

## **RED 200 – Introduction to Real Estate**

**Units:** 4

**Term:** Fall 2021 **Day:** Wednesday **Time:** 6:00 pm – 9:20 pm

**Location:** RGL 101

**Instructor:** John Loper, Associate Professor of Real Estate (Teaching)

**Office:** TBD

**Office Hours:** TBD

**Contact Info:** [jloper@usc.edu](mailto:jloper@usc.edu)

### **Catalogue Description**

To provide a basic understanding of the real estate industry, the process of real estate development and investment and the key players involved.

### **Course Description**

To present the fundamental principles of real estate development practices and principals. Topics include: key concepts of development, investment, purchase and sale contracts, brokerage, valuation, financing, mortgage basics and development decision-making. We will examine the relationships between real estate markets and federal, state and local government policies including zoning and their influence on real estate development, how real estate shapes our cities and communities and who are the various parties involved in the real estate industry. Product types will be discussed including retail, office, industrial, and residential (for-sale and rental). At the conclusion of the course, students will have been exposed to the basic tools needed to understand real estate development and investment decisions.

### **Learning Objectives**

This course provides an overview of key concepts that underpin the real estate industry. The main topics include a definition of the real estate development process, the key stages in that process, the role of feasibility analysis in that process. The emphasis is on providing students who have little or no financial analysis background with; (1) an appreciation of the real estate development process; (2) a working knowledge of the critical vocabulary and concepts and (3) a reasonable appreciation of how these concepts inform the real estate development and investment decision making process. The course is intended more to assure a reasonable understanding of these concepts than to create the ability to perform complex financial analysis.

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 processes that make up the real estate development and investment sectors
- Be familiar with the roles that comprise the real estate industry

- Examine the nature of city development and how it has evolved
- Understand the role of government in regulating land use
- Learn how zoning and government regulations affect land use and development
- Learn basic methods to value property
- Identify sources of debt and equity for commercial real estate transactions
- Understand how property ownership is held and transferred including ownership entities, brokerage, purchase and sale contracts
- Review the basic types of leases, lease clauses, leasing process and how leases impact property value
- Gain familiarity with the major product types including:
  - *Residential (Rental and For Sale Housing & Land Development)*
  - *Retail*
  - *Office*
  - *Industrial*

**Prerequisite(s):**

None

**USC Technology Support Links**

[Zoom information for students](#)

[Blackboard help for students](#)

[Software available to USC Campus](#)

**USC technology rental program**

We are scheduled to meet in person, but if we need to transition to an online format, realize that attending classes online and completing coursework remotely requires access to technology that not all students possess. If you need resources to successfully participate in your classes, such as a laptop or internet hotspot, you may be eligible for the university's equipment rental program. To apply, please submit an application. The Student Basic Needs team will contact all applicants in early August and distribute equipment to eligible applicants prior to the start of the fall semester.

**Required Texts**

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

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

Rybczynski, Witold. 2007. *The Last Harvest: From Cornfield to New Town*. New York, New York: Simon & Schuster, Inc.

## Grading Breakdown

Assignment	% of Grade
Homework	25%
Quizzes	10%
Midterm Exam	25%
Final Exam	30%
Participation	10%
Total	100

## Grading Scale

Course final grades will be determined using the following scale

A	95-100
A-	90-94
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D+	67-69
D	63-66
D-	60-62
F	59 and below

