



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

BUSINESS FINANCE #: 3400

COURSE NAME: Intro to Real Estate

Spring 2024

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 look at the income producing property sectors – Industrial, Office, Retail, Residential (Single-family for Rent (SFR), Multifamily, Senior Housing, Student Housing and Manufactured Housing), and Hotel. 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 real estate using debt and equity, real estate brokerage and the role in both 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. We will end the class on an in-class Case Study on asset 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 basis 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.
- 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 seven sections of BusFin 3400 during the Spring 2024 term.

- M,W 9:35 – 10:55 a.m. Schoenbaum Hall, Room 209 (Shaffer)
- M,W 11:10 – 12:30 p.m. Schoenbaum Hall, Room 200 (Shaffer)
- M,W 3:55 – 5:15 p.m. Schoenbaum Hall Room 215 (Stuckwisch)
- M,W 5:30 – 6:50 p.m. Schoenbaum Hall, Room 200 (Stuckwisch)
- T,Th 12:45 – 2:05 p.m. Gerlach Hall, Room 265 (Patterson)
- T,Th 2:20 – 3:40 p.m. Schoenbaum Hall, Room 319 (Stuckwisch)
- M,W,F 12:40 – 1:35 p.m. Schoenbaum Hall, Room 300 (Maniace)

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. This term there is a three-day a week session. Regrettably this session is not compatible with any of the other sections.

CLASS MATERIALS:

Text In this course you will be using Connect with the book: Real Estate Principals – A Value Approach, Seventh Edition, David C. Ling and Wayne R. Archer. The book is available as part of your course in Carmen.

It is expected that students read the assigned chapters prior to the start of class.

- ❖ 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
- ❖ 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
Fisher College of Business
[\(614\) 738-4327](tel:6147384327)
Maniace.1@osu.edu

Billy Patterson, JD, MBA
Fisher College of Business
614-688-3125
Patterson.1333@osu.edu

Sharon Shaffer, MBA, CFA
Fisher College of Business
614-507-6656 (cell)
Shaffer.710@osu.edu

Stephen Stuckwisch, MBA, CFA, CAIA
Fisher College of Business
614-292-5085
stuckwisch.1@osu.edu

OFFICE HOURS:

James Maniace

Fisher Hall, Room 314

- M,W 2:00-3:45 pm
- By appointment

Sharon Shaffer

Fisher Hall, Room 314

- T, Th 9:45 –10:45 am
- By appointment

Stephen Stuckwisch

Fisher Hall, Room 314

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

Billy Patterson

Fisher Hall, Room 255C

- By appointment

GRADING M,W; M,W,F

Exams/Worksheets/Participation/Attendance	Date	
Exams		50
Midterm 1	February 14, 2024	
Midterm 2	March 6, 2024	
Non-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	February 13, 2024	
Midterm 2	March 5, 2024	
Non-comprehensive Final Exam	Finals Week	
Class Participation	Every Class	15
Attendance	Every Class	5
Worksheet Assignments		30
Total		100

Exams:

The class will have two midterm exams and one non-comprehensive final. The three exams will be given electronically on Connect via Carmen. Students need to have a laptop with a camera that is compatible with Connect to allow them to access the exam. iPads will not be able to access the exam. **Students will need a financial calculator. No graphing calculators or Excel will be allowed.**

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 the material 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 a 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

In addition to set office hours I will be available to meet students by appointment, preferably by zoom if it is not office hours. Please e-mail me at maniace.1@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.

Billy Patterson

By appointment.

Sharon Shaffer

In addition to set office hours I will be available to meet student by appointment. Please e-mail me 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 my OSU (stuckwish.1@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.

Course Website:

I will maintain communication through Carmen (<http://carmen.osu.edu>). I will use this website to 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.

DISABILITY SERVICES:

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. 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.

If you are isolating while waiting for a COVID-19 test result, please let me know immediately. Those testing positive for COVID-19 should refer to the [Safe and Healthy Buckeyes site](#) for resources. Beyond five days of the required COVID-19 isolation period, I may rely on Student Life Disability Services to establish further reasonable accommodations. You can connect with them at slds@osu.edu; 614-292-3307; or slds.osu.edu.

CLASS SCHEDULE M,W:

