

RED 437: Advanced Finance and Investment for Real Estate

Class Schedule

Time: Tuesdays 6:00-9:20 PM

Room: RGL 100

GoogleDoc (Schedule/Assignments/Participation):

https://docs.google.com/spreadsheets/d/1edXodo0VD74UFJcvm8bzCFNw7G0mlrcP2CnLzp_S_hk/edit?usp=sharing

Zoom (as needed only, class is in-person):

<https://usc.zoom.us/j/6263794743?pwd=MnNiV0hrNkMvL2szVm1xRjZnQm5HQT09>

Instructor

Nate Munson

email: nkmunson@usc.edu

call or text: 626-379-4743 (when you text, please tell me who you are in the text)

Office Hours

Office Hours (via MS Teams): Fridays 11:00am to Noon are official hours, but happy to schedule other times. Whether we are meeting during the official office hours or not, I need to know in advance.

Century City Office Hours: if you'd rather meet in person, we can meet at my office in Century City.

- text me to schedule a specific time and the topic of discussion
- I will send you a Teams video link for our specific appointment
- In addition to answering questions related to class, I'm very willing to discuss anything real estate related (i.e. – career advice, resume critique, interview prep, internship or job offers, opinions on different roles or firms, etc).
- Open invitation: anytime you would like to join me for lunch in Century City to discuss any of the above, send me an email with a few dates that work for you. I'll buy!

Course Overview

This course is designed to help students master the core skills needed to evaluate real estate investment and financing decisions in real-world situations. There will be an emphasis on making this as "real world" as possible (you will get sick of hearing me say that). There will be an emphasis on excel modeling. The course focuses on enabling students to think critically about the factors that influence real estate valuations, risks, and returns. Above all, the course will give you the tools and encourage you to have an **OPINION**. There are few binary decisions in real estate investment and management, therefore many decisions are based on opinion and risk tolerance.

This course is also designed to help students identify and understand the risk and return differences between different real estate investment positions, how to evaluate the tradeoffs between them, and

to understand how fluid and flexible these positions can be. To accomplish this, students will evaluate the risk and return factors associated with various real estate product types, repositioning programs, and capital stack positions.

Real estate professionals add value when they understand and implement these concepts, regardless of their particular role (partial list: brokers, asset managers, lenders, property managers, attorneys, appraisers, portfolio managers, corporate real estate professionals, investors, developers, capital allocators, investor relations, or government employees).

There will be an emphasis on the current, real world real estate markets through my own real time work and guest speakers. Students should be prepared to engage with questions and suggestions of things they are interested in hearing about both in class with me and guest speakers.

Course Organization

The course is a combination of current event/deal discussion, lectures, excel modeling, guest speakers, and case studies/presentations. My primary goal is to make the class as “real world” as possible to give students a professional perspective to balance the academic perspectives they’ve received previously. As students enrolled are typically seniors and entering the workforce near term, I tailor the class to prepare them as much as possible for what they will encounter as they begin professional careers in real estate.

Class discussion of current events, lectures, guest speakers, and modeling labs are intended to prepare students by giving them the tools necessary to critically and creatively analyze the issues found in the cases. The cases are created to provide students exposure to advanced real estate topics and to guide them to apply the concepts taught in a real-world setting. Guest speakers will add to the learning in two important ways – (1) they will provide context for class material and current information about a variety of markets and product types and (2) they will impart real time practical knowledge and lessons learned helping students begin their transition from an academic environment to a professional work environment.

Students are expected to be prepared to participate actively in class discussion. Assignments may include market analyses, current reading combined with forming and backing up opinions, case questions, case write-ups, excel modeling, and presentations. There will be one midterm exam and a final exam; these will be heavy on excel modeling, analysis, and forming and backing up opinions. You will be given a practice midterm and a practice final in advance which will prepare you for the real thing.

The course is appropriate for students with a strong interest in real estate who already have a basic knowledge of real estate and finance terminology and concepts. Students should enter the class with intermediate to advanced excel skills and a desire to improve them and use them to underwrite real estate in a dynamic environment.

The following is a prerequisite for this course: RED 435.

MATERIALS

There are no official materials nor textbook for this class. A laptop computer and access to Excel is needed by every student.

Periodicals/Current Events: Students are expected to know what is happening in real estate markets. By staying abreast of what is happening, students can test (and increase) their understanding of real estate lingo, fundamentals, players, and become relevant real estate professionals (hint – this helps tremendously when networking and job seeking). Understanding and staying current in ever changing markets will be very important throughout your entire real estate career. You should create a habit of staying current and get to know the resources below.