## Course Schedule:

- 1) **Week 1: What is Real Estate?**
  - L&A Chapter 1 – The Nature of Real Estate and Real Estate Markets
  - Peiser Chapter 1 & 2 – Introducing Real Estate Development and Organizing for Development
- 2) **Week 2: How do Real Estate Projects Begin?**
  - *The Last Harvest* Ch 1-10 – “Life, Liberty and the Pursuit of Real Estate”
  - L & A Chapter 2 – Legal and Regulatory Determinations of Value
- 3) **Week 3: How do We Own Real Estate?**
  - *The Last Harvest* Ch 11-19 – “Design Matters”
  - L & A Chapter 3 – Conveying Real Property Interests
- 4) **Week 4: Why do Certain Types of Real Estate Locate in Particular Places?**
  - *The Last Harvest* Ch 20-29 & Postscript – “The Market Rules”
  - L & A Chapter 4 – Government Controls and Real Estate Markets
- 5) **Week 5: How does Real Estate Shape our Communities?**
  - Suburbanization, Urbanization and Everything in Between
  - Geographic Segregation and the Role of Zoning and Real Estate
  - Environmental Consequences of Development Practices and Sustainable Design Practices
- 6) **Week 6: How do We Determine the Value of Real Estate?**
  - L & A Chapter 5 – Market Valuation and Appraisal
  - L & A Chapter 6 – Forecasting Ownership Benefit and Value – Market Analysis
- 7) **Week 7: How do We Determine the Value of Real Estate? Continued...**
  - L & A Chapter 7 – Valuation Using the Sales Comparable and Cost Approaches
  - L & A Chapter 8 – Valuation Using the Income Approach
- 8) **Week 8**
  - Midterm Review**MIDTERM EXAM**
- 9) **Week 9: How do We Finance Real Estate?**
  - L & A Chapter 9 – Real Estate Finance – Laws and Contracts (Note, Deed of Trust)
  - L & A Chapter 10, 15 – Residential Mortgage Types and Borrower Decisions and some Mortgage Math
  - The Rent vs. Buy Decision in Housing
- 10) **Week 10: How do We Finance Real Estate? Continued...**
  - L & A Chapter 16 – Commercial Mortgage Types and Decisions, Mortgage Application

- *L & A* Chapter 17 - Sources of Commercial Debt and Equity Capital, Ownership Structures, Entities
- 11) **Week 11: What are the Key Transactions among Real Estate Players?**
    - *L & A* Chapter 12 – Real Estate Brokerage and Listing Contracts
    - *L & A* Chapter 22 – Leases and Property Types
  - 12) **Week 12: How do We Manage the Real Estate Investment Process?**
    - *L & A* Chapter 21 – Enhancing Value through Ongoing Management & Asset Management
    - *L & A* Chapter 23 – Development: The Dynamics of Creating Value
  - 13) **Week 13: Overview of Product Types – Residential and Retail**
    - *Peiser* Chapter 3 – For Sale Housing and Land Development
    - *Peiser* Chapter 4 – Investment Residential Development
  - 14) **Week 14: Overview of Product Types – Residential and Retail**
    - *Peiser* Chapter 7 - Retail Development
    - *Peiser* Chapter 5 – Office Development
    - *Peiser* Chapter 6 – Industrial Development
  - 15) **Week 15: Who are the Players and Where Do you Fit in?**
    - Overview of the Real Estate Industry and Careers in Real Estate
    - Final Review
  - 16) **Final Exam Week**  
FINAL EXAM

## Statement on Academic Conduct and Support Systems

### Learning Experience Evaluations:

Learning Experience Evaluations will be conducted on the final day of class. This will be your opportunity to provide feedback about your learning experience in the class. This feedback helps the instructor determine whether students are having the intended learning experiences for the class. It is important to remember that the learning process is collaborative and requires significant effort from the instructor, individual students, and the class as a whole. Students should provide a thoughtful assessment of their experience, as well as of their own effort, with comments focused on specific aspects of instruction or the course. Comments on personal characteristics of the instructor are not appropriate and will not be considered. For this feedback to be as comprehensive as possible, all students should complete the evaluation.

### 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).

### Statement for Academic Accommodations

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 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)

### Support Systems:

Student Health Counseling Services - (213) 740-7711 – 24/7 on call

[engemannshc.usc.edu/counseling](http://engemannshc.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) 740-4900 – 24/7 on call

[engemannshc.usc.edu/rsvp](http://engemannshc.usc.edu/rsvp)

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

Office of Equity and Diversity (OED) | Title IX - (213) 740-5086

[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help a survivor of harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations.

Bias Assessment Response and Support - (213) 740-2421

[studentaffairs.usc.edu/bias-assessment-response-support](http://studentaffairs.usc.edu/bias-assessment-response-support)

Avenue to report incidents of bias, hate crimes, and microaggressions for appropriate investigation 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 Support and Advocacy - (213) 821-4710

[studentaffairs.usc.edu/ssa](http://studentaffairs.usc.edu/ssa)

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.