



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

BUSINESS FINANCE #: 3400

COURSE NAME: Intro to Real Estate

Autumn 2023

COURSE DESCRIPTION:

The purpose of this course is to give students a foundational understanding of real estate industry. The ownership, development and management of real estate have been a major economic driver and means of wealth creation for centuries. In this course we will discuss the legal and regulatory nature of real estate, how real estate is valued with the introduction of capitalization rate, how to finance a home, real estate brokerage and the role in residential and commercial transactions, investments in commercial real estate, creating value through the development process, and how to maintain value through asset and property management.

After the completion of the class, student's show be able to demonstrate the following:

- Explain how real estate is defined physically and legally.
- Explain how different levels of government, i.e., local government, state government, and the federal government, affect the real estate market.
- Explain how real estate value is determined by market supply and demand, as well as capital market conditions.
- Use the market comparison approach to value a residential property and use the income approach to value an income-producing property. Be able to calculate a basic cap rate.
- Work with mortgage calculations, e.g. monthly payment, use of amortization table, and understanding of the effective borrowing cost.
- Explain the common sources of commercial real estate financing.
- Calculate the NOI, NPV, and IRR of a commercial real estate investment and make investment recommendations.
- Read a real estate listing and sales contract.
- Explain the basic process of real estate development and calculate development profit.
- Explain the difference between real estate property management and real estate asset management.

CLASS MEETINGS:

There are going to be six sections of BusFin 3400 during the Autumn 2023 term.

- M,W 9:35 – 10:55 a.m. Schoenbaum Hall, Room 215
- T,Th 8:00 – 9:20 a.m. Gerlach Hall, Room 355,
- T,Th 9:35 – 10:55 a.m. Schoenbaum Hall, Room 220
- T,Th 2:20 – 3:40 p.m. Schoenbaum Hall, Room 215
- T,Th 3:55 – 5:15 p.m. Denney Hall, Room 060
- T,Th 5:30 – 6:50 p.m. Schoenbaum Hall, Room 220

In the event of a scheduling conflict during the term, a student may attend another section after receiving written permission from the respective instructors. The M,W schedule is slightly different than the T,Th schedule. It is the responsibility of the student to attend the correct corresponding class if going between the M,W schedule and the T,Th schedule.

CLASS MATERIALS:

In this course you will be using *Connect* by McGraw Hill. The book for the course is *Real Estate Principals – A Value Approach, Seventh Edition*, David C. Ling and Wayne R. Archer. The book is available at the OSU Bookstore and an electronic version is available at McGraw Hill www.mheducation.com and through *Connect*. It is expected that students read the assigned chapters prior to the start of class.

- ❖ You are not required to purchase a physical copy of the book. There is a discounted Loose-Leaf option within *Connect* if you'd like a paper copy of the book.
- ❖ *Connect* will house your book (in eBook format) and your homework assignments and exams.
- ❖ To register for *Connect*, please follow the instructions below:
 - Go to Carmen
 - Go to the McGraw Hill tab and click on the link: BusFin 3400 and your respective section.
 - Sign in:
 - If you already have a *Connect* account created from previous courses use the same log in credentials.
 - If you do not already have an account created, please click 'create account' and follow the steps
 - Once you sign in you will be brought to the purchasing page. You do have a free 14-day trial, but I recommend purchasing your access now so that you do not get locked out. *Connect* is mandatory for this course so you will need to purchase it.
 - After adding your purchasing information click submit.
- ❖ You now have access to your materials and can automatically enter *Connect*.
- ❖ Additional course material will be posted to course website prior to class. It is expected that student be ready to actively participate in class discussion.
- ❖ 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 INSTRUCTORS:

James Maniace, JD
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Sharon Shaffer, MBA, CFA
Fisher College of Business
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Stephen Stuckwisch, MBA, CFA, CAIA
Fisher College of Business
614-537-4887 (cell)
stuckwisch.1@osu.edu
sestuck@gmail.com

OFFICE HOURS:

James Maniace

- Office hours by appointment and will be via Zoom.

