

## **COURSE SYLLABUS**

### **RED 510 – REAL ESTATE PRACTICE & PRINCIPLES**

4 Units, Spring 2021, Mondays from 6:00 PM – 9:30 PM

Location: Online

**Instructor:** Joel Bryant  
**Office:** Adjuncts Office – First Floor Lewis Hall  
**Office Hours:** Available via Zoom – by Appointment  
**Contact Info:** joelbrya@usc.edu

#### **COURSE DESCRIPTION:**

To present the fundamental principles of real estate analysis, economics, capital markets, and development decision-making. Basic techniques of investment analysis and real estate appraisal will be covered. We will examine the relationships between real estate markets and federal, state and local government policies; the factors that create real estate market cycles, bubbles, and crashes; and the impacts of real estate cycles and capital flows upon regional and national societies. At the conclusion of the course, students will have been exposed to the basic tools needed to make intelligent real estate development and investment decisions.

#### **LEARNING OBJECTIVES:**

This course provides an overview of key concepts in real estate development and real estate development feasibility. The main topics initially include a definition of the real estate development process, the key stages in that process, the role of feasibility analysis in that process, a definition of feasibility, and example application of feasibility analysis to commercial and residential development projects. The orientation is toward the analysis of income producing property types. The emphasis is on providing students who have little or no financial analysis background with three key assets:

1. An appreciation of the real estate development process and the critical role played by pro forma financial analysis.
2. A working knowledge of the critical vocabulary and concepts involved in pro forma analysis; and
3. A reasonable appreciation of how these concepts inform the real estate development and financing decision making process.

The course is intended more to assure a reasonable understanding of these concepts than to create the ability to perform complex analysis. **NOTE:** This is an overview/survey course and it moves at a very brisk pace.

Following the introduction to real estate development there will be a more comprehensive review of general concepts so that at the conclusion of the course, students should:

- Understand the basic sequence of real estate development.
- Be familiar with the nature of property.
- Examine the nature of city development and how it has evolved.
- Understand the role of government in regulating land use.
- Know what the time value of money means and learn to calculate NPV and IRR.
- Learn to value property and methods to do so.
- Identify sources of debt and equity for commercial real estate transactions.
- Understand the development process and how it is applied to the major product types.

**Prerequisite(s):** None  
**Co-Requisite (s):** None  
**Concurrent Enrollment:** None  
**Recommended Preparation:** No special preparation

**COURSE NOTES:**

Student will be expected to take notes in class. Selected materials will be posted on Blackboard. Discussion and dialogue is strongly encouraged.

**TECHNOLOGICAL PROFICIENCY AND HARDWARE/SOFTWARE REQUIRED:**

Microsoft Excel spreadsheets will be prepared. Coursework will be required to submit typed projects so Microsoft Word or other word processor is required. Exhibits will be posted in PDF format on blackboard.

**REQUIRED TEXTBOOKS AND SUPPLEMENTARY MATERIALS:**

Readings must be completed in advance of each week's lecture.

A separate reading list is provided with assignments for each weekly lecture topic. Readings must be completed in advance of each week's lecture. Depending on progress during sessions, the topics and readings for each week are subject to change.

**Ling, David C. and Wayne R. Archer (2018), *Real Estate Principles: A Value Approach*, Fifth Edition, McGraw-Hill/Irwin.**

**Peiser, Richard B with David Hamilton (2012) *Professional Real Estate Development*, Third Edition. Washington, DC: Dearborn Financial Publishing/The Urban Land Institute.**

Readings not from the textbook will be available on Blackboard, as will all assignments and lecture notes. The Blackboard site is <http://blackboard.usc.edu>.

**DESCRIPTION AND ASSESSMENT OF ASSIGNMENTS :**

The focus of the class will be the preparation of the mid term project and the final project. Project grading will be based on the report addressing all aspects of the outline and project description provided on Blackboard and during class. Grading will also consider how well the student has included creative, analytical and feasible solutions in the project.

**GRADING BREAKDOWN:**

The course meets once per week, for three and a half (3.5) hours. Students are expected to attend each class and have read the required readings prior to class so that they can contribute to in-class discussions. Depending on progress during sessions, the topics and readings for each week may be subject to change.

- Midterm Exam: 25%
- Student Project: 25%
- Final Exam: 25%
- In-class participation: 15%
- Unscheduled Quizzes & Homework: 10%

**GRADE DESCRIPTION:**

- A: Work of excellent quality (exceeds requirements and expectations)
- B: Work of good quality (meets requirements and expectations)
- C: Work of fair quality
- D: Work of minimum passing quality
- F: Failure to adequately complete coursework

To receive an "A" grade, students must complete all work on time and submit work of superior quality at every stage. Work must address all aspects of the required assignments, exceed the minimum requirements and demonstrate critical thinking and creative thinking. Students must consistently contribute to class discussion.