News:

<https://newsletter.credaily.com/>
www.wsj.com/news/realestate
www.costar.com
www.therealdeal.com
www.bisnow.com
www.globest.com
www.greenstreet.com/news/real-estate-alert

Market Participants:

www.cbre-ea.com
www.msici.com/research/real-estate
www.ngkf.com/insights
www.cbre.com/insights#market-reports
www.cbre.com/insights
www.us.jll.com/en/trends-and-insights
www.aew.com/research

There are many real estate podcasts; an excellent and engaging podcast is the Weekly Take hosted by CBRE's Spencer Levy. <https://open.spotify.com/show/03NbKF9rnsD3DmtDC7N8pF>

YouTube – Excel Tutorials Resource:

There are many videos on YouTube to explain modeling, specific excel functions, and shortcuts. This is an excellent way to expand your excel knowledge or to solve problems.

Excel Is Fun – <https://www.youtube.com/user/ExcelsFun>

Class Lecture Slides

I will post a PDF of any class lecture slides after used in class, but slides will be rare.

Other

You will get random emails from me forwarding interesting / applicable reading or market reports that you may find interesting. Unless I specify otherwise, these will be for your reading pleasure and are 100% optional. I will share information that I think will be helpful to you as you build your real estate

knowledge, so even if you don't have time to read immediately, I'd encourage you to read and digest them when you have time. I strongly encourage you to read everything you can get your hands on to accelerate your transition from an academic environment to a professional work environment.

GRADING

Grade Evaluation

Excel Modeling / Written Assignments – 30%

Cases – 25%

Midterm Exam – 10%

Final Exam – 20%

Participation – 15%

Total – 100%

Excel Modeling / Written Assignments

The assignments portion of the grade will be based on the individual grades from the assignments covered during the semester. You can assume all assignments will be graded based on effort; if they are going to be graded on accuracy I will let you know in advance. Effort is subjective – but it is easy for me to tell if you have tried to figure things out (this is as if you were in the real world – your boss will know if you are trying or not). Also, there will be a number of in-class excel lab assignments, so attendance is very important!

Cases

Cases will be completed in groups of three or four. There will be a total of 3 cases: first case will be a group you pick, second will be a group I pick, third will be individual. For the first case, please sign up with your group on the Google Doc by the end of the second week of classes. If you are not in a group by then, I will assign you to a group.

Each case grade will be based on three components: (1) excel model, (2) case slides, (3) oral presentations. Detailed information on these cases will be posted along with the expectations for each case. You are required to come to class prepared to discuss each case. While you should work with your group to complete all parts of the case, each student must submit (a) their own individual solution to the Excel portions of the case, and (b) a copy of the group's slides. If you don't actively contribute to your group's effort, I'd expect it will be very uncomfortable for you to ask the other group members to send you a copy of the slides to turn in. **DON'T BE THAT PERSON WHO DOESN'T CONTRIBUTE THEIR FAIR SHARE.**

Midterm

The midterm exam will be held March 11, 2025 during part of our normal class period. The midterm will cover the material taught in the course to that point. It will be a combination of modeling in excel and written answers analyzing the subject property.

Final Exam

The final exam must be completed in a **24hr period beginning Tuesday, May 15 at 7:00 PM**. The final exam must be turned in online prior to 7:00pm on Wednesday May 16th. The final exam will be cumulative and will be challenging, but very possible if you have kept up and understand the class work. Do not wait until a couple hours before the turn in time to begin working on the exam - I cannot guarantee I will be available to answer a question in time for you to complete the exam before the deadline. I will do my best to be available for questions anytime during that 24-hour period, but it is your responsibility to turn in the exam by the deadline, question answered or not.

Students need to verify the date and time prior to making travel arrangements. It is up to the student to make themselves available to complete the exam during the scheduled time. It is university policy to NOT make exceptions, so it will have to be a really really super duper good reason for me to change your time, especially because it can be completed anywhere you have internet access.

Participation

Participation grades will be at my discretion based on the student's collective engagement over the course of the semester. It is YOUR responsibility to demonstrate that engagement to me, it is NOT my responsibility to search for your engagement level. There are many different ways to demonstrate engagement including but not limited to: contributing positively to class discussion, attending office hours, asking questions in/outside of class, informational interviews, engaging with guest speakers, arranging class tours, sharing real estate knowledge gained outside of class, etc. Arriving late, sleeping in class, streaming anything, not attending class, not paying attention, or using electronic devices for anything other than what is being discussed during class will decrease your participation grade. Students need to be present to contribute.

I will not hesitate to give a student zero participation grade if they do not engage meaningfully in class. This comes in many forms – you and I both will know if you are “present” and listening/learning/engaging. At the same time, for those who are actively engaged, I’m happy to give you the full credit for participation. Because this is 15%, it can go a long way to either make or break your grade.

