

College of Business Administration  
University of Texas at Austin

RE 376G  
Real Estate Investments  
Fall 2014  
Unique #04120

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Office hours are by appointment

Course Prerequisites

Finance 357

Real Estate 358- Introduction to Real Estate and Urban Land Development

Course Description

The course's objective is to expose the student to the fundamentals of real estate investment including project evaluation and valuation. The course will introduce the various real estate investor risk and reward profiles across property types.

The course begins with an overview of the legal aspects of real estate finance; followed by the application of financial mathematics to the calculation of payment streams, mortgage yields, outstanding loan balances, equity returns and other basic financial measurements. We will then review financing issues specific to different property types starting with mortgage underwriting. The course will then focus on valuing income-producing properties, again across property types and incorporating the income tax effect of different real estate investments. Financial leverage and its effect on the investor return will be discussed along with an introduction into how real estate is sold and various metrics used to evaluate the buy-hold decision. The final section of this course will review the various vehicles used to own, hold, and develop real estate projects. We will also briefly touch on financing land development and capital markets.

Required Text

Bruggeman and Fisher, *Real Estate Finance and Investments, 14<sup>th</sup> Edition*

Course Requirements and Grading

Course Grades will be based on the following:

Mid Term Examinations (2):	60%
Final Examination:	30%
Homework and Attendance:	10%

There will be homework assignments given out during the semester. These assignments will utilize the analytical tools covered in the text and discussed during lectures and give students the opportunity to apply these tools to specific valuation problems and financing situations. These assignments will be turned in via Canvas.

Two (2) mid term examinations will be given during the semester and will hold equal weight. The first exam will cover material through the previous class session; the second exam will cover material since the date of the first exam. Scheduled dates for the exams are included in the *Course Outline* below; exam reviews will be held prior to each exam. The final exam will be comprehensive and will be given during the scheduled period during Finals week. No makeup exams will be given without the prior written consent of the instructor, and only in special circumstances.

Attendance will be taken and students will be held responsible for everything covered or assigned in class. Case studies will be used as part of the coursework and the content will be included on the exams. In addition to reviewing the material assigned in the textbook and any outside materials introduced during the course of the semester, class time will be devoted to industry situations and conditions that will place the material in context and enhance students' understanding and appreciation of the material. Your general conduct in class, including attendance, promptness and participation, will be a factor in your final grade. Notebook computers are permitted in class only when we are working on a cash flow assignment.

**Note: A financial calculator capable of performing present value and rate of return functions with unequal cash flows is required (ex: HP 12C, HP 10bII, TI BA II Plus)**

#### *Policy on Scholastic Dishonesty*

*Students who violate the University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since scholastic dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> or the General Information Catalogue to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.*

#### *Students with Disabilities*

*The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, please contact the Office of the Dean of Students at 512-471-6259.*