



# THE OHIO STATE UNIVERSITY

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## FISHER COLLEGE OF BUSINESS

**BUSINESS FINANCE #: 3400**

**COURSE NAME: Intro to Real Estate**

**Autumn 2021**

### **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:**

I will be teaching two sections of BusFin3400. Time and locations of each class are:

- T, TH 8:00 – 9:20 a.m. – Schoenbuam Hall, Room 230
- T, TH 5:30 – 6:50 p.m. – Schoenbaum Hall, Room 220

Due to scheduling conflicts, students may attend the other section on occasion with my prior approval.

### **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.
- The book and the selected Chapters are available at [www.linnemanassociates.com](http://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 actively 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. I am planning on taking the first 10-15 minutes of class to discuss any interesting current real estate market news. Students are encouraged to bring articles for discussion. Good resources are the WSJ, Heartland News, JLL, Colliers and CBRE.

#### **PRINCIPAL INSTRUCTOR:**

Stephen Stuckwisch, MBA, CFA, CAIA

Fisher College of Business

614-537-4887 (cell)

[stuckwisch.1@osu.edu](mailto:stuckwisch.1@osu.edu)

[sestuck@gmail.com](mailto:sestuck@gmail.com)

#### **OFFICE HOURS:**

Fisher Hall, Room 301C

- T – 10:00 – 11:00 a.m.
- TH – 4:00 – 5:00 p.m.
- By appointment

#### **GRADING:**

<b>Exam/Project/Participation/Industry Event</b>	<b>Date</b>	<b>% of Grade</b>
Project Outline	September 12, 2021	5
Midterm 1	September 23, 2021	15
Midterm 2	October 21, 2021	15
Group Project Paper	November 7, 2021	20
- Presentation 1	November 9, 2021	
- Presentation 2	November 16, 2021	
- Presentation 3	November 23, 2021	
Midterm 3	December 7, 2021	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 on 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 five member groups using Carmen. Project Groups will need to be formed by Friday, September 2, 2021. 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. November 7, 2021. Each group will be randomly assigned one of the three presentation dates – November 9<sup>th</sup>, November 16<sup>th</sup>, or November 23<sup>rd</sup>. Topics will be available on Carmen by Tuesday, August 24, 2021.

#### 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 are 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 (available on Carmen) needs to be completed before the last day of class. 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.

#### 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. Due to Covid-19, the class is expected to practice social distancing when able. 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 in class, except for laptops/iPads.

#### Grading Scheme:

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

<b>The OSU Standard Grade Scheme</b>	
<b>93-100</b>	<b>A</b>
<b>90-92.9</b>	<b>A-</b>
<b>87-89.9</b>	<b>B+</b>
<b>83-86.9</b>	<b>B</b>
<b>80-82.9</b>	<b>B-</b>
<b>77-79.9</b>	<b>C+</b>
<b>73.76.9</b>	<b>C</b>
<b>70-72.9</b>	<b>C-</b>
<b>67-69.9</b>	<b>D+</b>
<b>60-66.9</b>	<b>D</b>
<b>Below 60</b>	<b>E</b>

## **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 three 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. Also, please see Accommodated Exam – COVID-19 below. If approved, most make-up exams will be completed on-line via Carmen during a specified time assigned.**

### Extra Credit:

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

### Attendance at Other Sections:

There are four sections of Business Finance 3400 offered in Autumn 2021. I am coordinating lecture content with Mary Beth McCormick who is teaching the other sections. Both of these sessions will be via CarmenZoom. If you need to attend a session from one of the other sections, you may attend these on-line sections upon receiving both my and Mary Beth McCormick's permission in advance. All students are required to attend their home sections for the group presentations and for the midterm exams. If you attend a different section, make sure your attendance is recorded, so I can give you credit for your attendance. The sections are:

- 8:00 a.m. – 9:20 a.m. – M,W – via CarmenZoom
- 11:00 a.m. – 12:20 p.m. – M,W – via CarmenZoom

### Office Hours and Communication:

In addition to set office hours I will be available to meet student by appointment. Please e-mail at both my OSU ([stuckwish.1@osu.edu](mailto:stuckwish.1@osu.edu)) and my personal ([sestuck@gmail.com](mailto: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.

