in real estate and the various capital source including private/public as well as institutional sources.

CLASS MEETINGS:

Classroom 209 Schoenbaum

Monday and Wednesday 9:35am – 10:55pm

COURSE MATERIALS AND TECHNOLOGIES:

Book, Readings and Lectures:

- We will be using select chapters from Real Estate Finance and Investments – Risk and Opportunities, Peter Linnenman, Ph.D. and Bruce Kirsch – Fifth Edition. For real estate Majors/minors, the book is highly recommended for your business library.
- The book and the selected chapters are available at www.linnemanassociates.com or the OSU Bookstore. Please reference OSU BusFin3400 if choosing the selected chapters. An older edition of the book may be used, but it is the responsibility of the student to line-up the appropriate chapters

with the assigned readings. Please be aware that the Fifth Edition has an on-line companion that students may find helpful.

- Course material will be posted to course website prior to class. It is expected that student be ready to effectively participate in class discussion.
- Course readings, case studies and worksheet assignments will be available through Carmen (<http://carmen.osu.edu>).
- Any additional course material will also be posted to Carmen prior to class. It is expected that student be ready to activity participate in class discussion. The link and information to access the material will be posted on the content section of the course website. Please check this regularly.
- Supplemental readings related to current events may be added to the course and/or distributed in class. I am planning to use the first 10-15 minutes to discuss any interesting current real estate market news. Students are encouraged to bring articles for discussion. Good resources are the The Wall Street Journal, Heartland News, JLL, Colliers and CBRE.

PRINCIPAL INSTRUCTOR:

Sharon Shaffer
Fisher College of Business
614-507-6656 (cell)
shaffer.710@osu.edu
sdshaffer4@gmail.com

OFFICE HOURS:

By Appointment; available by telephone or a CarmenZoom meeting.

GRADING:

Exam/Project/Participation/ Industry Event	Date	% of Grade
Group Project Outline	February 4, 2022	5
Midterm 1	February 14, 2022	15
Midterm 2	March 9, 2022	15
Group Project Paper	April 1, 2022	20
- Presentation 1	April 4, 2022	
- Presentation 2	April 11, 2022	
- Presentation 3	April 18, 2022	
Midterm 3	April 27, 2022	15
Class Participation	Every Class	25
Attend Industry Event	Before end of term	5
Total		100

Exams:

The class will have three midterm exams. The three exams will be given electronically via Carmen. Students need to have a laptop or similar device to allow them to access the exam.

Group Project Paper and Presentation:

Students will form their five member groups using Carmen. Project Groups will need to be formed by Friday, January 21, 2022. Each Group will select their first, second and third choice from a list of real estate topics that have current relevance within the industry. Over the course of the semester, each group will research and analyze the assigned topic and prepare a report, including a Power Point presentation, for the class. The report should be between ten and twenty pages long, not including the PowerPoint presentation, and should cite at least five independent sources. The Group paper will be due by 11:59 p.m. April 1, 2022. Each group will be randomly assigned one of the three presentation dates – April 4th, 11th or 18th. Topics will be available on Carmen by Monday, January 10, 2022.

Participation at an Industry Event:

Each student is expected to attend a local real estate industry event and provide a brief synopsis of the experience. The observation form will be available on Carmen. The Center for Real Estate at Fisher College of Business and the Columbus Council of the Urban Land Institute are two groups that regularly host informative and accessible events at little or not cost to students. Participation at an Industry Event and the completion of the observation form needs to be done before the last day scheduled classes. Due to Covid-19 these events may be held virtually. If these events are not held as a result of Covid-19, an abstract of an article addressing a current real estate topic may be substituted.

Attendance and Class Participation:

Research shows regular participation is one of the highest predictors of success. Active participation during class is seen as a vital part of the class. It is expected that you have read the material prior to class and come prepared to discuss in class. Students are expected to prepare three questions relevant to the class topic and be ready to discuss if called upon. There will be times the class will be breaking up into small groups to analyze problems or case studies and report back to the broader class. I will be tracking attendance and participation and expect each one to contribute to the class on a regular basis. In addition to attendance, we will be discussing current real estate events at the beginning of class. These may come from the Wall Street Journal (WSJ) or other real estate publications. I encourage students to read the WSJ on a daily basis. The participation grade will include thoughtful questions, respect for your fellow students and prohibition of electronic devices, except for laptops/iPads.

