

University of Houston
C.T. Bauer College of Business

**FINA 7380 Real Estate Finance and
Investment**

Spring 2022

Wednesday, 6:00 PM – 9:00 PM

Professor: Andrew J. Bruce
Phone: 972-523-1674
Email: ajbruce@uh.edu Office Hours: By Appointment

Email is the best way to communicate with me. I always read emails, even if I don't always respond right away. If you wish to meet in person, please coordinate a time with me prior to our class meetings on Wednesdays.

Teaching Assistant: NA

General Info: The course provides an overview of financing for all major real estate asset classes. It includes the principles and practices of real estate finance and investment. The course will focus on the fundamentals of commercial real estate, the financial tools needed to analyze and make decisions related to real estate financing, and the variables to be identified and quantified as part of the process. Examination of leverage, its impact on projects, and how to calculate various forms of debt structures used in the finance of commercial real estate are included. In addition, case studies will be utilized to illustrate the common practices in the business, including real life decision-making processes used by professionals on a day-to-day basis.

Course

Objectives: By the end of the semester, students will be able to:

- Analyze the financial feasibility of a real estate transaction in any asset class;
- Evaluate leveraged and unleveraged projects through developing objective projections of a specific project or asset;
- Effectively communicate results from an analysis and answer questions related to an analysis in a confident and professional manner.

Required Skillsets: Before taking this course, students should become proficient in the use of Excel and be able to easily use a financial calculator (such as the TIBA II Plus or the HP 12C). Instructions about using these tools are not covered in class. If you need assistance, please see me before or after class, so I can direct you to a source for assistance. Understanding of the material covered in the Prerequisite sections of the book prior to the first class is important.

Required

Text: Real Estate Finance and Investments (Edition 5.1) by Peter Linneman and Bruce Kirsch. Additional reading materials will be distributed throughout the term.

Attendance and Participation:

Attendance and in-person class participation are mandatory. Active class participation increases your learning experience and benefits others in class, including the professor. **Twenty points** of your grade is assigned to attendance and participation. Class participation will be tracked by the professor. For each class missed, 5 points will be deducted. Class attendance will be subject to the Covid-19 protocols described below. If you are sick, have tested positive for Covid, or have symptoms, please communicate to me in advance and stay home to recuperate and get well. Absences for illness will be excused and not subject to point deduction.

You are expected to come to class prepared to participate. This means that you have completed the assigned readings and all work before class. Plan to contribute and share your ideas when appropriate.

Schedule:

The schedule below is as follows:

01/18	Week 1:	Introduction to the Course (Ch. 1-2)
01/25	Week 2:	Commercial Leases, Promo Forma Analyses, Financial Modeling (Ch. 3-6)
02/01	Week 3:	Due Diligence, Metros and Growth, Cap Rates (Ch. 7-9)/ Case Study #1 Prep
02/08	Week 4:	Case Study #1 Presentations, Development Analysis and Feasibility (Ch. 9-11)
02/15	Week 5:	Real Estate Company Analysis, Distressed RE, Borrowing, Use of Debt & Mortgages, Sources of Debt (Ch. 12-16)
02/22	Week 6:	Case Study #2 Prep
03/01	Week 7:	Case Study #2 Presentations
03/08	Week 8:	Debt Discussion Follow-up, Ground Leases, Exit Strategies (Ch. 15-18)
03/15	Week 9:	No Class – Spring Break
03/22	Week 10:	Real Estate PE, Investment Returns (Ch. 19-20)
03/29	Week 11:	REITS & Liquid RE, Forces Changing RE (Ch. 21-22)
04/05	Week 12:	Corporate RE, RE Entrepreneurship, RE Cycles (Ch. 23-25)
04/12	Week 13:	Ethics, Conflicts of Interest, Course Overview (Ch. 26)/ Case Study #3 Prep
04/19	Week 14:	Case Study #3/Presentations
04/26	Week 15:	Presentations Continued/ Course Overview/ Exam Prep
05/01	Week 16:	Final Exam

Note: The professor reserves the right to make changes to the schedule. Advanced notice will be provided through BlackBoard as soon as it is possible. You are expected to utilize this tool to stay up-to-date with the course and work schedule.

**Case Studies/
Presentations:**

Case Studies and presentations are an important part of this course. They provide students with the opportunity to demonstrate their mastery of the materials covered and applying it to real world projects. The ability to effectively communicate your results and answer questions is an important component of professional business practice.

Grading:	20 points	Class Attendance and Participation	Graded
	35 points	Final Exam	Graded
	15 points	Case Study/ Presentations #1	Graded
	15 points	Case Study/Presentations #2	Graded
	15 points	Case Study/Presentations #3	Graded
	100 Points	Total Available to be Earned	

**Final Course
Grade:**

Grades in this course will be based on the total number of points earned during the semester. The following distribution for the assignment of your final course grades is strictly enforced.

A	93-100	C+	77-79
A-	90-92	C	73-76
B+	87-89	C-	70-72
B	83-86	D	60-69
B-	80-82	F	0-59

**Academic
Honesty:**

The University of Houston’s Academic Honesty Policy is strictly enforced by the C.T. Bauer College of Business. No violations of this policy, such as plagiarism or cheating, will be tolerated. A discussion of the policy is included in the University of Houston Student Handbook, www.uh.edu/dos/hdbk/acad/achonpol.html. Students are expected to be familiar with this policy.

Students are expected to produce original work in the course. Previous course-work from other classes cannot be submitted for credit in this course for any class assignment or project. At the instructor’s discretion, work will be submitted to Turn It In.