### 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.

## **SAFETY AND HEALTH REQUIREMENTS:**

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

#### Student Covid-Related Accommodation Process:

The university is committed to supporting students and program participants with COVID-19 based risk factors. Student Life Disability Services, in conjunction with the Office of Institutional Equity, will work with students who are vulnerable to complications from COVID-19 to ensure that they have the necessary resources to participate in university life as safely as possible. Ohio State students from any campus may submit a COVID-related accommodation request. Students registered with Student Life Disability Services can work directly with their assigned Access Specialist to modify their accommodations or make additional COVID-based accommodation requests.

#### Covid Process:

The university strives to make all learning experiences as accessible as possible. 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. 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. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12th Avenue.

#### Accommodated Exams - Covid-19:

Operational Adjustments In order to promote the health and safety of students, Student Life Disability Services will only proctor exams for students with accommodations that necessitate in-person testing for Autumn 2021. Modified exam hours for Autumn 2021 are 9 AM – 5 PM. Students with the following exam accommodations may schedule to take their exams at SLDS:

- Accessible formats (e.g. braille, large print, screen-free)
- Assistive technology (e.g. JAWS, CCTV)
- Private testing room accommodation
- Test assistant (reader or scribe)

Students requesting exam accommodations not listed above, such as extended time or a small-group testing space, will need to take their exam off-site utilizing Carmen or other virtual assessment method. For more information on operational changes, visit the SLDS website.

## CLASS SCHEDULE:

Week	Date	Topic
<b>OVERVIEW AND BIG PICTURE</b>		
WEEK 1.1	August 24, 2021	Introduction, Property Sectors and Real Estate Careers
<b>SECTION 1: OVERVIEW OF MAJOR PROPERTY TYPES</b>		
WEEK 1.2	August 26, 2021	Evolution of Real Estate and Introduction to Real Estate Cap Rate
WEEK 2.1	August 31, 2021	Industrial
WEEK 2.2	September 2, 2021	Industrial Case Study
WEEK 3.1	September 7, 2021	Office
WEEK 3.2	September 9, 2021	Office Case Study
	September 12, 2021	Deliverable - Project Outline due by 11:59 p.m.
WEEK 4.1	September 14, 2021	Retail
WEEK 4.2	September 16, 2021	Retail Case Study
WEEK 5.1	September 21, 2021	Game of Real Estate and Review
WEEK 5.2	September 23, 2021	Midterm 1 - Commercial Real Estate
WEEK 6.1	September 28, 2021	Housing 1: Single Family Residential For Sale and For Rent
WEEK 6.2	September 30, 2021	Housing 2: Multifamily, Affordable
WEEK 7.1	October 5, 2021	Housing 3: Speciality - Student, Senior and Manufactured Housing
WEEK 7.2	October 7, 2021	Multifamily Case Study
WEEK 8.1	October 12, 2021	Hotels
WEEK 8.2	October 14, 2021	Autumn Break - No Class
<b>SECTION 2: WHO MAKES IT HAPPEN?</b>		
WEEK 9.1	October 19, 2021	Real Estate Cycles and Review
WEEK 9.2	October 21, 2021	Midterm 2 - Real Estate with Beds
WEEK 10.1	October 26, 2021	Broker
WEEK 10.2	October 28, 2021	Acquisitions
WEEK 11.1	November 2, 2021	Property/Asset Management
WEEK 11.2	November 4, 2021	Development
<b>SECTION 3: WHERE DOES THE MONEY COME FROM?</b>		
	November 7, 2021	Group Project Papers due by 11:59 p.m.
WEEK 12.1	November 9, 2021	Presentation 1
WEEK 12.2	November 11, 2021	Law
WEEK 13.1	November 16, 2021	Presentation 2
WEEK 13.2	November 18, 2021	Private Equity/REITs and Institutional Capital
WEEK 14.1	November 23, 2021	Presentation 3
WEEK 14.2	November 25, 2021	No - Class Thanksgiving
WEEK 15.1	November 30, 2021	Capital Stack
WEEK 15.2	December 2, 2021	Leverage Worksheet and Review
WEEK 16.1	December 7, 2021	Midterm 3 - Real Estate Actors

(Note: This syllabus is subject to change)