

**FIN 5345 – 001  
REAL ESTATE ANALYSIS  
Spring 2020**

Stephen L. Buschbom, Ph.D.

[stephen.buschbom@ttu.edu](mailto:stephen.buschbom@ttu.edu)

RCOBA W301

(817) 834-4171

Office Hours: MW 2:30 p.m. – 4:00 p.m. (or by appointment)

This syllabus is a general plan for the course. If necessary, the instructor will communicate any deviations from this syllabus to the class.

**I. Course Details**

*Times:* W 8:00 a.m. – 10:50 p.m.

*Location:* RCOBA 103

**II. Course Objectives**

*Course Summary:* FIN 5345 covers the theory and practice of real estate investment decision making. While particular attention is given to the tools and techniques necessary to undertake real estate investment analysis for commercial properties, many of these same concepts can be readily applied within the residential marketplace.

*Learning Outcomes:* At the end of the course, students will be able to:

- Understand and explain the determinants of site location
- Apply Central Place Theory within a real estate decision making context
- Construct and evaluate pro-forma projections for real estate investment projects using appropriate financial, economic, and statistical tools
- Recognize the risks inherent in various real estate investments
- Distinguish among the potential returns produced by various real estate investments

**III. Course Procedures**

*Required Text:* Geltner, Miller, Clayton and Eichholtz, *Commercial Real Estate Analysis and Investments*, 3rd edition, Cengage, 2014.

*Blackboard:* Course announcements, handouts, supplemental readings, lecture slides, and grades will be made available through Blackboard. Students are expected to regularly check the class Blackboard site for announcements. Students are expected to read assigned materials ahead of the class lecture and discussion on that topic.

*Financial Calculator:* Students are required to have a financial calculator.<sup>1</sup> Any basic financial calculator will suffice for this course, but the student is responsible for understanding how to

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<sup>1</sup> A Texas Instrument BA II Plus Calculator will be used for in-class examples and students are strongly advised to purchase a similar model (the Professional version is fine). An adequate financial calculator can be purchased for roughly \$30. At minimum, your calculator must be able to deal with uneven cash flows to calculate internal rates of

operate it. Calculators that store text or transmit data are not permitted to be used on the exams (this includes cell phones). Sharing calculators during exams is prohibited.

*Outcome Measurement:*

- There will be **two (2) exams**, with the first exam given as a midterm and the second exam given as a comprehensive final. The midterm exam will count as **thirty five percent (35%)** of the final course grade and the final exam will count as **forty percent (40%)** (combined total of 75%). Exams may consist of multiple-choice questions and/or free-response type questions such as essay, short-answer or quantitative analysis questions. Exams will cover the material from class lectures and any assigned readings.
- Class participation and proper preparation is expected, and will greatly aid the learning process and enjoyment of the class. Class attendance will be measured regularly throughout the semester. Students are expected to engage and contribute to discussions during lectures that will also be tracked throughout the semester. In addition, assignments will be given throughout the semester to help students prepare for exams and will consist of both in-class and out-of-class assignments. The **total assignment, participation and attendance points will count as ten percent (25%)** of your final course grade. Make-up assignments will not be offered. If a student misses an attendance day due to an excused absence, the weight of the missed attendance will be evenly distributed across the other attendance days. For an absence to be excused, twenty four (24) hours' notice must be given to the instructor (or as soon as possible in the case of an emergency). The instructor reserves the right to require appropriate documentation to substantiate any excused absence. If a student misses an attendance day (a) without a qualified excuse or (b) without giving timely notice to the instructor, they will receive a zero (0) for the missed attendance day.
- Final course grades are assigned as follows:

90<=	A	<= 100
80<=	B	< 90
70<=	C	< 80
60<=	D	< 70
	F	< 60

- Final course grades and/or exams may be curved as necessary. The final grade cutoff points will not be known until the final exam is graded.

*Exams:* Unless otherwise noted, all exams will be taken in the assigned classroom during normal class times. To ensure fairness to all students, aid pertaining to exam content will not be provided by instructors or teaching assistants during the testing period

- The Texas Tech University Code of Student Conduct (the “Code of Student Conduct”) is in force during and after all exams. For more information, go to [www.depts.ttu.edu/dos/handbook/conduct.php](http://www.depts.ttu.edu/dos/handbook/conduct.php).
- Any violation (including conveying or discussing an exam, or its contents, with other students that have not taken the exam) will result in (a) a score of zero (0) for the applicable exam and (b) the incident being reported to the Office of Student Conduct for

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return (IRR) and the net present value (NPV) of an investment. No programmable calculators, PDAs, computers, phones, or similar devices are allowed to be used on tests.

potential other sanctions. It is the obligation of all students to report violations of applicable policies to the instructor.

- Failure to complete the exam during the applicable testing period without an excused absence will result in a zero (0) for the exam.
- Students must bring a valid TTU ID to each exam.
- Make-up exams will only be allowed for excused absences that span the entire testing period for the applicable exam. For an absence to be excused, twenty four (24) hours' notice must be given to the instructor (or as soon as possible in the case of an emergency). The instructor reserves the right to require appropriate documentation to substantiate any excused absence. Make-up exams must be taken by the earlier of (a) one (1) week after the end of the applicable testing period or (b) the day before the date of the final exam. Scheduling a make-up exam is the student's responsibility. If a student misses an exam (a) without an excused absence, (b) without giving timely notice to the instructor or (c) without scheduling a timely make-up, the student will receive a zero (0) for the missed exam.