Grading Scheme:

This class will follow the OSU standard grade scheme. The OSU Standard Grade Scheme is:

The OSU Standard Grade Scheme	
93-100	A
90-92.9	A-
87-89.9	B+
83-86.9	B
80-82.9	B-
77-79.9	C+
73-76.9	C
70-72.9	C-
67-69.9	D+
60-66.9	D
Below 60	E

EXPECTATIONS:

Electronic Devices:

The absence of unnecessary distractions and interruptions is essential for a positive and effective learning environment. Therefore, students **may only** use a laptop or iPad to access the presentations during class.

Exam Policy:

There are three midterm exams. The Group Project paper and presentation are in lieu of a final exam. **There will be no make-up exams unless prior written approval from the instructor prior to the exam date.**

Extra Credit:

Extra credit will not be offered unless it is available to the entire class.

Office Hours and Communication:

I will not have set office hours, but will be available to speak to any student by appointment. Please e-mail to make an appointment. In the e-mail, please give me a general idea of the topic you wish to discuss so I may be better prepared before our appointment.

Course Website:

I will maintain communication through the Announcements tool in Carmen (<http://carmen.osu.edu>). I will use this website post course material, readings and assignments. Please check this regularly.

SAFETY AND HEALTH REQUIREMENTS:

All teaching staff and students are required to comply and stay up-to-date on all [University safety and health guidance](#), which includes wearing a mask in any indoor space, even if vaccinated, and maintaining a safe physical distance when able. Non-compliance will be warned first and disciplinary action will be taken for repeated offenses.

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 POLICY:

Ohio State's Academic Integrity Policy:

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](#) (studentconduct.osu.edu), 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 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.

If I suspect that a student has committed academic misconduct in this course, I am obligated by university rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the university’s *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the university.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include:

- [Committee on Academic Misconduct](http://go.osu.edu/coam) (go.osu.edu/coam)
- [Ten Suggestions for Preserving Academic Integrity](http://go.osu.edu/ten-suggestions) (go.osu.edu/ten-suggestions)
- [Eight Cardinal Rules of Academic Integrity](http://go.osu.edu/cardinal-rules) (go.osu.edu/cardinal-rules)

Copyright for Instructional Materials:

The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.

Creating an Environment Free from Harassment, Discrimination, and Sexual Misconduct:

The Ohio State University is committed to building and maintaining a community to reflect diversity and to improve opportunities for all. All Buckeyes have the right to be free from harassment, discrimination, and sexual misconduct. Ohio State does not discriminate on the basis of age, ancestry, color, disability, ethnicity, gender, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, pregnancy (childbirth, false pregnancy, termination of pregnancy, or recovery therefrom), race, religion, sex, sexual orientation, or protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment. Members of the university community also have the right to be free from all forms of sexual misconduct: sexual harassment, sexual assault, relationship violence, stalking, and sexual exploitation.

To report harassment, discrimination, sexual misconduct, or retaliation and/or seek confidential and non-confidential resources and supportive measures, contact the Office of Institutional Equity:

1. Online reporting form at equity.osu.edu,
2. Call 614-247-5838 or TTY 614-688-8605,
3. Or email equity@osu.edu

The university is committed to stopping sexual misconduct, preventing its recurrence, eliminating any hostile environment, and remedying its discriminatory effects. All university employees have reporting responsibilities to the Office of Institutional Equity to ensure the university can take appropriate action:

All university employees, except those exempted by legal privilege of confidentiality or expressly identified as a confidential reporter, have an obligation to report incidents of sexual assault immediately. The following employees have an obligation to report all other forms of sexual misconduct as soon as practicable but at most within five workdays of becoming aware of such information: 1. Any human resource professional (HRP); 2. Anyone who supervises faculty, staff, students, or volunteers; 3. Chair/director; and 4. Faculty member.