Sharon Shaffer

Fisher Hall, Room 314

- T, Th – 11:00am – 12:00 noon
- By appointment

Stephen Stuckwisch

Fisher Hall, Room 314

- T, Th – 4:00 – 5:00 p.m.
- By appointment

GRADING M,W:

Exams/Worksheets/Participation/ Attendance	Date	
Exams		50
Midterm 1	October 9, 2023	
Midterm 2	November 13, 2023	
Comprehensive Final Exam	Finals Week	
Class Participation	Every Class	15
Attendance	Every Class	5
Worksheet Assignments		30
Total		100

GRADING T,Th:

Exams/Worksheets/Participation/ Attendance	Date	
Exams		50
Midterm 1	October 3, 2023	
Midterm 2	November 9, 2023	
Comprehensive Final Exam	Finals Week	
Class Participation	Every Class	15
Attendance	Every Class	5
Worksheets		30
Total		100

Exams:

The class will have two midterm exams and one accumulative final. The three exams will be given electronically on Connect via Carmen. Students need to have a laptop or similar device to allow them to access the exam.

Assignments

During the term there will be various assignments including reflections, quizzes and worksheets.

Worksheet Assignments:

There are six worksheet assignments. Students are encouraged to collaborate on these assignments, but the assignments must be submitted individually via Carmen before the start of class the assignment is being discussed. The six assignments are:

1. Discounted Cash Flow (DCF)
2. Game of Real Estate (Cap Rate)
3. Capital Stack
4. Mortgage Ratios
5. NOI, IRR and NPV
6. Development Profit

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. 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), The New York Times, or other real estate publications. I encourage students to read the WSJ on a daily basis and purchase an on-line subscription. The participation grade will include thoughtful questions, respect for your fellow students and prohibition of electronic devices in class, except for laptops/iPads.

Wall Street Journal:

WSJ offers a discounted Student on-line subscription at

<https://store.wsj.com/shop/us/us/wsstudentinterns23>

The New York Times

OSU offers free subscriptions to The New York Times at

<https://usg.osu.edu/resources/initiatives/new-york-times-subscription>

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 midterms and one 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, students will need to schedule an exam time with SLDS.***

Extra Credit:

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

Office Hours and Communication:

James Maniace

Office hours will be appointment only. Please e-mail at both my OSU (maniace.1@osu.edu) and at jmaniace@taftlaw.com to make an appointment. In the e-mail, please give me a general idea of 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. All office hour appointment will be via Zoom.

Sharon Shaffer

In addition to set office hours I will be available to meet student by appointment. Please e-mail at shaffer.710@osu.edu 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.

Stephen Stuckwisch

In addition to set office hours I will be available to meet student by appointment. Please e-mail at both my OSU (stuckwisch.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.

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](#).

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.

USE OF ARTIFICIAL INTELLIGENCE (AI): Unless I specifically mention otherwise (and in writing), the use of any AI-generated content in any deliverables in this course will be considered academic misconduct and will be acted on as such. Writing assignments will be turned in online and I will be using Turnitin and other applications that have AI detection algorithms. You need to complete the assignments using your own brain and your own thinking...which will lead to more of your own learning!

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; 614-292-3307; 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 2022. Modified exam hours for Autumn 2023 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 M,W:

Week	Date	Topic
<i>SECTION 1: Setting the Stage, Real Estate Valuation and Residential</i>		
WEEK 1.2	August 23, 2023	Introduction
WEEK 2.1	August 28, 2023	Nature of Real Estate & Real Estate Markets
WEEK 2.2	August 30, 2023	Legal Foundations to Value
		Worksheet Assignment - Capitalization Rate (Cap Rate)
WEEK 3.1	September 4, 2023	Labor Day - No classes
WEEK 3.2	September 6, 2023	Conveying Real Property Interests
WEEK 4.1	September 11, 2023	Government Controls & Real Estate Markets
WEEK 4.2	September 13, 2023	Market Determinants of Value
WEEK 5.1	September 18, 2023	Forecasting Ownership Benefits & Value: Market Research
WEEK 5.2	September 20, 2023	Valuation Using Sales Comparison and Cost Approaches
WEEK 6.1	September 25, 2023	Valuation Using the Income Approach
WEEK 6.2	September 27, 2023	Real Estate Finance: The Laws and Contracts
		Worksheet Assignment - Discounted Cash Flow (DCF)
WEEK 7.1	October 2, 2023	Residential Mortgage Types & Borrower Decisions
WEEK 7.2	October 4, 2023	Sources of Funds for Residential Mortgages/Midterm 1 Review
WEEK 8.1	October 9, 2023	Midterm 1
<i>SECTION 2: Brokerage, Value Decisions and Commercial Real Estate</i>		
WEEK 8.2	October 11, 2023	Real Estate Brokerage & Listing Contracts
WEEK 9.1	October 16, 2023	Guest Speaker - Brokerage
WEEK 9.2	October 18, 2023	Contracts for Sale & Closing
WEEK 10.1	October 23, 2023	The Effects of Time & Risk on Value
WEEK 10.2	October 25, 2023	Mortgage Calculations & Decisions
WEEK 11.1	October 30, 2023	Commercial Mortgage Types and Decisions
WEEK 11.2	November 1, 2023	Sources of Commercial Debt & Equity Capital
		Worksheet Assignment: Capital Stack
WEEK 12.1	November 6, 2023	Investment Decisions: Ratios
WEEK 12.2	November 8, 2023	Midterm 2 Review
		Worksheet Assignment - Financing Ratios
WEEK 13.1	November 13, 2023	Midterm 2
<i>SECTION 3: Creating and Maintaining Value</i>		
WEEK 13.2	November 15, 2023	Investment Decision: NPV and IRR
WEEK 14.1	November 20, 2023	Enhancing Value through On-going Management
		Worksheet Assignment: NPV and IRR
WEEK 14.2	November 22, 2023	Thanksgiving Break - No classes
WEEK 15.1	November 27, 2023	Leases & Property Types
WEEK 15.2	November 29, 2023	Development
WEEK 16.1	December 4, 2023	Guest Speaker - Development
WEEK 16.2	December 6, 2023	Final Exam Review
		Worksheet Assignment - Development
Finals Week		Comprehensive Final Exam