**Blackboard
Learn:**

The University of Houston’s Blackboard Learn system will be an important communication link for students in the class. All announcements, class materials, and other changes will be posted to Blackboard.

Blackboard Learn also has a mobile app for your I-Phone or Android. I encourage you to utilize it, so you receive notices immediately after posting.

PeopleSoft: The University of Houston’s PeopleSoft system is an important communication link for this class. I will endeavor to use this system to send class-wide and individual emails when needed. Please be sure your email address is updated. [CONFIRM]

**Accommodations
For Students With
Disabilities:**

The C.T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD), telephone number 713-743- 5400, and present approved accommodation documentation to their instructors in a timely manner.

University of Houston Information:

COVID-19 Information

Students are encouraged to visit the University’s [COVID-19](#) website for important information including diagnosis and symptom protocols, testing, vaccine information, and post-exposure guidance. Please check the website throughout the semester for updates. Consult the (select: [Undergraduate Excused Absence Policy](#) or [Graduate Excused Absence Policy](#)) for information regarding excused absences due to medical reasons.

Reasonable Academic Adjustments/Auxiliary Aids

The University of Houston complies with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, pertaining to the provision of reasonable academic adjustments/auxiliary aids for disabled students. In accordance with Section 504 and ADA guidelines, UH strives to provide reasonable academic adjustments/auxiliary aids to students who request and require them. If you believe that you have a disability requiring an academic adjustments/auxiliary aid, please contact [the Justin Dart Jr. Student Accessibility Center](#) (formerly the Justin Dart, Jr. Center for Students with DisABILITIES).

Excused Absence Policy

Regular class attendance, participation, and engagement in coursework are important contributors to student success. Absences may be excused as provided in the University of Houston [Undergraduate Excused Absence Policy](#) and [Graduate Excused Absence Policy](#) for reasons including: medical illness of student or close relative, death of a close family member, legal or government proceeding that a student is obligated to attend, recognized professional and educational activities where the student is presenting, and University-sponsored activity or athletic competition. Under these policies, students with excused absences will be provided with an opportunity to make up any quiz, exam or other work that contributes to the course grade or a satisfactory alternative. Please read the full policy for details regarding reasons for excused absences, the approval process, and extended absences. Additional policies address absences related to [military service](#), [religious holy days](#), [pregnancy and related conditions](#), and [disability](#).

Recording of Class

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the [Justin Dart, Jr. Student Accessibility Center](#). If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor’s

recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with *anyone* without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

Resources for Online Learning

The University of Houston is committed to student success, and provides information to optimize the online learning experience through our [Power-On](#) website. Please visit this website for a comprehensive set of resources, tools, and tips including: obtaining access to the internet, AccessUH, Blackboard, and Canvas; using your smartphone as a webcam; and downloading Microsoft Office 365 at no cost. For questions or assistance contact UHOnline@uh.edu.

UH Email

Please check and use your CougarNet email for communications related to this course. To access this email, [login](#) to your Microsoft 365 account with your CougarNet credentials.

Webcams

Access to a webcam is required for students participating remotely in this course. Webcams must be turned on (*state when webcams are required to be on and the academic basis for requiring them to be on*). (Example: Webcams must be turned on during exams to ensure the academic integrity of exam administration.)

Academic Honesty Policy

High ethical standards are critical to the integrity of any institution, and bear directly on the ultimate value of conferred degrees. All UH community members are expected to contribute to an atmosphere of the highest possible ethical standards. Maintaining such an atmosphere requires that any instances of academic dishonesty be recognized and addressed. The [UH Academic Honesty Policy](#) is designed to handle those instances with fairness to all parties involved: the students, the instructors, and the University itself. All students and faculty of the University of Houston are responsible for being familiar with this policy.

Title IX/Sexual Misconduct

Per the UHS Sexual Misconduct Policy, your instructor is a “responsible employee” for reporting purposes under Title IX regulations and state law and must report incidents of sexual misconduct (sexual harassment, non-consensual sexual contact, sexual assault, sexual exploitation, sexual intimidation, intimate partner violence, or stalking) about which they become aware to the Title IX office. Please know there are places on campus where you can make a report in confidence. You can find more information about resources on the Title IX website at <https://uh.edu/equal-opportunity/title-ix-sexual-misconduct/resources/>.

Security Escorts and Cougar Ride

UHPD continually works with the University community to make the campus a safe place to learn, work, and live. Our Security escort service is designed for the community members who have safety concerns and would like to have a Security Officer walk with them, for their safety, as they make their way across campus. Based on availability either a UHPD Security Officer or Police Officer will escort students, faculty, and staff to locations beginning and ending on campus. If you feel that you need a Security Officer to walk with you for your safety please call [713-743-3333](tel:713-743-3333). Arrangements may be made for special needs.

Parking and Transportation Services also offers a late-night, on-demand shuttle service called Cougar Ride that provides rides to and from all on-campus shuttle stops, as well as the MD Anderson Library, Cougar Village/Moody Towers and the UH Technology Bridge. Rides can be requested through the UH Go app. Days and hours of operation can be found at <https://uh.edu/af-university-services/parking/cougar-ride/>.

Syllabus Changes

Please note that the instructor may need to make modifications to the course syllabus. Notice of such changes will be announced as quickly as possible through (*specify how students will be notified of changes*).

Helpful Information

Coogs Care: <https://uh.edu/dsa/coogscare/>

Student Health Center: <https://www.uh.edu/healthcenter/>