A. **INTRODUCTION.** This course will provide the student with a broad overview of all aspects of real estate finance and development. Beginning with the basic concepts of real estate law, the course will cover real estate finance from several points of view including the financing of development. In addition to class lectures and discussions, there will be sessions to practice using analytical techniques by working in groups to solve problems.

B. **COURSE OBJECTIVE.** This course will familiarize the student with most areas of real estate finance and provide analytical tools to evaluate real estate development projects. It will help the student understand the issues faced by lenders, homeowners, planners, investors, and developers. A primary focus of the course will be on urban development and affordable housing solutions.

C. **COURSE REQUIREMENTS.** Students will be expected to attend class regularly, keep up with the readings and participate in any class discussions.

D. **EVALUATION.** Students will be evaluated as follows:

   - 3 Exams: 50 Points each. Exams will be noncumulative.
   - Major Project/Presentation: 50 Points.
   - Homework and group study as assigned.

   Exams will consist of short answer, fill-in-the-blank, and multiple-choice questions.

E. **ATTENDANCE POLICY.** Attendance is mandatory. If you must miss a class for a valid reason, please communicate with the instructor as far in advance as possible. Exams will include concepts and information covered during class which may not be contained or fully explained in the text. Reading the text materials in advance of class will greatly improve the student’s learning and performance. Finally, please arrive on time out of respect for your colleagues.

F. **ACADEMIC INTEGRITY.** Students must adhere to UCD’s [Code](http://catalog.ucdenver.edu/content.php?catoid=6&navoid=530) on Academic Honesty. Students should make all efforts to properly cite sources in papers and avoid plagiarism. Unattributed copying of text from sources can lead to failure for an assignment.
COURSE STRUCTURE (Cont)

G. **GRADING.** For the full MURP grading policy, see the section on grading in the student handbook.

The MURP program uses the University’s standard 4.00 grading letter and point system:

- **A** 4.00 points
- **A-** 3.70 points
- **B+** 3.30 points
- **B** 3.00 points
- **B-** 2.70 points
- **C+** 2.30 points
- **C** 2.00 points
- **C-** 1.70 points
- **D+** 1.30 points
- **D** 1.00 points
- **D-** 0.70 points
- **F** 0.00 points

These statements describe the expectations associated with letter grades awarded for MURP program assignments and courses:

- **“A” grade range:** Exceptional scholarship and superior work products that significantly exceed stated requirements in scope and/or quality
- **“B” grade range:** Commendable scholarship and accomplished work products that somewhat exceed stated requirements in scope and/or quality
- **“C” grade range:** Satisfactory scholarship and work products that meet or almost meet stated requirements in scope and/or quality
- **“D” grade range:** Inadequate scholarship and inferior work products that clearly fail to meet stated requirements in scope and/or quality
- **“F” grade:** Unacceptable scholarship and work product

H. **CANVAS.** The instructor will use Canvas extensively for class assignments, announcements, etc. Students are expected to check Canvas regularly as all communication outside of the classroom will be via Canvas.
# URPL 6455: REAL ESTATE DEVELOPMENT AND FINANCE
## Fall 2020 Class Schedule

<table>
<thead>
<tr>
<th>DATE</th>
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| Aug 20 | Introduction to Course  
*The Nature of Real Estate* (Ch. 1)  
Basic Definitions  
Real Estate and the Economy  
Real Estate Markets and Participants  
Characteristics of Real Estate Markets  
*Market Determinants of Value* (Ch. 5)  
A History of Real Property in the USA  
The Creation, Growth, and Decline of Cities  
The Shape of a City  
The Role of Urban Analysis in Real Estate Decisions |
| Aug 27 | *Legal and Regulatory Determination of Value* (Ch. 2)  
The Nature of Property  
The Real Property Bundle of Rights  
Rights Related to Water/Riparian Law  
Rights to Oil, Gas, and Minerals  
*(Assignment: Flip or Flop?)*  
*Conveying Real Property Interests* (Ch. 3)  
Deeds  
Modes of Conveyance  
Complexity and Public Records  
Land Descriptions |
| Sep 3  | No Class |
| Sep 10 | *Real Estate Finance: The Laws and Contracts* (Ch. 9)  
The Note  
Deed of Trust  
When Things go Wrong  
Regulation of Home Mortgage Lending  
*Contracts for Sale and Closing* (Ch. 13)  
The Most Important Document in Real Estate  
Rights and Obligations  
Requirements of a Contract for Sale  
Legal Title vs. Equitable Title  
The Form of the Contract for Sale  
Contracts with Contingencies  
Assignment  
Remedies for Nonperformance  
Preview Exam 1  
*(Assignment: Closing Statement Worksheet)* |
Sep 17  Guest Speaker: Ken Hoagland on Affordable Housing
Exam 1

