



Course: Real Estate Investments

Section: MSRE 6220

Semester: Spring 2017

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Class Info: Tuesday 5:30 pm - 8:15 pm
City Center Building, Room 1001

Office Hours: Tuesday 4:45 pm to 5:30 pm in the classroom, or by appointment.

Course Description

Provides students with the analytical and computer skills necessary to evaluate the financial feasibility of complex value added real estate development projects, including land development, commercial and housing development. Accounting and taxation issues influencing the financial viability of real estate development projects will also be considered.

Course Objectives and Learning Goals:

- Understand complexities of valuing and analyzing the financial aspects for various types of development projects, including land.
- Develop modeling skills needed to analyze development projects.
- Understand the role and structure of the real estate capital markets in financing real estate development projects. Develop an in-depth knowledge of deal structuring and debt underwriting for development projects.
- Identify and pinpoint risk exposures during the development process as a problem to be solved with a risk management solution.

Course Methodology

Class sessions will be primarily composed of lectures (with substantial participation and discussion expected from students) and hands-on financial modeling of case studies in Excel. Outside speakers, group activities, and other exercises may also be utilized to reinforce and apply key concepts. Assessments will be designed in such a way as to measure student knowledge of content.

Course Materials

- Laptop/tablet that runs the two below software packages (**required**)
- Microsoft Excel (**required**)
- Assignments, cases, additional readings, and other resources will be posted in Moodle. Students are expected to check the website often for current postings (required).

Course Prerequisites

None

Course Grading

The components that make up the grading in this course are listed below:

<u>Component</u>	<u>Weight</u>
Coblentz Assignments	40%
Womack Quizzes/Assignments	40%
Attendance/Participation	20%

Late assignments will be penalized 25% of the possible points for each day late. Make up assignments/exams will not be given. Best efforts are made to grade and give back assignments/exams to students at the next class meeting. Any challenges to the grade received must be made in writing (via email) within 2 weeks from receipt of the grade. After this time period no grade changes will be considered or allowed.

Attendance & Participation

Attendance will be recorded each class. Attendance means that the student was present and actively participating for the whole class. If you miss a class, it is your sole responsibility to get notes, files, and etc. from another student. To help you maximize your impact in this class, below I have provided specific ways in which you can positively and negatively participate in class.

Positive Participation

Please be prepared to participate fully in the class discussion. One of the primary advantages of being in a high quality graduate program is that you get to participate in interactive discussions with other bright people from different backgrounds and experience. Good class participation is that which contributes to the learning experience of the class as a whole. This includes asking

interesting questions, sharing relevant personal insights and experiences, offering constructive alternative points of view, and providing courteous and professional feedback to other people's opinions. You can also contribute to the shared learning experience by offering pointers to additional articles or resources that add to the collective knowledge and learning of the group.

Negative Participation

The number one rule in this class is do not be a distraction! Activities that distract other students or the professor, disrupt the flow/quality of discussion, or in other ways reduce the effectiveness of classroom learning will be considered negative participation. (Included within this is your telephone ringing in class, inappropriate use of phone and laptops, excessive chatting with adjacent students, or inappropriate responses to other students' questions/comments).

The use of cell phones, smart phones, or other mobile communication devices is disruptive, and is therefore prohibited during class. Please turn your off your cell phones (or put them into silent mode) in the classroom.

Negative Participation Can Reduce Your Grade

Constant or excessive tardiness at the beginning of class or following breaks, as well as negative participation (discussed above), can result in a reduction to your attendance/participation grade.

Grading Scale

A	90 – 100
B	80 – 89
C	70 – 79
U	< 70

Code of Conduct

Academic dishonesty is not tolerated by the Belk College of Business or this professor. Standards of academic integrity will be enforced in this course. All students have the responsibility to read and abide by The UNC Charlotte Code of Student Academic Integrity. This Code forbids cheating, fabrication or falsification of information, multiple submissions of academic work, plagiarism, abuse of academic materials (such as Library books on reserve), and complicity in academic dishonesty (helping others to violate the Code). Students observing violations of the Code are expected to report this to the professor. If you do not have a copy of the Code, you can obtain one from the Dean of Students Office or access it online at <http://www.legal.uncc.edu/policies/ps-105.html>. Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code. Definitions and examples of plagiarism are set forth in the Code. The professor may ask students to produce identification at examinations and may require students to demonstrate that graded assignments completed outside of class are their own work.

Diversity

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to, ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Disabilities

If you have a disability that qualifies you for academic accommodations, please provide a letter of accommodation from Disability Services (phone 704-687-4355, 230 Fretwell Building) in the beginning of the semester.

Syllabus Changes

The standards and requirements set forth in this syllabus may be modified at any time. Notice of such changes will be by announcement in class, by email, or by changes to this syllabus posted on the course website.

Course Plan

A tentative course plan for the semester is attached. Changes may be made to this plan pursuant to the previous section.

TENTATIVE COURSE PLAN (SUBJECT TO CHANGE)

		<u>Topic</u>
Week 1	1/10	Introduction (<i>Womack</i>) Modeling Concepts, Best Practices, and Basic Formulas (<i>Coblentz</i>)
Week 2	1/17	Pivot Tables and Land Uses (<i>Womack</i>) Valuation Model for a Stabilized Property (<i>Coblentz</i>)
Week 3	1/24	Pivot Tables and Land Uses (<i>Womack</i>) Valuation Model for a Stabilized Property (<i>Coblentz</i>)
Week 4	1/31	Highest and Best Use (<i>Womack</i>) Valuation Model for Value-Added Investment (<i>Coblentz</i>)
Week 5	2/7	Real Options & Redevelopment (<i>Womack</i>) Valuation Model for Value-Added Investment (<i>Coblentz</i>)
Week 6	2/14	RE Prices and Price Indices (<i>Womack</i>) Valuation Model with a Joint Venture Structure (<i>Coblentz</i>)
Week 7	2/21	Hedonic Models (<i>Womack</i>) Valuation Model with a Joint Venture Structure (<i>Coblentz</i>)
Week 8	2/28	Constructing Your Own Price Indices (<i>Womack</i>) Valuation Model with a Joint Venture Structure (<i>Coblentz</i>)
Week 9	3/7	Spring Break
Week 10	3/14	Real Options & Development (<i>Womack</i>) Valuation Model for a Residential Development Project (<i>Coblentz</i>)
Week 11	3/21	Monte Carlo Simulations in Excel (<i>Womack</i>)
Week 12	3/28	Monte Carlo Simulations in Excel (<i>Womack</i>) Mapping in Excel (<i>Womack</i>)
Week 13	4/4	Real Estate Investment Risk (<i>Coblentz</i>) Determining Risk: Sensitizing a Prior Case (<i>Coblentz</i>)
Week 14	4/11	Mapping in Excel (<i>Womack</i>) Modeling and In-Depth Development Case (<i>Coblentz</i>)
Week 15	4/18	Final Project (<i>Womack</i>) Bare Bones Template for Stabilized Case (<i>Coblentz</i>)
Week 16	4/25	Final Project (<i>Womack</i>) Bare Bones Template for Stabilized Case (<i>Coblentz</i>)
Week 17	5/2	Project Presentations (<i>Coblentz</i>)