Week	Date	Topic
<u>SECTION 1: Setting the Stage, Real Estate Property Sectors</u>		
WEEK 1.1	January 8, 2024	Introduction, The Nature of Real Estate and Real Estate Markets
WEEK 1.2	January 10, 2024	Leases and Property Types; Industrial
WEEK 2.1	January 15, 2024	MLK Day - No Classes
WEEK 2.2	January 17, 2024	Industrial - Case Study
WEEK 3.1	January 22, 2024	Office
WEEK 3.2	January 24, 2024	Office - Case Study
WEEK 4.1	January 29, 2024	Retail
WEEK 4.2	January 31, 2024	Retail - Case Study
WEEK 5.1	February 5, 2024	Residential
WEEK 5.2	February 7, 2024	Guest Speaker or Residential Case Study
WEEK 6.1	February 12, 2024	Hospitality/Midterm 1 Review
WEEK 6.2	February 14, 2024	Midterm 1
<u>SECTION 2: Legal and Regulatory Determinants of Value and Valuation Process</u>		
WEEK 7.1	February 19, 2024	Legal Foundations to Value/Conveying Real Property Interests
WEEK 7.2	February 21, 2024	Government Control and Real Estate Markets
WEEK 8.1	February 26, 2024	Valuation Using the Sales Comparison and Cost Approaches
WEEK 8.2	February 28, 2024	Valuation Using the Income Approach (Direct Cap)
		Worksheet Assignment - Game of Real Estate (Direct Cap)
WEEK 9.1	March 4, 2024	GoRE and Midterm 2 Review
WEEK 9.2	March 6, 2024	Midterm 2
WEEK 10.1	March 11, 2024	Spring Break - No Classes
WEEK 10.2	March 13, 2024	Spring Break - No Classes
<u>SECTION 3: Brokerage, Time Value of Money (TVM), Financing and Creating and Maintaining Value</u>		
WEEK 11.1	March 18, 2024	Brokering and Closing the Transaction
WEEK 11.2	March 20, 2024	Guest Speaker - Commercial Brokerage
WEEK 12.1	March 25, 2024	The Effects of Time and Risk on Value
		Worksheet Assignment - DCF
WEEK 12.2	March 27, 2024	Mortgage Calculations and Decisions
WEEK 13.1	April 1, 2024	Commercial Mortgage Types and Decisions
WEEK 13.2	April 3, 2024	Sources of Commercial Debt and Equity Capital
		Worksheet Assignment - Capital Stack
WEEK 14.1	April 8, 2024	Investment Decision: Ratios
		Worksheet Assignment - Mortgage Lending Ratios
WEEK 14.2	April 10, 2024	Investment Decision: NPV and IRR
		Worksheet Assignment: NPV and IRR
WEEK 15.1	April 15, 2024	Development : The Dynamics of Creating Value
		Worksheet Assignment - Development
WEEK 15.2	April 17, 2024	Enhancing Value Through Ongoing Management
WEEK 16.1	April 22, 2024	The Tale of Two Properties - Case Study
Finals Week		Non-comprehensive Final Exam

(Note: This syllabus is subject to change)

CLASS SCHEDULE T,Th:

Week	Date	Topic
<u>SECTION 1: Setting the Stage, Real Estate Property Sectors</u>		
WEEK 1.1	January 9, 2024	Introduction, The Nature of Real Estate and Real Estate Markets
WEEK 1.2	January 11, 2024	Leases and Property Types; Industrial
WEEK 2.1	January 16, 2024	Industrial - Case Study
WEEK 2.2	January 18, 2024	Office
WEEK 3.1	January 23, 2024	Office - Case Study
WEEK 3.2	January 25, 2024	Retail
WEEK 4.1	January 30, 2024	Retail - Case Study
WEEK 4.2	February 1, 2024	Residential
WEEK 5.1	February 6, 2024	Guest Speaker or Residential Case Study
WEEK 5.2	February 8, 2024	Hospitality/Midterm 1 Review
WEEK 6.1	February 13, 2024	Midterm 1
<u>SECTION 2: Legal and Regulatory Determinants of Value and Valuation Process</u>		
WEEK 6.2	February 15, 2024	Legal Foundations to Value/Conveying Real Property Interests
WEEK 7.1	February 20, 2024	Government Control and Real Estate Markets
WEEK 7.2	February 22, 2024	Valuation Using the Sales Comparison and Cost Approaches
WEEK 8.1	February 27, 2024	Valuation Using the Income Approach (Direct Cap)
		Worksheet Assignment - Game of Real Estate (Direct Cap)
WEEK 8.2	February 29, 2024	GofRE and Midterm 2 Review
WEEK 9.1	March 5, 2024	Midterm 2
<u>SECTION 3: Brokerage, Time Value of Money (TVM), Financing and Creating and Maintaining Value</u>		
WEEK 9.2	March 7, 2024	Brokering and Closing the Transaction
WEEK 10.1	March 12, 2024	Spring Break - No Classes
WEEK 10.2	March 14, 2024	Spring Break - No Classes
WEEK 11.1	March 19, 2024	Guest Speaker - Commercial Brokerage
WEEK 11.2	March 21, 2024	The Effects of Time and Risk on Value
		Worksheet Assignment - DCF
WEEK 12.1	March 26, 2024	Mortgage Calculations and Decisions
WEEK 12.2	March 28, 2024	Commercial Mortgage Types and Decisions
WEEK 13.1	April 2, 2024	Sources of Commercial Debt and Equity Capital
		Worksheet Assignment - Capital Stack
WEEK 13.2	April 4, 2024	Investment Decision: Ratios
		Worksheet Assignment - Mortgage Lending Ratios
WEEK 14.1	April 9, 2024	Investment Decision: NPV and IRR
		Worksheet Assignment: NPV and IRR
WEEK 14.2	April 11, 2024	Development : The Dynamics of Creating Value
		Worksheet Assignment - Development
WEEK 15.1	April 16, 2024	Enhancing Value Through Ongoing Management
WEEK 15.2	April 18, 2024	The Tale of Two Properties - Case Study
Finals Week		Non-comprehensive Final

