

**COLLEGE OF ARCHITECTURE AND PLANNING
UNIVERSITY OF COLORADO AT DENVER**

URPL 6455-001: REAL ESTATE DEVELOPMENT AND FINANCE

Fall Semester, 2020

Textbook: REAL ESTATE PRINCIPLES, *A Value Approach* (Ling/Archer, 5th Edition)

Thursdays, 2:00 -4:45 PM

Instructor: Joel Starbuck

Phone: (303) 229-7423 (mobile)

Email: jqstar229@gmail.com

- 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](#) on Academic Honesty (please visit <http://catalog.ucdenver.edu/content.php?catoid=6&navoid=530>). 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

DATE	COVERAGE
Aug 20	Introduction to Course <i>The Nature of Real Estate</i> (Ch. 1) Basic Definitions Real Estate and the Economy Real Estate Markets and Participants Characteristics of Real Estate Markets <i>Market Determinants of Value</i> (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	<i>Legal and Regulatory Determination of Value</i> (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?) <i>Conveying Real Property Interests</i> (Ch. 3) Deeds Modes of Conveyance Complexity and Public Records Land Descriptions
Sep 3	No Class
Sep 10	<i>Real Estate Finance: The Laws and Contracts</i> (Ch. 9) The Note Deed of Trust When Things go Wrong Regulation of Home Mortgage Lending <i>Contracts for Sale and Closing</i> (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 Schmidlein 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
Reconciling 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