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 as soon as possible and no later than the end of the second week of class. After you submit, please reach out to me to discuss appropriate accommodations.

Guest Speakers (Part of Participation Grade)

Guest speakers give generously to make the effort to come speak to you. They are doing this as a favor to me (most are my personal friends), and they are taking time out of their schedules and away from their families to come speak to you. Do not take this for granted, and don't make me look bad! Please prepare for guests by researching about the individual and their company in advance. Come prepared to ask questions related to their area of expertise. Be ready for an active conversation and to engage with them. Access to real estate professionals is an extremely valuable learning experience that gives

you real world perspective. Please reach out and thank them for their time individually (linkedin is a great way). Your participation in this will influence your participation grade.

It is up to the student to track their participation with Guest Speakers on the GoogleDoc which I will refer to when awarding participation points at the end of the semester.

Informational Interviews (Part of Participation Grade)

Informational interviews are THE best way to learn about a career in real estate and build your network. Networking is essential to a successful career in real estate. You should regularly reach out to industry professionals to set up informational interviews – take advantage of the USC network and your student status. Informational interviews can be meeting someone for coffee, lunch, happy hour, or a phone conversation. Please be respectful of their time and work around their schedule. Informational interviews do not need to be stressful – professionals love to talk about what they do, and most are very happy to share with students. It wasn't long ago they were in your shoes. You don't need to know anything; all you need to do is be inquisitive and start asking questions. Ask about their career track, their current or past companies, their role in the real estate industry, what they are working on currently, their best lessons learned, mistakes they've made, what advice they would give their college senior self, etc. At the beginning of each class, we will devote a few minutes to share insights you receive from informational interviews with the class. (hint: doing info interviews and sharing insights in class is a very good way to ensure a strong participation grade)

<https://careers.usc.edu/students/networking-and-mentors/conduct-interviews/>

Along this same line, I currently work full-time at AEW Capital Management in a senior acquisition role. During my career, I've spent time in corporate real estate, asset management, and acquisition roles at several different companies. At some point in each class, I'll share a bit about what I'm working on that day or week. Please be prepared to ask questions about what I'm working on, my career, current trends in real estate, etc.

Late Submittals

In a professional setting, missing a deadline is extremely detrimental to your reputation and will affect how you are viewed by your co-workers and superiors. Professionals do what it takes to meet deadlines. As my stated goal is to prepare you for "real life", I do not give late credit. It is your responsibility to contact me in advance of a deadline if you are unable to meet it – but keep in mind, circumstances will have to be quite significant for me to grant exceptions. If you wouldn't go to a boss with the "excuse", don't come to me with it.

Grading Difficulty

Assignment grading will gradually increase in difficulty (level of effort). Grading at the beginning of the semester will be a bit more lenient and become more critical over the semester as you become very familiar with expectations. Grading for almost everything outside of the mid-term and final will be based on effort. It is up to you to demonstrate/explain your effort if you don't arrive at a final, correct answer.

Request for Regrade / Clarification Policy

Final grades are determined by performance on the items discussed in the “Grade Evaluation” section. Extra credit or make-up assignments (for unexcused absences) are not possible. However, grading errors should be corrected. If you feel I’ve made a mistake, please explain in detail why you think an error was made. It’s important to note that the entire document will be regraded and checked for all grading errors. All grading errors that are found will be corrected. Depending on if any errors are found, revised grades could be either higher, lower, or the same as the original grades.

If you find an error in a model that I made that I am unaware of, and you remind me, I will increase your grade on that assignment or exam by 15% (my discretion on what constitutes an error and the correct solution).

Notification of Scores and Final Grades:

Grade results are not given by any method other than online – they will be posted as soon as I complete them. My goal is to grade submittals throughout the term within a few weeks after submission. However, please be patient, as I have a demanding full-time position that includes a lot of travel, so there will be times that grading takes longer than two weeks. If there is a pressing need for me to grade something sooner rather than later, please let me know and I’ll will prioritize that assignment. Students may obtain their final grades online.

Grading Scale

Final grades will be determined based on the following scale:

| | |
|----|--------------|
| A | 93-100 |
| A- | 90-92 |
| 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 |

ADMINISTRATION

In-Person vs Zoom

This is an in-person class. I will not be using Zoom on a regular basis – however due to my travel, there could be a few class periods where we will meet via Zoom, which will be announced well in advance. A few in-person classes (definitely not all) will be recorded via Zoom and made available after the fact so they are available to watch at a later date for you to review. Do not abuse the Zoom resource by not attending class in person or your access to it will be taken away.

