

University of Houston
C.T. Bauer College of Business

Real Estate Market Analysis, Feasibility and Valuation
FINA 7383 section number is 16427
Mondays, 6:00 PM to 9:00 PM-1/23/23 to 5/8/23
Melcher Hall #129

Mr. Scott Rando (office hours: by appointment) 713.398.1548

Scott.Rando@cushwake.com -use this email only as no UH/Bauer email accounts will be used by the instructor this semester (**blackboard will NOT be used**).

General Info: This introductory course covers the fundamentals of market research in real estate and determination of project feasibility and valuation essentials. Topics include:

- lease fundamentals
- highest and best use
- valuation techniques/approaches
- asset economics and applicable return levels
- market demand forecasts,
- assessment of competitive conditions,
- determination of market risk and
- project absorption projections for residential, commercial and mixed use projects.

Course

Objectives:

Students will be able to:

- Understand lease fundamentals
- Conduct site evaluations and report findings
- Complete and Understand Highest and Best Use Analyses
- Research, analyze and report business district characteristics
- Collect, organize, and analyze data to evaluate market conditions and project marketability for institutional and non-institutional assets
- Forecast supply and demand for major property types (industrial, office, retail, residential, Hotel)
- Complete market analyses through an analyses of market dynamics; and, complete feasibility analyses (group collaboration project) to yield recommendations in a client deliverable format
- Recognize and apply 3 approaches to value

Text:

Brett, D. A., Schmitz, A. (2009) Real Estate Market Analysis: Methods and Case Studies, 2nd Ed., Washington, DC: Urban Land Institute (ULI) - ISBN: 978-0-87420-136-9. It is available in the bookstore, through ULI, or other book retailers.

*Attendance and
Pandemic items:*

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 [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](#).

*Transportation
and safety items:*

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/>.

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/>.

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

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

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.

Syllabus

Changes: Due to the changing nature of the COVID-19 pandemic, please note that the instructor may need to make modifications to the course syllabus and may do so at any time. Notice of such changes will be announced as quickly as possible through (specify how students will be notified of changes).

Pop-quizzes: Periodically, pop-quizzes are given in the beginning of class. Since class participation is required, quizzes cannot be made up. If you are absent from class, no credit will be given for the quiz.

Projects: Projects are a critical component to the course. It provides a simulated, real-world experience commonly found in the market. This is the type of work employers demand. It will offer you the opportunity to deepen your understanding of subject, the business, and develop necessary skills for practice. In order to receive full credit, students will be required to present

projects in class.

Co Star : The instructor will apply for CoStar access, so each student has a unique username and password for the semester to complete projects. Within 7 days of receiving this information, you must sign in to verify access. If you fail to sign in and authenticate access, you will not have access to CoStar for the semester. It is a violation of the agreement between the University and CoStar to allow students to share an account. If you are caught sharing an account, access will be terminated by CoStar for the entire class. Please follow the rules outlined by CoStar and act promptly when you receive notice to access the system. Do **NOT** call the instructor to resolve this problem after the 7 day verification period has ended. If you have technical problems, call the help desk as listed in the email notification.

Style Guide: Please prepare all writing assignment in a word processing program. Before posting to forums or other electronic mediums, prepare the draft with a word processing program (double spaced, 12 point font with one inch margins). All documents must comply with formatting in accordance with MLA or APA guidelines presented in the respective style guide. Feel free to use either style guide. It is good practice to stick to one guide through the semester. When preparing financials, please use Microsoft Excel or another spreadsheet program. Spreadsheets can be inserted into word processing documents for submission. Also see <http://office.microsoft.com/en-us/word-help/link-or-embed-an-excel-worksheet-HA010120810.aspx> for additional assistance. All submissions should be free of spelling and grammar errors, well organized, and easy to follow.

Grading: The course assignments and participation points are as follows:

In-class attendance and participation	05 points (graded/credit)
Pop-quizzes	05 points (graded/credit)
Midterm Exam	20 points (graded/credit)
Course projects	50 points (graded/credit)
I	10 points (graded/credit)
II	10 points (graded/credit)
III	30 points (graded/credit)
-video presentation required for course projects II and III	
<u>Final Exam</u>	<u>20 points (graded/credit)</u>
Total points	100

The total points earned will translate into the following letter grades for the course:

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

Academic

Honesty:

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

Students are expected to produce original work in the course. Previous coursework 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 .