**ASSIGNMENT SUBMISSION POLICY:**

The homework and student project shall be submitted in printed format on the due date for the report at the beginning of the class. Homework and other assignments shall be submitted in printed format unless Instructor requests or allows submittal by email. Verbal presentations for the student project shall be emailed to the instructor at the beginning of the class on the due date.

**LATE WORK:**

Late submissions will only be accepted by Instructor at Instructor's discretion and will receive at least a one-grade reduction (or more depending on how late).

**ZOOM ETIQUETTE:**

"Netiquette" or "internet etiquette," describes the recommended communication and behavior of online communication. We will discuss Zoom procedures and expectations during the 1<sup>st</sup> class meeting.

All students are encouraged to contact professor with questions or concerns about complying with a policy that concerns you. For instance, if a student is unable to keep their camera on during the synchronous Zoom session, it is recommended that student inform professor before class.

**SYNCHRONOUS SESSION RECORDING NOTICE:**

Synchronous sessions will be recorded and provided to all students asynchronously.

**SHARING OF COURSE MATERIALS OUTSIDE OF THE LEARNING ENVIRONMENT:**

USC has a policy that prohibits sharing of any synchronous and asynchronous course content outside of the learning environment.

SCampus Section 11.12(B)

*Distribution or use of notes or recordings based on university classes or lectures without the express permission of the instructor for purposes other than individual or group study is a violation of the USC Student Conduct Code. This includes, but is not limited to, providing materials for distribution by services publishing class notes. This restriction on unauthorized use also applies to all information, which had been distributed to students or*

*in any way had been displayed for use in relationship to the class, whether obtained in class, via email, on the Internet or via any other media. (See Section C.1 Class Notes Policy).*

**RESIDENTIAL AND HYBRID STREAMING MODEL COURSES:**

You can include a link and statement for students to consult the latest COVID-19 testing and health protocol requirements for on campus courses. Continuously updated requirements can be found on the USC COVID-19 resource center website.

**COURSE EVALUATION:**

Please participate in course evaluation at end of the semester. This will help ensure that a quality learning experience is maintained and enhanced when needed.

**COURSE SCHEDULE: A Weekly Breakdown (subject to adjustment)**

**Week One (1) - January 11<sup>th</sup>**

**INTRODUCTION AND OVERVIEW OF COURSE:**

- Instructor and Student Introductions.
- Course Overview & Discussion of Key Terms.
- Definition of Real Estate Development & Development Classifications.
- The Key Distinction Between Financial Analysis of Development and Investment.
- A Simplified Set of Development Stages Used In This Course Will Be Discussed.
- A Discussion on Organizing for Development.

*Required Reading: Ling, Chapter 1/Peiser, Chapters 1 & 2*

**Week Two (2) – January 18<sup>th</sup>**

**NO CLASS – MARTIN LUTHER KING’S BIRTHDAY**

**Week Three (3) – January 25<sup>th</sup>**

**LEGAL FOUNDATIONS TO VALUE AND CONVEYANCE OF REAL ESTATE:**

- Discussion of The Legal and Regulatory Determinants of Value

**INTRODUCTION TO THE INVESTMENT PROFORMA FOR AN EXISTING APARTMENT**

- Walk Through of Microsoft Excel and How We’ll Utilize This Tool

*Required Reading: Ling, Chapters 2 & 3*

**Week Four (4) – February 1<sup>st</sup>**

**GOVERNMENT CONTROLS AND REAL ESTATE MARKETS**

- Land Use & Zoning
- Guest Speaker (on topic of government control of land use and its effect on values)

*Required Reading: Ling, Chapter 4*

**Week Five (5) - February 8<sup>th</sup>**

**MEASURES OF RETURN**

- Review the Key Relationship between Value and Income.
- Discussion of the Static Measurements Related to Cap Rates and Return on Investment.
- The Advantages and Challenges of Dynamic (Multi-Period) Analysis Will Be Described Together with Two Key Dynamic Measures of Return: 1) Net Present Value (NPV); and 2) Internal Rate of Return (IRR).
- A Simple Static Pro Forma Will Be Constructed Showing Value As a Function of Income; the Elements of Cost; and the Value Added as the Margin Between Total Costs and Total Value.
- The Two Basic Types of Analyses Will Be Described and Discussed: 1) Static; and 2) Dynamic. It is Noted that Dynamic Measures are Best, but Simplicity of Static Analysis Good for General Understanding.

