



RED 200 – Introduction to Real Estate

Units: 4

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

Location: RGL 101

Instructor: Dusan Miletich, Adjunct Professor of Real Estate

Office: TBD

Office Hours: TBD

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Catalog 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

Learning Objectives (cont.)

- Gain familiarity with the major product types including:
 - Residential (*Rental and For Sale Housing & Land Development*)
 - Retail
 - Office
 - Industrial

Prerequisite(s): NONE

Attendance Policy and Recording of Lectures

- Unless students provide an accommodation letter from USC's Office of Student Accessibility Services, attendance and active participation is expected in the classroom.
- Any student with such accommodations should submit their accommodation document to instructor as soon as possible to discuss appropriate accommodations. Either classroom recordings or live remote access to the class via Zoom will be provided.
- Students who are experiencing illness should not attend class in person. Student must inform instructor in advance of any class sessions they cannot attend for medical reasons and accommodations will be arranged to view recorded lectures and submit alternatives to any missed class participation. Students will not be penalized for not attending class in-person under these circumstances.

Technological Proficiency and Hardware/Software Required

[Blackboard](#) – All course information will be hosted here.

[Zoom](#) - If hybrid or remote learning is required, students will need to have access to Zoom and a camera enabled device to connect.

[Free 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 Readings and Supplementary Materials

- Ling, David C. and Wayne R. Archer. 2021. *Real Estate Principles: A Value Approach*, Sixth 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

Including the above detailed assignments, how will students be graded overall? Participation should not exceed 15% of the total grade. Where it does, the syllabus must provide an added explanation. No portion of the grade may be awarded for class attendance but non-attendance can be the basis for lowering the grade, when clearly stated on the syllabus. The sum of percentages must total 100%.

Assignments	% of Grade
Homework	25%
Quizzes	10%
Midterm Exam	25%
Final Exam	30%
Participation	10%
TOTAL	100%

Grading Scale

(Optional – the following is only an example of what one might look like if included)

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: A Weekly Breakdown

	Topics/Daily Activities	Readings / Preparation / Deliverables
Week 1 8/26	What is Real Estate?	<ul style="list-style-type: none"> • <u>L&A</u> Chapter 1 - The Nature of Real Estate and Real Estate Markets • <u>Peiser</u> Chapter 1 & 2 – Introducing Real Estate Development and Organizing for Development
Week 2 9/2	How do Real Estate Projects Begin?	<ul style="list-style-type: none"> • <u>The Last Harvest</u> Ch 1-10 – “Life, Liberty and the Pursuit of Real Estate” • <u>L & A</u> Chapter 2 – Legal and Regulatory Determinations of Value
Week 3 9/9	How do We Own Real Estate?	<ul style="list-style-type: none"> • <u>The Last Harvest</u> Ch 11-19 – “Design Matters” • <u>L & A</u> Chapter 3 – Conveying Real Property Interests
Week 4 9/16	Why do Certain Types of Real Estate Locate in Particular Places?	<ul style="list-style-type: none"> • <u>The Last Harvest</u> Ch 20-29 & Postscript – “The Market Rules” • <u>L & A</u> Chapter 4 – Government Controls and Real Estate Markets
Week 5 9/23	How do We Determine the Value of Real Estate?	<ul style="list-style-type: none"> • <u>L & A</u> Chapter 5 – Market Valuation and Appraisal • Quiz # 1
Week 6 9/29	CLASS CANCELLED	
Week 7 10/7	How do We Determine the Value of Real Estate? PART 2	<ul style="list-style-type: none"> • <u>L & A</u> Chapter 6 – Forecasting Ownership Benefit and Value – Market Analysis • <u>L & A</u> Chapter 7 – Valuation Using the Sales Comparable and Cost Approaches • <u>L & A</u> Chapter 8 – Valuation Using the Income Approach
Week 8 10/14	NO CLASS – SEMESTER BREAK	
Week 9 10/21	MIDTERM REVIEW	MIDTERM EXAM
Week 10 10/28	How do We Finance Real Estate?	<ul style="list-style-type: none"> • <u>L & A</u> Chapter 9 – Real Estate Finance – Laws and Contracts (Note, Deed of Trust) • <u>L & A</u> Chapter 10, 15 – Residential Mortgage Types and Borrower Decisions and some Mortgage Math • <u>The Rent vs. Buy Decision in Housing</u> • <u>L & A</u> Chapter 16 – Commercial Mortgage Types and Decisions, Mortgage Application • <u>L & A</u> Chapter 17 - Sources of Commercial Debt and Equity Capital, Ownership Structures, Entities
Week 11 11/4	What are the Key Transactions among Real Estate Players?	<ul style="list-style-type: none"> • <u>L & A</u> Chapter 12 – Real Estate Brokerage and Listing Contracts • <u>L & A</u> Chapter 22 – Leases and Property Types
Week 12 11/11	How do We Manage the Real Estate Investment Process?	<ul style="list-style-type: none"> • <u>L & A</u> Chapter 21 – Enhancing Value through Ongoing Management & Asset Management • <u>L & A</u> Chapter 23 – Development: The Dynamics of Creating Value
Week 13 11/18	Overview of Product Types – Residential and Multifamily	<ul style="list-style-type: none"> • <u>Peiser</u> Chapter 3 – For Sale Housing and Land Development • <u>Peiser</u> Chapter 4 – Investment Residential Development
Week 14 12/2	Overview of Product Types – Retail, Office and Industrial	<ul style="list-style-type: none"> • <u>Peiser</u> Chapter 7 - Retail Development • <u>Peiser</u> Chapter 5 – Office Development • <u>Peiser</u> Chapter 6 – Industrial Development • Overview of the Real Estate Industry and Careers in Real Estate
FINAL	FINAL EXAM WEEK	FINAL EXAM

QUIZZES AND HOMEWORK

Quizzes – Four (4) Quizzes will be given throughout the semester. They will be announced the week prior.

Homework – Five (5) homework assignments will be given throughout the semester.

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. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
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

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

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, 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

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

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

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

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, 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

Non-emergency assistance or information.