



Sol Price School of Public Policy

RED 200 – Introduction to Real Estate

Units: 4

Term: Fall 2023 **Day:** Monday **Time:** 6:00 pm – 9:20 pm

Location: VPD 106

Instructor: Scott Trafford, Adjunct Professor of Real Estate

Office: Lewis Hall – Adjunct Hoteling (ground floor)

Office Hours: Monday 5-6pm by appointment only

Contact Info: scott.trafford@usc.edu

UPDATED 8/21/2023

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*, Seventh Edition. New York, New York: McGraw-Hill/Irwin.

Peiser, Richard B with David Hamilton. 2012. *Professional Real Estate Development*, Fourth 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

Grading Standards

Grades will be assigned as follows for the type and quality of work that is submitted by the student in order to earn each letter grade:

Letter Grade	Description
A/A-	Excellent, outstanding, thoughtful, and enthusiastic work that “goes the extra mile” to create professional-level assignments that could be presented to a CEO, C-Suite leader, or client. Demonstrates extraordinarily high achievement and critical thinking; comprehensive knowledge and understanding of subject matter; all expectations met and exceeded
B+/B	Good, undergraduate-school caliber and above-average work, demonstrating moderately broad knowledge and understanding of subject matter; explicitly or implicitly demonstrates good, if not thorough understanding; stronger critical thinking and expression would be needed for success in a professional setting; most expectations met
B-/C+	Fair, with only a basic level of knowledge and understanding of the subject matter; improvement needed on critical thinking, creativity, ideas, arguments, and follow

	through; some expectations met
C and below	Fulfilling the bare minimum, reflecting little critical thinking, marked by many errors, and/or showing little understanding of the material

Assignment Submission Policy

Due dates will be provided on each assignment. Assignments will be submitted via email and/or Blackboard.

Additional Policies

Late submissions will only be accepted by Instructor at Instructors discretion and will receive at least a one-grade reduction (or more depending on how late - such as 1 grade for each day). If a student misses a midterm, final, project presentation, project due date, quiz and other required items due to an unexcused absence than the score for that item will be ZERO points.

Grading Timeline

Grading of projects and exams will be completed in a timely manner but this will take time. Case studies, quizzes and homework’s will have the answers discussed in class after the due date so that students may compare the correct answers with their work and see what they did correct or incorrect.

You are responsible for notifying the instructor **within one (1) week** of a score posting if you think a score is missing or inaccurate. Moreover, you only have this period of time to contest a score on an assignment/exam. If you fail to inquire/notify us of any discrepancy, missing score, or contest a score within one week of the date the score is posted, no further changes will be made.

Course Etiquette, Class Participation and In Classroom

The class is designed as an in-person course with lectures, discussions, quizzes, etc. designed for students to be in person in the classroom. Attendance is necessary for the course to be able to participate in the course discussion and activities.

Participation grades will be affected if students are not in the classroom for the entire class time. Students are allowed to miss two in person classes with no penalties. Missing more than two class days will result in a reduction in the participation grade since the students will not be able to fully participate in the class. If a student has a medical reason to miss additional class sessions (considered an excused absence) such as illness, quarantining, and similar, student should contact the professor via email at scott.trafford@usc.edu PRIOR to the class to let them know they will not be in class and to contact the professor after the class to review options to allow for alternate participation activities to offset missing in person class activities. Attendance will be taken in class through Blackboard Quickly attendance and/or sign in sheets.

Lectures will be mostly recorded on zoom for students to review after class time and for students that have an excused reason that prevents attendance for a class. Watching the recording does not make up

for being physically in the classroom for the class session. The professor and USC are not responsible for Zoom recordings that may not pick up discussions, portions of lectures, white or chalkboard items and other activities and conversations that occur in the classroom.

If the course transitions to Zoom as required by the university, accommodations will be made for students in different time zones per University guidelines. Student is responsible for reviewing the zoom recording if they miss a live class, the Instructor will not provide notes other than what is posted on Blackboard. While in Zoom class, students are expected to refrain from behaviors that are distracting such as (but not limited to), talking on the phone, talking to other people in the room and other things that interrupt or disturb the class. Students are requested to use the mute function on Zoom to prevent outside noises from transmitting over Zoom. Instructor has the right to remove students who do not adhere to classroom etiquette at instructor's discretion.

Course Schedule:

1) 8/21/23 - 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) 8/28/23 - Week 2: How do We Own Real Estate?

- *L & A* Chapter 2 – Legal and Regulatory Determinations of Value
- *L & A* Chapter 3 – Conveying Real Property Interests
- *L & A* Chapter 4 – Government Controls and Real Estate Markets

3) 9/4/2023 – Week 3: Labor Day (NO CLASS)

4) 9/11/23 - Week 4: How does Real Estate Shape our communities?

- *L & A* Chapter 5 – Market Valuation and Appraisal
- *L & A* Chapter 6 – Forecasting Ownership Benefit and Value – Market Analysis
- *The Last Harvest* Ch 1-10

5) 9/18/23 - Week 5: How do We Determine the Value of Real Estate?