Sep 24  Review Exam 1
Government Controls and Real Estate Markets (Ch. 4)
The Power of Government to Regulate Land Use
Public Planning for Land Control Use
Zoning and Other Tools of Public Land Use Control
Environmental Hazards
Eminent Domain
The Power to Tax Real Estate
(Assignment: Property Tax Exercise)

Leases and Types of Property (Ch. 22)
Essential Elements of a Lease
Lease Provisions
Effective Rents
Residential Rental Properties
Office Properties and Leases
Retail Properties and Leases
Industrial Properties and Leases
(Assignment: Catch or Release?)

Oct 1  Guest Speaker: Carl Schmidtlein on Due Diligence and Engineering Services
Valuation Using the Sales Comparison and Cost Approaches (Ch. 7)
Market Value, Investment Value, and Transaction Prices
The Appraisal Process
Sales Comparison Approach
Cost Approach

Oct 8  Valuation Using the Income Approach (Ch. 8)
Estimating Net Operating Income
Using Direct Capitalization
Using Discounted Cash Flow Analysis
Capitalization Rates
Reconciliating the Three Methods to Determine Value

Investment Decisions: Ratios (Ch. 18)
Investment Decision Making
Effects of Debt Financing on Cash Flows
Evaluating Cash Flow Estimates
Partnerships and other Forms of Direct Ownership
Effects of Income Taxes
Financial Risk Ratios

Preview Exam 2

Oct 15  Team Project Work Study
Oct 22  Guest Speaker: Ken Hoagland on Riparian Rights
Exam #2

Oct 29  Review Exam 2
*The Effects of Time and Risk on Value* (Ch. 14)
The Time Value of Money
Value and Risk
Determining Required Returns
Comparing Investment Values to Acquisition Costs
*(Assignment: Time Value of Money Exercise)*

Nov 5  *Investment Decisions: NPV and IRR* (Ch. 19)
Investment vs Market Valuation
Investment Valuation Using Discounted Cash Flow Models
Impact of Leverage on Expected Returns
Impact of Leverage on Risk
Varying the Assumptions
*(Assignment: NPV and IRR)*

Nov 12  Guest Speaker: Grant Nelson
*Development: The Dynamics of Creating Value* (Ch. 23)
The Process of Development
The “Numbers” of Development
What is it Like to Be a Developer?
What Does It Take to Be a Developer?
*(Assignment: Brighton Crossing)*

Nov 19  *Residential Mortgage Types and Borrower Decisions* (Ch. 10)
Prime Conventional Mortgage Loans
Government-Sponsored Mortgage Programs
Other Types of Mortgages

*Mortgage Calculations and Decisions* (Ch. 15)
Basic Computations
Fixed-Rate Mortgages
Adjustable Rate Mortgages
*(Assignment: Mortgage Calculations)*

*Sources of Funds for Residential Mortgages* (Ch. 11)
The Market for Home Mortgage Loans
The Revolution in Home Mortgage Finance
Mortgage Banking and Brokerage
The Secondary Market

*Sources of Commercial Debt and Equity Capital* (Ch. 17)
Forms of Ownership for Pooled Equity Investments
Sources of Commercial Real Estate Debt
The REIT

Nov 26  Thanksgiving – No Class
Dec 3  Team Project Presentations
Dec 10  FINAL EXAM