

**FINA 467**  
**REAL ESTATE FINANCE**  
**SPRING 2019**  
**5:30 – 6:45 PM MW**  
**DMSB 114**

**Dr. Stephen Martin**  
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**Office Hours: Mondays and Wednesdays, 12:00 – 2:00 p.m., and by apt.**

**COURSE DESCRIPTION**

This course introduces the basic elements of real estate finance, by exploring the nature and importance of credit in real estate development and operations, legal framework, sources of mortgage funds, and role of public and private financial institutions. It includes a comprehensive introduction of mortgages from the perspectives of buyers, developers, and debt and equity capital market investors. Mortgage basics are also used in investment analysis of income-producing properties.

**PREREQUISITES/COREQUISITES**

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**COURSE MATERIALS**

The course textbook is **Real estate Finance and Investments**, 15th edition, William B. Brueggman, and Jeffrey D. Fisher, Irwin/McGraw-Hill (Boston). ISBN: 9780073377353.

**CALCULATOR**

You will need an advanced financial calculator to complete the homework and on exam. Suitable calculators include the Texas Instruments BA II Plus or HP 12C. The focus for calculations is largely on grasping the nature of cash flow projection and valuation, so the use of Excel for homework assignments and the valuation assignment, and a calculator on exams, is required.

**COURSE STRUCTURE & METHODS**

The course is comprised mainly of lecture, assignments, and discussions. The course consists of lectures designed to develop an understanding of the advanced elements of corporate finance. The emphasis is placed on the economic logic underlying each element. It is absolutely essential that you read the assigned material before coming to class, since the lectures are designed under the assumption that the material has been read by all students.

## LEARNING OBJECTIVES

It is the objective of this course to provide an introduction and understanding of real estate finance as it is practiced today, as well as identify the issues and challenges associated with real estate finance so that the student has the necessary foundational skills for careers in real estate finance.

## CLASS PARTICIPATION/ATTENDANCE

It is essential that you attend every class, be on time, and be prepared to participate. If you are late for class or miss the class, it is your responsibility to keep up with the material. Unexcused absences may have a negative effect on your grade. If you have three or more absences, I reserve the right to lower your final grade for the class. If you have to miss class, please inform me via e-mail and explain the excuse prior to the class.

## PREPARATION:

The benefit you gain from this course relies crucially on your preparation. This preparation directly affects the quantity and quality of your participation, and therefore your final grade. You are expected to prepare for each lecture by reading the assigned chapters from the course textbook and any assigned cases.

## GRADES

A final letter grade will be assigned based on percentages below.

The course's graded assignments will consist of the following: two exams during the term; a cumulative final exam with material covered throughout the class; quizzes, homework assignments, and/or in-class exercises.

### Grading Components and Weightings

Attendance/Participation, Assignments & Quizzes	20%
Exam 1	25%
Exam 2	25%
Final Exam	30%

### **Grade Scale**

A:	90-100
B+:	87-89
B:	80-86
C+:	77-79
C:	70-76
D:	60-69
F:	59 and below

## **EXAM POLICY**

Make-up exams will not be given. If you are unable to take an exam at the scheduled time, for any reason, you must discuss it with me before the scheduled exam, and obtain approval of the absence. If your absence is approved before missing the exam, your grade on the final exam will be used to assign your score on the missed exam. If you miss an exam without prior approval, your score on the exam will be zero. You will be allowed to use a financial calculator on the exams, but you will not be allowed to use a programmable calculator, PDA, phone, tablet or computer (etc.) on the exams.

**The final exam will be Friday, May 3, 2019 at 4:00 p.m.**

## **TECHNOLOGY POLICY**

Research shows that the use of laptops or tablets in class has a negative effect on student learning. For this reason, laptop and tablet usage will be restricted to specific class discussions only. On these days, laptops are expected to be used only to access Excel and relevant case materials. Any other activities will result in a decreased participation score.

For those who are curious about the research on laptops and learning, see this list compiled by Economics Professor John McDermott.

<http://econintel.net/CI705/Laptop-ban-for-class.pdf>

## **ACADEMIC DISHONESTY**

The University's policy regarding academic dishonesty will be strictly enforced. You are responsible for reviewing the information at <https://www.sa.sc.edu/academicintegrity/honor-code-policy-information/>. Suspected violations of the honor code will be reported to office of academic integrity. The office of academic integrity's web site (<http://sc.edu/academicintegrity>) has useful information about the process that is followed when a suspected violation has occurred. Using the words or ideas of another as if they were one's own is a serious form of academic dishonesty. If another person's complete sentence, syntax, key words, or the specific or unique ideas and information are used, one must give that person credit through proper citation.

## **COURSE COMMUNICATION**

I will be communicating with you regarding grades and assignments, through email as well as Blackboard. If you need to get in touch with me, the best method is via email. Generally, I will reply to emails within 24 to 48 hours.

If you are having trouble with this course or its material, you should contact me via email, or visit my office during office hours, to discuss the issues.

Emails will be sent to your email address. In addition, announcements may be posted in Blackboard. If you primarily use another email account, you should make sure that the Blackboard account is linked to that address. It is your responsibility to ensure that your email account works properly in order to receive mail.

**DISABILITY SERVICES**

The Student Disability Resource Center (SDRC) empowers students to manage challenges and limitations imposed by disabilities. <http://www.sa.sc.edu/sds/>

Students with disabilities are encouraged to contact me to discuss the logistics of any accommodations needed to fulfill course requirements (within the first week of the semester). In order to receive reasonable accommodations from me, you must be registered with the Student Disability Resource Center (1523 Greene Street, LeConte Room 112A, Columbia, SC 29208, 803-777-6142). Any student with a documented disability should contact the SDRC to make arrangements for appropriate accommodations.

**COURSE SCHEDULE**

The tentative course schedule is located in Blackboard.