- *L & A* Chapter 7 – Valuation Using the Sales Comparable and Cost Approaches
- *L & A* Chapter 8 – Valuation Using the Income Approach
- *Basic Pro forma*

6) 9/25/23 - Week 6: How do We Determine the Value of Real Estate? Continued...

- *L & A* Chapter 9 – Real Estate Finance – Laws and Contracts (Note, Deed of Trust)
- Federal Lending Laws
- *The Last Harvest* Ch 11-15

- 7) **10/02/2023 - Week 7: How do We Finance Real Estate?**
- L & A Chapter 10, 15 – Residential Mortgage Types and Borrower Decisions and some Mortgage Math
 - The Rent vs. Buy Decision in Housing
 - Midterm Review
- 8) **10/09/2023 – Week 8: MIDTERM EXAM**
- *The Last Harvest* Ch 16-19 – “Design Matters”
 - *The Last Harvest* Ch 20-29 & Postscript – “The Market Rules”
- 9) **10/16/23 - Week 9: What are the Key Transactions among Real Estate Players?**
- L & A Chapter 12 – Real Estate Brokerage and Listing Contracts
 - Anti-discrimination Laws in Real Estate Brokerage
 - L & A Chapter 22 – Leases and Property Types
 - *NNN proformas*
- 10) **10/23/2023 - 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
 - Race, Appraisal & Home Lending – interactive role play excise, NYT Article discussion
- 11) **10/30/2023 - Week 11: 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
- 12) **11/06/2023 - Week 12: Overview of Product Types – Residential**
- *Peiser* Chapter 3 – For Sale Housing and Land Development
 - *Peiser* Chapter 4 – Investment Residential Development
- 13) **11/13/2023 - Week 13: Overview of Product Types – Commercial**
- *Peiser* Chapter 7 - Retail Development
 - *Peiser* Chapter 5 – Office Development
- 14) **11/20/2023 - Week 14: Overview of Product Types - Commercial**
- *Peiser* Chapter 6 – Industrial Development
 - Overview of the Real Estate Industry and Careers in Real Estate
- 15) **11/27/2023 - Week 15: Wrap Up**
- Final Review
- 16) **12/04/2023 - Week 16 (NO CLASS)**
- 17) **12/11/2023 – FINAL EXAM**
- Final 7-9pm

Statement on Academic Conduct and Support Systems

Academic Integrity

The University of Southern California is foremost a learning community committed to fostering successful scholars and researchers dedicated to the pursuit of knowledge and the transmission of ideas. Academic misconduct is in contrast to the university's mission to educate students through a broad array of first-rank academic, professional, and extracurricular programs and includes any act of dishonesty in the submission of academic work (either in draft or final form).

This course will follow the expectations for academic integrity as stated in the [USC Student Handbook](#). All students are expected to submit assignments that are original work and prepared specifically for the course/section in this academic term. You may not submit work written by others or "recycle" work prepared for other courses without obtaining written permission from the instructor(s). Students suspected of engaging in academic misconduct will be reported to the Office of Academic Integrity.

Other violations of academic misconduct include, but are not limited to, cheating, plagiarism, fabrication (e.g., falsifying data), knowingly assisting others in acts of academic dishonesty, and any act that gains or is intended to gain an unfair academic advantage.

The impact of academic dishonesty is far-reaching and is considered a serious offense against the university and could result in outcomes such as failure on the assignment, failure in the course, suspension, or even expulsion from the university.

For more information about academic integrity see [the student handbook](#) or the [Office of Academic Integrity's website](#), and university policies on [Research and Scholarship Misconduct](#).

Please ask your instructor if you are unsure what constitutes unauthorized assistance on an exam or assignment, or what information requires citation and/or attribution.

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 [Research and Scholarship Misconduct](#).

Students and Disability Accommodations

USC welcomes students with disabilities into all of the University's educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems

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

sites.google.com/usc.edu/counseling-mental-health

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

988 Suicide and Crisis Lifeline - 988 for both calls and text messages – 24/7 on call

988lifeline.org

The 988 Suicide and Crisis Lifeline (formerly known as the National Suicide Prevention Lifeline) provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week, across the United States. The Lifeline is comprised of a national network of over 200 local crisis centers, combining custom local care and resources with national standards and best practices. The new, shorter phone number makes it easier for people to remember and access mental health crisis services (though the previous 1 (800) 273-8255 number will continue to function indefinitely) and represents a continued commitment to those in crisis.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL) – 24/7 on call

sites.google.com/usc.edu/rsvpclientservices/home

Free and confidential therapy services, workshops, and training for situations related to gender- and power-based harm (including sexual assault, intimate partner violence, and stalking).

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - (213) 740-5086

eeotix.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 for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) - (213) 740-0776

osas.usc.edu

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention - (213) 740-0411

campussupport.usc.edu

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

Diversity, Equity and Inclusion - (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

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) 442-1200 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

ombuds.usc.edu

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

Occupational Therapy Faculty Practice - (323) 442-2850 or otfp@med.usc.edu

chan.usc.edu/patient-care/faculty-practice

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.