**REAL ESTATE BROKERAGE (REPRESENTATION, AGREEMENTS, AND CONTRACTS FOR SALE)**

- The Purpose and Fundamentals of Brokerage and Contracts

*Required Reading: Ling, Chapters 5, 8, 12 & 13*

**STUDENTS TO SELECT AN INCOME PRODUCING REAL PROPERTY CURRENTLY OFFERED FOR SALE FOR CLASS PROJECT – DRAW LOTTERY FOR ORDER OF PRESENTATIONS ON APRIL 12<sup>TH</sup>**

**Week Six (6) – February 15<sup>th</sup>**

**NO CLASS – PRESIDENT’S DAY**

**Week Seven (7) – February 22<sup>nd</sup>**

**MARKET VALUATION**

- What Constitutes Value to Real Estate
- The Relationship Between Value and Cost
- How To Determine Market Value
- Valuation Approaches:
  - Sales Comparison
  - Cost Approach
  - Income Approach

*Required Reading: Ling, Chapters 6 & 7*

**Week Eight (8) – March 1<sup>st</sup>**

**REAL ESTATE FINANCE**

*Required Reading: Ling, Chapters 9 & 10*

**Week Nine (9) – March 8<sup>th</sup>**

**MIDTERM EXAM – DETAILS TO BE PROVIDED LATER**

<p><b>Week Ten (10) – March 15<sup>th</sup></b></p> <p><b>TIME VALUE OF MONEY</b></p> <p><i>Required Reading: Ling, Chapters 14 &amp; 15</i></p>
<p><b>Week Eleven (11) – March 22<sup>nd</sup></b></p> <p><b>SOURCES OF COMMERCIAL DEBT &amp; EQUITY</b></p> <p><i>Required Reading: Ling, Chapters 16 &amp; 17</i></p>
<p><b>Week Twelve (12) – March 29<sup>th</sup></b></p> <p><b>LAND DEVELOPMENT &amp; RESIDENTIAL DEVELOPMENT (FOR SALE)</b></p> <p><i>Required Reading: Peiser, Chapters 3</i></p>
<p><b>Week Thirteen (13) – April 5<sup>th</sup></b></p> <p><b>RESIDENTIAL DEVELOPMENT (RENTAL)</b></p> <p><i>Required Reading: Peiser, Chapter 4</i></p>
<p><b>Week Fourteen (14) - April 12<sup>th</sup></b></p> <p><b>FINAL PROJECT PRESENTATIONS (details to follow)</b></p> <ul style="list-style-type: none"> <li>• Presentations – 3 to 4 Minute Presentation Per Student</li> <li>• Email Report to Professor on Sunday Prior to Class – PowerPoint or PDF</li> </ul>
<p><b>Week Fifteen (15) – April 19<sup>th</sup></b></p> <p><b>OFFICE &amp; INDUSTRIAL DEVELOPMENT</b></p> <p><i>Required Reading: Peiser, Chapters 5 &amp; 6</i></p>
<p><b>Week Sixteen (16) – April 26<sup>th</sup></b></p> <p><b>OFFICE/INDUSTRIAL DEVELOPMENT</b></p> <p><i>Required Reading: Peiser, Chapter 7</i></p>
<p><b>Week Seventeen (17) – May 3<sup>rd</sup></b></p> <p><b>NO CLASS – STUDY DAY</b></p>
<p><b>Week Eighteen (18) – May 10<sup>th</sup> (7 to 9 pm)</b></p> <p><b>FINAL EXAM – DETAILS TO BE PROVIDED LATER</b></p>

## STATEMENT FOR STUDENTS WITH DISABILITIES

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. Website and contact information for DSP:  
[http://sait.usc.edu/academicsupport/centerprograms/dsp/home\\_index.html](http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html), (213) 740-0776 (Phone), (213) 740-6948 (TDD only), (213) 740-8216 (FAX) [ability@usc.edu](mailto:ability@usc.edu).

## STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS

### Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” [policy.usc.edu/scampus-part-b](http://policy.usc.edu/scampus-part-b). Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, [policy.usc.edu/scientific-misconduct](http://policy.usc.edu/scientific-misconduct).

### Support Systems:

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*  
[studenthealth.usc.edu/counseling](http://studenthealth.usc.edu/counseling)

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*  
[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call*  
[studenthealth.usc.edu/sexual-assault](http://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298*  
[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*  
[usc-advocate.symplicity.com/care\\_report](http://usc-advocate.symplicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*

[dsp.usc.edu](http://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Campus Support and Intervention - (213) 821-4710*

[campussupport.usc.edu](http://campussupport.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*

[diversity.usc.edu](http://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*

[dps.usc.edu](http://dps.usc.edu)

Non-emergency assistance or information.