Principles of Real Estate Investment and Finance
Stephen F. Austin State University
Fall 2023

Course Number: Finance 3365
Course Title: Principles of Real Estate Investment and Finance
Time / Location: 12:30 to 1:45 Tuesday and Thursday
BU 458 (or other location on campus as determined)
Students with pre-approval may attend via Live Stream
Instructor: David R. Kaiser
Lecturer / Director, Chadwick Family Banking Program
McGee 303J kaiserdr@sfasu.edu 936-468-1664
Office Hours: Monday 10:00 – 12:00
Tuesday 2:00 - 4:00
Wednesday 9:30 - 11:30 & 1:30 - 3:30
Thursday 2:00 - 4:00
Or – By Appointment
Communication: I will communicate outside of class primarily through E-Mail using your @jacks address. Please use kaiserdr@sfasu.edu to contact me. I will also utilize the “News” feature in D2L to for class related announcements. (Note: Please do not use the email system contained in D2L as I do not regularly monitor that system).

Catalogue Description and Credit Hours of Course: Principles of Real Estate Investment and Finance - A study of the financial principles surrounding residential, commercial and multifamily real estate investment. Three (3) Credit Hours.

Prerequisites: N/A

Learning Objectives of the Course:
- To build student’s knowledge and understanding of the principles of residential, commercial and multifamily real estate from the perspective of an investor or an investment portfolio manager.
- Develop the student’s ability to analyze internal and external strengths, weakness, opportunities and threats associated with investing in real property.
• Provide the student with a basic understanding of process and requirements necessary to finance of real property.
• Provide students with opportunities to build their interpersonal skills in teamwork and in expressing themselves both orally and in writing.

Instructor’s Goal for This Course:
• In this course we will examine the financial aspects associated with real property and real property investment. When analyzed and managed appropriately, real property is a proven investment with predictable returns. It is highly likely that at some point in your career, as either a personal investment or as part of your professional responsibilities you will be asked to consider an investment in real property. It is my hope that having taken this course you will have the basic tools and knowledge to make an informed, risk-based investment decision.

Course Outline (See Attached Tentative Schedule):
Unit #1: General Principles of Real Estate and Real Estate Finance
Unit #2: Residential Real Estate – Key Concepts and Analysis
Unit #3: Commercial Real Estate – Key Concepts and Analysis
Unit #4: Research Project & Presentation – Real Estate Investment Prospectus

Course Evaluation Process:
• There will be 3-unit examinations.
• There will be case studies and class preparation work associated with each unit
• There will be a (group) written research project to turn in, and an oral presentation to be made on the research project.

Weighting:
 o Examinations #1, #2, #3 (16.6667% each) 50%
 o Research Project and Oral Presentation 20%
 o Case Exercises and Other Work 15%
 o Participation (Attendance) & Professionalism 15%
 Total 100%

Course grades are determined by applying the following scale to a student’s weighted average:
 o 90% and above A
 o 80% to 89% B
 o 70% to 79% C
 o 60% to 69% D
 o < 60% F

Research Project and Presentation: In lieu of a comprehensive final exam, students working in groups determined by the instructor, will analyze a real estate investment opportunity and prepare an Investment Prospectus and Presentation for the property similar to what an investor or developer would present to attract potential investors.
The Real Estate Investment Prospectus will include (detailed instructions will be provided):

- A description of the property
  * Physical (type, size, condition, location, etc.)
  * Management (maintenance, reserves, etc.)
  * Leases (tenant mix, terms, vacancy, etc.)
  * Historical income and expense analysis
  * A pro-forma analysis of potential future cash flows
  * An assessment of the risks to the cash flow and mitigation
  * A comparative sales valuation analysis of the property
  * An income approach valuation analysis of the property
  * A ROA/ROE evaluation of the property as an investment
  * A discussion of financing options, leverage, required investment
  * A discussion of potential returns
  * An analysis of risks and other issues surrounding the investment.

The prospectus report is to be prepared in a PowerPoint format suitable for presentation to the class and invited guests, and turned in to the instructor prior to the presentation date.

During the course final exam time slot, students will make presentations based upon their investment prospectus to a group of “investors” consisting of other students and invited guest professionals.

**Missed Examinations:** Makeup examinations will be given only on a case-by-case basis. If you promptly provide me verifiable evidence prior to the examination that an examination absence is excused based upon SFA policy (the absence was caused because of health, family emergencies, or student participation in approved university-sponsored events) a request for a make-up examination will be considered.

**Late Assignments:** Late assignments will generally not be accepted for credit. Professional success requires honoring commitments, meeting deadlines, and exceeding expectations. Plan as necessary to avoid turning in late assignments.

**Asynchronous Instruction, Homework, Other Reading, and Supplemental Learning Materials:**
This course will include a minimum of 150 minutes of asynchronous instruction which may include readings, writing assignments, individual and group projects. You will be alerted to all asynchronous-instruction requirements.

Background reading information and lecture preparation for each learning module will be made available within each Module in D2L, the textbook, or distributed in class. Students are expected to review the preparation materials for each section prior to class.

Homework assignments are to be turned in as directed by the due date indicated.

**Attendance:** Scheduling, time management and “showing up” are professional skills that are required to succeed in financial products sales. Attendance in class is expected and will be taken each session. Attendance is required to earn participation credit; participation credit will be
deducted for each class session missed. Excused absences will be reviewed on a case-by-case basis.

Please be on time, late arrival is discourteous to others who managed to arrive on time and reflects poor time management skills. Avoid leaving the classroom early, unless previously agreed with the instructor.

Note: Class periods where there is a scheduled guest speaker will have attendance weighted to the equivalent of 4 class periods. Class periods where students are making formal presentations will have attendance weighted to the equivalent of 4 class periods. Unexcused absences will be worth 0.

