

University of California, Davis, Graduate School of Management Course Syllabus (Subject to Change)

MGP 276, Real Estate Finance and Investments, Summer 2019

Time: Saturdays, 9:00am – 3:50pm

Dates: 6/29, 7/13, 7/27, 8/10, 8/24, 8/31 (Final)

Location: UC Davis Medical Center, Room TBD

Instructor: Todd Mirell Phone: 916-768-8586 (Cell)

Office Hours: By appointment Email: tmirell2015@gmail.com

Course outline: This course will serve as a basic introduction to real estate finance development and investment. The commercial real estate market will be the focus of the class but the residential market will be discussed as well. The course will not require students to have any prior experience in real estate. Upon completion, students will have a working knowledge of the real estate industry, cash flow projections, financing and development.

Conduct code: Each student is responsible for knowing and adhering to the UC Davis code of conduct. Any student with questions regarding the code should contact the GSM administration. Any violation of the code will be dealt with appropriately. Details can be found at <http://sja.ucdavis.edu/files/cac.pdf>

Laptop policy: Use of laptops and other electronic devices is acceptable as long as such use does not bother other students or disrupt the learning environment.

Textbooks and Course Materials:

1. Brueggeman, William B. and Fisher, Jeffrey D. *Real Estate Finance and Investments, 15th edition* (McGraw-Hill/ Irwin, 2006), ISBN-13: 978-0073377353, ISBN-10: 007337735X

2. Hewlett Packard 10bII Financial Calculator, available from Amazon.com or hp.com. This is optional but a financial calculator that can perform PV/FV/NPV/IRR/AMORTIZATION functions will be needed for the course. Instruction on the 10bII will be included as part of this course. Alternatively, Smartphone app 10BII Calc HD by Ernest Brock will provide the exact same utility and is far cheaper. Either choice is acceptable.

3. Lecture notes will be posted to the class website.

Course Requirements:

1. Exams: There will be one, in-class, closed book/notes midterm exam and one, in-class, closed book/notes final.

2. Class Participation: Students will be expected to have reviewed the assigned readings prior to class and be prepared to discuss them.

3. Course Pre-requisite: None. However, completion of the core finance course, Financial Theory and Policy, MGP/MGT/MGB 205 is **STRONGLY** recommended.

Grading:

Midterm Exam 40%

Final Exam 60% (Final exam grade can replace mid-term grade if final exam grade is higher)

SCHEDULE, LECTURE TOPICS, READING

Class 1 - House-keeping, instructor background, Real Estate Law Intro, NPV/IRR review, 10bII calculator review, leases, the basis of real estate value, lease terminology, leasing process

Reading: Chapter 1, 3, 9

Class 2 - Income Producing Assets, Investing in Real Estate

Reading: Chapter 10, 11 (skip pages 296-298 – Mortgage Equity Capitalization)

Class 3 - Fixed/variable rate debt instruments,

Reading: Chapter 2, (pages 16-25), 4, 5

Class 4 - Mid-Term

Reading: NA

Class 5 - Additional concepts, financing Commercial Real Estate,

Reading: Chapter 6, 12, pgs 435/436 (market leasing assumptions)

Class 6 - Mid-Term Debrief, **Land** Development, Project Development

Reading: Chapter 17 (pgs 545-555), 16

Class 7 -, Dispositions

Reading: Chapter 14

Class 8 - Financing Residential Properties, CMOs, Credit Default Swaps, Pass-Through Securities Video: 60 Minutes story on CDS

Reading: Chapter 8, 19, 20

Class 9 - Real Estate Law, Bankruptcy, Loan Workouts, Foreclosure, Financing Corporate Real Estate,

Reading: Chapter 2, (pgs 26-39), 15

Class 10 - Final Review, Structuring Real Estate Investments: Organizational Forms and Joint Ventures

Reading: Chapter 18

Class 11 – Final