Collaboration

Except where specifically noted, collaboration and working in groups *is strongly encouraged*. Real Estate is a very collaborative industry – you will constantly work with all kinds of people both inside and outside of your organization. You need to learn to be resourceful and find answers anywhere possible – get used to asking questions and finding information.

However, while I encourage collaboration, you need to do your own work. There is a difference between working together, and just turning in someone else’s work. It is obvious to me when two submittals are the same. I do not have the time or inclination to police this and figure out who did what work. If I notice two assignments that are the same, both people will get ½ credit automatically.

AI

AI is a rapidly developing tool that is extremely powerful. I’m sure most of you are already using it on a regular basis; if you aren’t, you should begin. It is extremely useful for real estate learning and analysis. I encourage you to use it.

However, there is danger in relying on it too much. AI is most powerful when you have a base of knowledge, and you use it to enhance your understanding (both depth and breadth). Do not use it as a crutch. If you use it for assignments, be sure to go back and edit and make sure you are saying what you intend to say and it is written in a regular and normal way. In a professional setting, it would be very detrimental to your reputation if you submitted AI product. You must make sure you understand the concepts and your work product is polished and “human”. If it is obvious to me that AI is being used, then you are using it too much and you aren’t putting in enough effort. Remember, most things are graded on effort, so you will receive a grade accordingly.

Keep in mind the following:

- AI tools are permitted to help you brainstorm topics or revise work you have already written.
- If you provide minimum-effort prompts, you will get low-quality results. You will need to refine your prompts to get good outcomes. This will take work.
- Proceed with caution when using AI tools and do not assume the information provided is accurate or trustworthy. If it gives you a number or fact, assume it is incorrect unless you either know the correct answer or can verify its accuracy with another source. You will be responsible for any errors or omissions provided by the tool. It works best for topics you understand.
- AI is a tool, but one that you need to acknowledge using. Please include a paragraph at the end of any assignment that uses AI explaining how (and why) you used AI and indicate/specify the prompts you used to obtain the results and what prompts you used to get the results. Failure to do so is a violation of academic integrity policies.

-Be thoughtful about when AI is useful. Consider its appropriateness for each assignment or circumstance. The use of AI tools requires attribution. You are expected to clearly attribute any material generated by the tool used.

General Questions

Questions that are e-mailed to me will be answered at the beginning of the next lecture after they are received. Answers will be shared with the entire class so that everyone can benefit from them. If you would prefer an individual response, please set up a time to visit with me during my office hours or arrange to meet me for lunch. Please plan ahead to ensure responses are provided by the time you need them.

Excused Absences and Make-Ups

Please contact me prior to any affected deadlines if you have an excused absence. Excused absences are those outlined by the University. It is the responsibility of absent students to obtain and understand any class material missed. This includes, but is not limited to, the concepts discussed, notes, and any lab work. Make-up opportunities will not be given for unexcused absences. Assignments need to be completed on time if you plan to miss class for any reason including to observe a holiday, unless you and I arrange something different in advance.

Schedule of Assignments / Class Topics (GoogleDoc)

The class schedule and all assignments will be detailed on the Syllabus tab of the GoogleDoc spreadsheet. Please refer to this spreadsheet often, as this is a rough schedule and will be modified many times during the semester. Because the material is fluid, what is outlined are general dates and topics, but they will change. This is to accommodate my schedule, guest speaker schedules, and allow us to spend more or less class time on a particular topic as needed.

Feedback

Because student feedback is so important to improving the class and the program, as a favor to me, please take time to fill out the class evaluation at the end of the semester. I am sacrificing quite a bit of my personal time to spend this semester with you, please give me the benefit of your feedback as appreciation. I welcome (and need) feedback at any time. If there is something you think I should know, or something that needs to be addressed, please let me know. I'm always open to suggestions of how to make the class a better learning experience.

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.

Academic dishonesty has a far-reaching impact and is considered a serious offense against the university. Violations will result in a grade penalty, such as a failing grade on the assignment or in the course, and disciplinary action from the university itself, such as suspension or even expulsion.

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.

Statement on University Academic and Support Systems

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.

Student Financial Aid and Satisfactory Academic Progress:

To be eligible for certain kinds of financial aid, students are required to maintain Satisfactory Academic Progress (SAP) toward their degree objectives. Visit the [Financial Aid Office webpage](#) for [undergraduate-](#) and [graduate-level](#) SAP eligibility requirements and the appeals process.

Support Systems:

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

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

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 consists 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

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

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) 740-2500

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 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

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

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 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

Non-emergency assistance or information.

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

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

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