Your Mental Health:

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. No matter where you are engaged in distance learning, The Ohio State University's Student Life Counseling and Consultation Service (CCS) is here to support you. If you find yourself feeling isolated, anxious or overwhelmed, [on-demand mental health resources](https://go.osu.edu/ccsondemand) (go.osu.edu/ccsondemand) are available. You can reach an on-call counselor when CCS is closed at [614- 292-5766](tel:614-292-5766). **24-hour emergency help** is available through the [National Suicide Prevention Lifeline website](https://www.suicidepreventionlifeline.org) (suicidepreventionlifeline.org) or by calling [1-800-273-8255\(TALK\)](tel:1-800-273-8255). [The Ohio State Wellness app](https://go.osu.edu/wellnessapp) (go.osu.edu/wellnessapp) is also a great resource.

ACCESSIBILITY ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES:

Requesting Accommodations:

The university strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability including mental health, chronic or temporary medical conditions, please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with [Student Life Disability Services \(SLDS\)](https://slds.osu.edu). After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's request process, managed by Student Life Disability Services.

Disability Services Contact Information

- Phone: [614-292-3307](tel:614-292-3307)
- Website: slds.osu.edu
- Email: slds@osu.edu
- In person: [Baker Hall 098, 113 W. 12th Avenue](#)

CLASS SCHEDULE:

The Class Schedule follows and is subject to change:

Week	Date	Topic
<u>OVERVIEW AND BIG PICTURE</u>		
WEEK 1.1	January 10, 2022	Introduction, Property Sectors and Real Estate Careers
<u>SECTION 1: OVERVIEW OF MAJOR PROPERTY TYPES</u>		
WEEK 1.2	January 12, 2022	Evolution of Real Estate and Introduction to Real Estate Cap Rate
WEEK 2.1	January 17, 2022	MLK Day - NO SCHOOL
WEEK 2.2	January 19, 2022	Industrial
WEEK 3.1	January 24, 2022	Industrial Case Study - Southpark
WEEK 3.2	January 26, 2022	Office
WEEK 4.1	January 31, 2022	Office Case Study- 680 Folsom
WEEK 4.2	February 2, 2022	Retail
	February 4, 2022	Group Project Outline Due
WEEK 5.1	February 7, 2022	Retail Case Study- University Collection
WEEK 5.2	February 9, 2022	Game of Real Estate & Review
WEEK 6.1	February 14, 2022	Midterm #1
WEEK 6.2	February 16, 2022	Housing: Multifamily & Affordable
WEEK 7.1	February 21, 2022	Housing: Specialty, Student, Senior, Manufactured Housing
WEEK 7.2	February 23, 2022	Multifamily Case Study
WEEK 8.1	February 28, 2022	Hotels
WEEK 8.2	March 2, 2022	Project Work Day - No Class
WEEK 9.1	March 7, 2022	Real Estate Cycles & Review
WEEK 9.2	March 9, 2022	Midterm #2
WEEK 10.1	March 14, 2022	Spring Break - No Class
WEEK 10.2	March 16, 2022	Spring Break - No Class
<u>SECTION 2: WHO MAKES IT HAPPEN?</u>		
WEEK 11.1	March 21, 2022	Brokers
WEEK 11.2	March 23, 2022	Acquisitions
WEEK 12.1	March 28, 2022	Property/Asset Management
WEEK 12.2	March 30, 2022	Development
	April 1, 2022	Group Project Papers due by 11:59 p.m.
WEEK 13.1	April 4, 2022	Presentation 1
WEEK 13.2	April 6, 2022	Law
WEEK 14.1	April 11, 2022	Presentation 2
<u>SECTION 2: WHERE DOES THE MONEY COME FROM?</u>		
WEEK 14.2	April 13, 2022	Private Equity / REIT & Institutional Capital
WEEK 15.1	April 18, 2022	Presentation 3
WEEK 15.2	April 20, 2022	Capital Stack
WEEK 16.1	April 25, 2022	Leverage Worksheet & Review
WEEK 16.2	April 27, 2022	Midterm #3 - Real Estate Actors