



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

BUSINESS FINANCE #: 3400

COURSE NAME: Intro to Real Estate

Spring 2020

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.

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:

Schoenbaum Hall; Room 230

M, W 7:05 - 8:25 p.m.

CLASS MATERIALS:

- 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. I use the book extensively for Real Estate Finance BusFin 4410 during the Autumn Semester.
- The book and the selected Chapters are available at www.linnemanassociates.com. 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 reading and Case Studies will be available through Carmen(<http://carmen.osu.edu>). The link and information to access the material will be posted on the content section of the course website. Please check this site regularly.
- Supplemental readings related to current events may be added to the course website and/or distributed in class.

PRINCIPAL INSTRUCTOR:

Stephen Stuckwisch, MBA, CFA, CAIA

Fisher College of Business

614-537-4887 (cell)

stuckwisch.1@osu.edu

sestuck@gmail.com

OFFICE HOURS:

By Appointment

GRADING:

| Exam/Project/Participation/Industry Event | Date | % of Grade |
|--|--------------------|-------------------|
| Project Outline | January 24, 2020 | 5 |
| Midterm 1 | February 19, 2020 | 25 |
| Group Project Paper | March 27, 2020 | 20 |
| - Presentation 1 | April 13, 2020 | |
| - Presentation 2 | April 15, 2020 | |
| - Presentation 3 | April 20, 2020 | |
| Midterm 2 | April 8, 2020 | 25 |
| Class Participation | Every Class | 20 |
| Attend Industry Event | Before end of term | 5 |
| Total | | 100 |

Exams:

Both exams will be given electronically on Carmen. Students must be present in the classroom to be able to take the exam. A required password will be provided at the time of the exam. Students should bring 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 10, 2020. 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. March 27, 2020. Each group will be randomly assigned one of the three presentation dates – April 13th, April 15th, or April 20th. Topics will be available on Carmen by Monday, January 6, 2020.

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 the 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 need to be done before the last day of class.

Class Participation:

Participation during class is a vital part of this class. It is expected that you have read the material prior to class and come prepared to discuss in class. Each student is expected to prepare three questions relevant to the class topic and be ready to discuss if call upon. There will be times the class will be breaking up into small groups to analyze problems 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, the participation grade will include thoughtful questions, respect for your fellow students and prohibition of electronic devices in class, 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 positive and effective learning environment. Therefore, students **may only** use a laptop or iPad to access the presentations during class, any other electronic device **may not** be used in class without submitting a prior written request and receiving explicit permission from the instructor. All non-approved electronic devices must be turned off and put away prior to the start of the class. The instructor reserves the right to disallow laptops and iPads if they are used for other purposes other than accessing the current class material.

Exam Policy:

There are two midterm exams. The Project Group 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 (approval may be withheld for any reason) If approved, any make up exams will be facilitated in the computer lab in Mason Hall and must be completed no later than the following day.

Extra Credit:

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

Attendance at Other Sections:

There are two sections of Business Finance 3400 offered in Spring 2020. I am coordinating lecture content with my colleague Mary Beth McCormick who is teaching the other section. If you need to attend a session from the other section, you may attend the 8:00 a.m., M,W, section upon receiving my permission in advance. All students are required to attend their home sections for the group presentations and for both midterm exams. If you attend a different section, make sure you sign the attendance sheet of the class you attend, so I can give you credit for attendance. The sections are:

- 8:00 a.m. – 9:50 a.m. – M,W – Mason Hall 405
- 7:05 p.m. – 8:25 p.m. – M,W – Schoenbaum Hall 230

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 at both my OSU (stuckwish.1@osu.edu) and my personal (sestuck@gmail.com) 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. I will respond as soon as I am able, but no later than 48 hours. Most appointments will need to be in the evening hours.

Course Website:

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

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 MISCONDUCT:

Academic misconduct will not be tolerated. According to University Rule 3335-1-31-02, all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct.

DISABILITY SERVICES:

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the semester to discuss his/her particular needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

CLASS SCHEDULE:

| Week | Date | Topic |
|--|-------------------|--|
| OVERVIEW AND BIG PICTURE | | |
| WEEK 1.1 | January 6, 2020 | Intro to Real Estate - Property Sectors, Real Estate Careers |
| SECTION 1: OVERVIEW OF MAJOR PROPERTY TYPES | | |
| WEEK 1.2 | January 8, 2020 | Evolution of Real Estate/Review of Major Property Sectors |
| WEEK 2.1 | January 13, 2020 | Residential |
| WEEK 2.2 | January 15, 2020 | Industrial |
| WEEK 3.1 | January 20, 2020 | MLK Day - No Class |
| WEEK 3.2 | January 22, 2020 | Office |
| | January 24, 2020 | Deliverable - Project Outline due by Midnight |
| WEEK 4.1 | January 27, 2020 | Office Case Study |
| WEEK 4.2 | January 29, 2020 | Multifamily |
| WEEK 5.1 | February 3, 2020 | Multifamily Case Study |
| WEEK 5.2 | February 5, 2020 | Retail |
| WEEK 6.1 | February 10, 2020 | Retail Case Study |
| WEEK 6.2 | February 12, 2020 | Hotel |
| WEEK 7.1 | February 17, 2020 | Review/Game of Real Estate Worksheet |
| WEEK 7.2 | February 19, 2020 | Midterm 1 |
| WEEK 8.1 | February 24, 2020 | Real Estate Cycles |
| SECTION 2: WHO MAKES IT HAPPEN? | | |
| WEEK 8.2 | February 26, 2020 | Law |
| WEEK 9.1 | March 2, 2020 | Brokerage |
| WEEK 9.2 | March 4, 2020 | Property/Asset Management |
| WEEK 10.1 | March 9, 2020 | Spring Break - No Class |
| WEEK 10.2 | March 11, 2020 | Spring Break - No Class |
| WEEK 11.1 | March 16, 2020 | Development |
| WEEK 11.2 | March 18, 2020 | Acquisitions |
| SECTION 3: WHERE DOES THE MONEY COME FROM? | | |
| WEEK 12.1 | March 23, 2020 | Private Equity/REITs |
| WEEK 12.2 | March 25, 2020 | Project Work Day - No Class |
| | March 27, 2020 | Group Project Paper Due By 11:59 p.m. |
| WEEK 13.1 | March 30, 2020 | Institutional Investing |
| WEEK 13.2 | March 30, 2020 | Real Estate Capital Stack/Leverage Worksheet |
| WEEK 14.1 | April 6, 2020 | Review |
| WEEK 14.2 | April 8, 2020 | Midterm 2 |
| WEEK 15.1 | April 13, 2020 | Group Project Presentation 1 |
| WEEK 15.2 | April 15, 2020 | Group Project Presentation 2 |
| WEEK 16.1 | April 20, 2020 | Group Project Presentation 3 |

(Note: This syllabus is subject to change)