*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 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

*Supplemental texts &
Suggested Readings:*

Carn, N., Rabianski, J., Racster, R., & Seldin, M. (1988) Real Estate Market Analysis: Techniques & Applications. Englewood Cliffs, NJ: Prentice Hall. ISBN: 0-13-763368-8.
Betts, R.M. & Ely S.J. (2008) Basic Real Estate Appraisal, 7th Ed. Independence, KY: Cengage Learning. ISBN: 0324652615. Chapters 2, 4, 5 & 6.

Appraisal Institute. (2005) Appraising Industrial Properties. Chicago, IL: Appraisal Institute. ISBN: 0-922154-84-8. Chapters 2, 3 & 5.

Society of Industrial REALTORS. (1984) Industrial Real Estate, 4th Ed. Washington, DC: SIR Education Fund. See chapters 2, 4, 11 & 12.

Vernor, J.D., Amundson, M.F., Johnson, J.A., & Rabianski, J.S. (2009) Shopping Center Appraisal and Analysis, 2nd Ed. Chicago, IL: Appraisal Institute. ISBN: 978-7-935328-02-5. Chapters 1-8.

Rushmore, A. & Baum, E. (2001) Hotels and Motels: Valuations and Market Studies. Chicago, IL: Appraisal Institute. ISBN: 0-922154-70-8. Chapters 1-5.

Emerson Jr., D.M. (2008) Subdivision Valuation. Chicago, IL: Appraisal Institute. ISBN: 978-0-922154-97-5. Chapter 1: pgs. 1-19, Chapters 2, 3, 4 & 5.

Fanning, S.F. (2005) Market Analysis for Real Estate: Concepts and Applications in Valuation and Highest and Best Use. Chicago, IL: Appraisal Institute. ISBN:0-922154-86-4

Appraisal Institute. (2007) Appraising Residential Properties, 4th Ed. Chicago, IL: Appraisal Institute. ISBN: 978-0-922154-92-0. Chapters 3, 7 & 10.

CCIM course material for CI102 Market Analysis for Commercial Investment Real Estate

Schedule (reading assignment by chapter should be completed prior to class on that week)

Week	Rough Date	Reading Assignment by Chapter	Topic/Notes	Assignment/ Projects	Tentative Guest Lecturer
0	1/16		Martin Luther King, Jr. holiday No Class		
1	1/23		Module 1- Introduction Discuss projects I, II and III Module 1a- HABU		
2	1/30		Module 2-Expense structures Module 2a-Intro-3 Approaches to value (IA/SCA)	Project I –intro	Keith Richards
3	2/6	Chapters 1 & 2 & pgs. 256-262	Finish Module 2a-Intro-3 Approaches to value (CA) Module 3-Basics of REMA Local Economy, Defining the Market, Analysis of the Subject Property, Location & Site Analysis	Project I Q&A. Return Costar form to me Project I report due by 11:59 pm CST. No presentations allowed or required	
4	2/13	3 & pgs. 256-262	Review case study -regional and local Finish Module 3a-REMA Basics 1a (p15+) Module 3a REMA Basics Site Analysis Supply/Demand		
5	2/20		Module 4-Supply & Demand basics		Co-star Presentation
6	2/27	6	Module 7-Office and Industrial Market Analysis	Project II Intro and discussion	
7	3/6	6	Finish foregoing modules	Mid-Term Exam	
8	3/13		Spring Break No class		
9	3/20		Res Analysis	Project II report due by 9 pm. No presentations allowed or required	

10	3/27	4	Res. Analysis Hines property	Project III discussion determination (student picked groups of 3 must be submitted) and related discussion	Hines
11	4/3		Finish Res Analyses	Project III discussion	
12	4/10	5	Retail Markets	Project III discussion	
13	4/17	8 & 7	Chapter 7 Hotel	Project III Q&A	
14	4/24		Capital Markets	Project III Q&A	John Fegnolio w/ CBRE
15	5/1		Final review and last presentations as needed. Final Exam distributed after class	Project 3 (one complete PDF) and Eval of group project (see last page of Project 3 handout) and	
16	5/8		Final Exam are Due by midnight 5/8/2023 via email to scott.rando@cushwake.com		

Note: The schedule is subject to change.

First day of class – Jan 17th
 Spring Break – Mar 13th – 18th
 Last regular day of class – May 1
 Final Exams – May 3rd – 11th (see attached for details)
 Grades due – May 15th