(Note: This syllabus is subject to change)

CLASS SCHEDULE M,W,F

Week	Date	Topic
SECTION 1: Setting the Stage, Real Estate Property Sectors		
WEEK 1.1	January 8, 2024	Introduction, The Nature of Real Estate and Real Estate Markets
WEEK 1.2	January 10, 2024	Leases and Property Types
WEEK 1.3	January 12, 2024	Leases and Property Types; Industrial
WEEK 2.1	January 15, 2024	MLK Day - No Classes
WEEK 2.2	January 17, 2024	Industrial - Case Study
WEEK 2.3	January 19, 2024	Industrial - Case Study; Office
WEEK 3.1	January 22, 2024	Office; Office - Case Study
WEEK 3.2	January 24, 2024	Office - Case Study
WEEK 3.3	January 26, 2024	Recap - Office and Industrial
WEEK 4.1	January 29, 2024	Retail
WEEK 4.2	January 31, 2024	Retail; Retail - Case Study
WEEK 4.3	February 2, 2024	Retail - Case Study
WEEK 5.1	February 5, 2024	Residential
WEEK 5.2	February 7, 2024	Guest Speaker or Residential Case Study
WEEK 5.3	February 9, 2024	Residential Case Study; Preview Hospitality
WEEK 6.1	February 12, 2024	Hospitality/Midterm 1 Review
WEEK 6.2	February 14, 2024	Midterm 1
SECTION 2: Legal and Regulatory Determinants of Value and Valuation Process		
WEEK 6.3	February 16, 2024	Legal Foundations to Value/Conveying Real Property Interests
WEEK 7.1	February 19, 2024	Conveying Real Property Interests and Government Control of Real Estate Markets
WEEK 7.2	February 21, 2024	Conveying Real Property Interests and Government Control of Real Estate Markets
WEEK 7.3	February 23, 2024	Government Control of Real Estate Markets
WEEK 8.1	February 26, 2024	Valuation Using the Sales Comparison and Cost Approaches
WEEK 8.2	February 28, 2024	Valuation Using the Income Approach (Direct Cap)
WEEK 8.3	March 1, 2024	Prep for Worksheet - Game of Real Estate
		Worksheet Assignment - Game of Real Estate (Direct Cap)
WEEK 9.1	March 4, 2024	GoRE and Midterm 2 Review
WEEK 9.2	March 6, 2024	Midterm 2
WEEK 9.3	March 8, 2024	Preview of Common Computations in Real Estate
WEEK 10.1	March 11, 2024	Spring Break - No Classes
WEEK 10.2	March 13, 2024	Spring Break - No Classes
WEEK 10.3	March 15, 2024	Spring Break - No Classes
SECTION 3: Brokerage, Time Value of Money (TVM), Financing and Creating and Maintaining Value		
WEEK 11.1	March 18, 2024	Brokering and Closing the Transaction
WEEK 11.2	March 20, 2024	Guest Speaker - Commercial Brokerage
WEEK 11.3	March 22, 2024	Build on Guest Speaker's presentation
WEEK 12.1	March 25, 2024	The Effects of Time and Risk on Value
		Worksheet Assignment - DCF
WEEK 12.2	March 27, 2024	Mortgage Calculations and Decisions
WEEK 12.3	March 29, 2024	Worksheet Review
WEEK 13.1	April 1, 2024	Commercial Mortgage Types and Decisions
WEEK 13.2	April 3, 2024	Mortgage Types; Sources of Commercial Debt and Equity Capital
WEEK 13.3	April 5, 2024	Worksheet Assignment - Capital Stack
WEEK 14.1	April 8, 2024	Investment Decision: Ratios
		Worksheet Assignment - Mortgage Lending Ratios
WEEK 14.2	April 10, 2024	Investment Decision: NPV and IRR
WEEK 14.3	April 12, 2024	NPV and IRR; Worksheet Assignment: NPV and IRR
WEEK 15.1	April 15, 2024	Development : The Dynamics of Creating Value
		Worksheet Assignment - Development
WEEK 15.2	April 17, 2024	Worksheet Review; Enhancing Value Through Ongoing Management
WEEK 15.3	April 19, 2024	Enhancing Value Through Ongoing Management
WEEK 16.1	April 22, 2024	The Tale of Two Properties - Case Study
Finals Week	April 30, 2024	Non-comprehensive Final Exam

(Note: This syllabus is subject to change)