(Note: This syllabus is subject to change)

Class Schedule T,Th:

Week	Date	Topic
<i>SECTION 1: Setting the Stage, Real Estate Valuation and Residential</i>		
WEEK 1.1	August 22, 2023	Introduction
WEEK 1.2	August 24, 2023	Nature of Real Estate & Real Estate Markets
WEEK 2.1	August 29, 2023	Legal Foundations to Value
		Worksheet Assignment - Capitalization Rate (Cap Rate)
WEEK 2.2	August 31, 2023	Conveying Real Property Interests
WEEK 3.1	September 5, 2023	Government Controls & Real Estate Markets
WEEK 3.2	September 7, 2023	Market Determinants of Value
WEEK 4.1	September 12, 2023	Forecasting Ownership Benefits & Value: Market Research
WEEK 4.2	September 14, 2023	Valuation Using Sales Comparison and Cost Approaches
WEEK 5.1	September 19, 2023	Valuation Using the Income Approach
WEEK 5.2	September 21, 2023	Real Estate Finance: The Laws and Contracts
		Worksheet Assignment - Discounted Cash Flow (DCF)
WEEK 6.1	September 26, 2023	Residential Mortgage Types & Borrower Decisions
WEEK 6.2	September 28, 2023	Sources of Funds for Residential Mortgages/Midterm 1 Review
WEEK 7.1	October 3, 2023	Midterm 1
<i>SECTION 2: Brokerage, Value Decisions and Commercial Real Estate</i>		
WEEK 7.2	October 5, 2023	Real Estate Brokerage & Listing Contracts
WEEK 8.1	October 10, 2023	Guest Speaker - Brokerage
WEEK 8.2	October 12, 2023	Autumn Break - No Class
WEEK 9.1	October 17, 2023	Contracts for Sale & Closing
WEEK 9.2	October 19, 2023	The Effects of Time & Risk on Value
WEEK 10.1	October 24, 2023	Mortgage Calculations & Decisions
WEEK 10.2	October 26, 2023	Commercial Mortgage Types and Decisions
WEEK 11.1	October 31, 2023	Sources of Commercial Debt & Equity Capital
		Worksheet Assignment: Capital Stack
WEEK 11.2	November 2, 2023	Investment Decisions: Ratios
WEEK 12.1	November 7, 2023	Midterm 2 Review
		Worksheet Assignment - Financing Ratios
WEEK 12.2	November 9, 2023	Midterm 2
<i>SECTION 3: Creating and Maintaining Value</i>		
WEEK 13.1	November 14, 2023	Investment Decision: NPV and IRR
WEEK 13.2	November 16, 2023	Enhancing Value through On-going Management
		Worksheet Assignment: NPV and IRR
WEEK 14.1	November 21, 2023	Leases & Property Types
WEEK 14.2	November 23, 2023	Thanksgiving Break - No Class
WEEK 15.1	November 28, 2023	Development
WEEK 15.2	November 30, 2023	Guest Speaker - Development
WEEK 16.1	December 5, 2023	Final Exam Review
		Worksheet Assignment - Development
FINALS WEEK		Comprehensive Final Exam

(Note: This syllabus is subject to change)