**Method of Attending:** The course will be offered in a “Face to Face” classroom format with classroom attendance expected. With pre-approval, students who are physically not able to attend class on campus may request to attend class via Zoom Live Stream. Contact the instructor prior to class for approval and sign-in information. **Special considerations for Live Stream** - Students attending via Live Stream are expected to:

- Have sufficient technology to actively participate in class
- Participate from a professional location without distractions
- Be logged on prior to the start of class and remain logged in during class time period
- Have a working microphone, muted except when orally participating
- Have a working camera, on at all times during the course
- Actively participate and contribute in discussions and activities

**Professionalism:** This class will include case-based discussions of actual business situations and dilemmas as well as interactive activities. Differences of opinion are expected, expanding comfort zones, open discussion and taking of positions will be encouraged. Professionalism requires that interactions at all times remain polite, respectful, considerate and thoughtful. Personal attacks, rude behavior and intolerance/belittling will not be tolerated.

**General Administration:** This course is intended to be a professional learning experience in a professional environment. Students are expected to come prepared to participate and contribute. Electronic devices should be silenced and put away for the duration of the class period.

**SACS Credit Hour/Contact:**
FIN 4375 "Real Estate Investment and Finance" (3 credits) meets twice each week (Tuesday/Thursday) in 75 minute segments for 15 weeks and also meets for a two hour final examination. The class is divided into topical modules, with each module requiring advance preparation and study. Lectures are supplemented with topical lectures from industry experts. Students complete three mid-term examinations. In lieu of a final examination, students working in teams will prepare a real estate investment prospectus using commercial real property actually listed for sale. Students are required to complete an oral presentation of their
investment opportunity to the class and invited industry representatives. These activities require a minimum of 6 hours each week to prepare outside of classroom hours.

**Rusche College of Business - Syllabus Addendum**

**Program Learning Outcomes:** Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at [http://www.sfasu.edu/cob/ug-plo.asp](http://www.sfasu.edu/cob/ug-plo.asp).

**Academic Integrity (4.1)** The Code of Student Conduct and Academic Integrity outlines the prohibited conduct by any student enrolled in a course at SFA. It is the responsibility of all members of all faculty, staff, and students to adhere to and uphold this policy.

Articles IV, VI, and VII of the new Code of Student Conduct and Academic Integrity outline the violations and procedures concerning academic conduct, including cheating, plagiarism, collusion, and misrepresentation. Cheating includes, but is not limited to: (1) Copying from the test paper (or other assignment) of another student, (2) Possession and/or use during a test of materials that are not authorized by the person giving the test, (3) Using, obtaining, or attempting to obtain by any means the whole or any part of a non-administered test, test key, homework solution, or computer program, or using a test that has been administered in prior classes or semesters without permission of the Faculty member, (4) Substituting for another person, or permitting another person to substitute for one’s self, to take a test, (5) Falsifying research data, laboratory reports, and/or other records or academic work offered for credit, (6) Using any sort of unauthorized resources or technology in completion of educational activities.

Plagiarism is the appropriation of material that is attributable in whole or in part to another source or the use of one’s own previous work in another context without citing that it was used previously, without any indication of the original source, including words, ideas, illustrations, structure, computer code, and other expression or media, and presenting that material as one’s own academic work being offered for credit or in conjunction with a program course or degree requirements.

Collusion is the unauthorized collaboration with another person in preparing academic assignments offered for credit or collaboration with another person to commit a violation of any provision of the rules on academic dishonesty, including disclosing and/or distributing the contents of an exam.

Misrepresentation is providing false grades or résumés; providing false or misleading information in an effort to receive a postponement or an extension on a test, quiz, or other assignment for the purpose of obtaining an academic or financial benefit for oneself or another individual or to injure another student academically or financially.
Withheld Grades Semester Grades Policy (5.5) Add additional information as needed to meet your departmental or course needs. Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the coursework because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course to compute the grade point average. For additional information, go to https://www.sfasu.edu/policies/course-grades-5.5.pdf.

Students with Disabilities To obtain disability-related accommodations, alternate formats, and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Human Services Building, and Room 325, 468-3004 / 468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services promptly may delay your accommodations. For additional information, go to http://www.sfasu.edu/disabilityservices/

Student Wellness and Well-Being SFA values students’ overall well-being, mental health and the role it plays in academic and overall student success. Students may experience stressors that can impact both their academic experience and their personal well-being. These may include academic pressure and challenges associated with relationships, emotional well-being, alcohol and other drugs, identities, finances, etc. If you are experiencing concerns, seeking help, SFA provides a variety of resources to support students’ mental health and wellness. Many of these resources are free, and all of them are confidential.

On-campus Resources:
The Dean of Students Office (Rusk Building, 3rd floor lobby) www.sfasu.edu/deanofstudents 936.468.7249 dos@sfasu.edu

SFA Human Services Counseling Clinic Human Services, Room 202 www.sfasu.edu/humanservices/139.asp 936.468.1041

The Health and Wellness Hub “The Hub” Location: corner of E. College and Raguet St. To support the health and well-being of every Lumberjack, the Health and Wellness Hub offers comprehensive services that treat the whole person – mind, body and spirit. Services include:
• Health Services • Counseling Services • Student Outreach and Support • Food Pantry • Wellness Coaching • Alcohol and Other Drug Education www.sfasu.edu/thehub 936.468.4008 thehub@sfasu.edu

Crisis Resources: • Burke 24-hour crisis line: 1.800.392.8343 • National Suicide Crisis Prevention: 9-8-8 • Suicide Prevention Lifeline: 1.800.273.TALK (8255) • johCrisis Text Line: Text HELLO to 741-741