*Final Exam Date:* The Final Exam will be on Saturday, May 9<sup>th</sup> from 7:30am-10:00am in RCOBA 103 (regular classroom).

*Extra Credit:* Extracurricular participation in the Texas Tech Real Estate Organization ("REO") will aid the learning process and enjoyment of the course. Extra credit (up to a maximum of 8 points) will be awarded in tiers as follows:

Tier 1 (maximum of 4 points)

- Become a dues-paying member of REO for the semester (2 points)
- Attend a REO event (1 point per meeting; maximum of 2 points)
- Attend one of the following ShortCourses offered by TTU Technology Support (1 point per ShortCourse; maximum of 2 points):
  - Adobe InDesign
  - 3D-Printing
  - Search Engine Optimization (SEO) (ShortCourse schedule and registration information can be found at <http://www.depts.ttu.edu/itts/training/shortcourses/>)

Tier 2 (maximum of 6 points)

- Complete 4 points of extra credit from Tier 1 in order to be eligible for Tier 2
- Participate in a REO service project (2 points)
- Attend the entire software training sponsored by REO (2 points)
- Successfully complete Level One and/or Level Two of the REFM Certification Program in Excel for Real Estate (1 point per Level). More information and registration information can be found at <https://www.getrefm.>

Tier 3 (maximum of 8 points)

- Complete 6 points of extra credit from Tier 1 and Tier 2 in order to be eligible for Tier 3
- Successfully complete the ARGUS Software Certification (2 points)
- Successfully complete Level Three of the REFM Certification Program in Excel for Real Estate (2 points)

To be eligible for extra credit, the activity must be completed in the current semester. It is the student's responsibility to report participation in extra credit opportunities to the instructor. The instructor reserves the right to require appropriate documentation to substantiate extra credit participation. Except as listed above, there are no other extra credit opportunities for this course.

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#### IV. Tentative Course Outline

Date	Topic
01/15/20	Syllabus & Intro.; Property Types and Asset Markets
01/22/20	Property Types and Asset Markets
01/29/20	Urban Economics
02/05/20	Urban Economics
02/12/20	Market Analysis
02/19/20	Market Analysis & Intro to Valuation
02/26/20	Valuation & Proformas
03/04/20	Valuation & Proformas
03/11/20	Intro to Leverage & Debt Markets; Midterm Review
03/18/20	No Class (Spring Break)
03/25/20	<b>Midterm Exam</b>
04/01/20	Leverage & Performance Attribution
04/08/20	Performance Attribution & Capital Structuring
04/15/20	Equity Capital Structuring
04/22/20	GIS and Spatial Analysis
04/29/20	Final Exam Review
05/09/20	<b>Final Exam from 7:30am to 10:50am</b>

#### V. Other Details

*Texas Real Estate Licensing Exam:* This course is not intended to prepare students for licensure pursuant the Texas Real Estate Licensing Act. For additional information on licensing, or non-credit correspondence courses, go to [www.educationstation.net](http://www.educationstation.net).

*Academic Misconduct:* It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. Any attempt by students to present work as their own that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension.

*Cheating:* Dishonesty on examinations and quizzes or on written assignments, illegal possession of examinations, the use of unauthorized notes during an examination or quiz, obtaining information during an examination from the examination paper or otherwise from another student, assisting others to cheat, alteration of grade records, illegal entry to or unauthorized presence in an office are instances of cheating. If you commit an act of cheating on any assignment, you will receive a zero (0) for that portion of the course and be subject to further consequences as provided by the Code of Student Conduct.

*Plagiarism:* Offering the work of another as one's own, without proper acknowledgment, is plagiarism; therefore any student who fails to give credit for quotations or an essentially identical

expression of material taken from books, encyclopedias, magazines, and other reference works, or from the themes, reports, or other writings of a fellow student, commits plagiarism. If you commit plagiarism on any assignment, you will receive a zero (0) for that portion of the course and be subject to further consequences as provided by the Code of Student Conduct.

*Civility in the Classroom:* Professional behavior is expected at all times in the classroom.

*Disability Accommodation:* Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note that instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, please contact Student Disability Services.

*Religious Holy Day Observance:* A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

*TTU Resources for Discrimination, Harassment, and Sexual Violence:* Texas Tech University is committed to providing and strengthening an educational, working, and living environment where students, faculty, staff, and visitors are free from gender and/or sex discrimination of any kind. Sexual assault, discrimination, harassment, and other Title IX violations are not tolerated by the University. Report any incidents to the Office for Student Rights & Resolution, (806)-742-SAFE (7233) or file a report online at [titleix.ttu.edu/students](http://titleix.ttu.edu/students). Faculty and staff members at TTU are committed to connecting you to resources on campus. Some of these available resources are:

- TTU Student Counseling Center, 806-742-3674, <https://www.depts.ttu.edu/scc/> (Provides confidential support on campus)
- TTU Student Counseling Center 24-hour Helpline, 806-742-5555, (Assists students who are experiencing a mental health or interpersonal violence crisis. If you call the helpline, you will speak with a mental health counselor)
- Voice of Hope Lubbock Rape Crisis Center, 806-763-7273, [voiceofhopelubbock.org](http://voiceofhopelubbock.org) (24-hour hotline that provides support for survivors of sexual violence)
- The Risk, Intervention, Safety and Education (RISE) Office, 806-742-2110, [rise.ttu.edu](http://rise.ttu.edu) (Provides a range of resources and support options focused on prevention education and student wellness)
- Texas Tech Police Department, 806-742-3931, <http://www.depts.ttu.edu/ttpd/> (To report criminal activity that occurs on or near Texas Tech campus)