



THE OHIO STATE UNIVERSITY

FISHER COLLEGE OF BUSINESS

Real Estate Valuation BUSFIN 5402 Autumn 2019

Course Description and Syllabus

Instructor: Christopher Ellis, CPA

Lecture: Monday 6:00 – 8:45p.m.

SB200/219 Office: N/A

Phone: N/A

Email: Ellis.77@osu.edu

Office Hours: By Appointment

Course Description: This real estate valuation and financial modeling course will cover existing income producing property as well as ground up construction. Topics include market analysis, comparable valuation, income valuation, cost valuation, real estate finance, expense reimbursements, budget development, and pro-forma modeling. The course will utilize Argus Enterprise, the industry accepted real estate specific financial modeling software.

Text and Materials:

Textbook: **Selected Chapters** of *Real Estate Finance and Investments*, 16th edition, by Brueggeman and Fisher. Purchase the custom ebook at create.mheducation.com/shop/ Enter **9781307326734** in the find box. The cost for the Ebook is \$36.50

Suggested Text: *Argus Enterprise University Certification Guide*

Argus Enterprise software is available in the Applied Finance Lab (SB219)

Course Schedule: The following schedule is tentative and subject to change based on how the class progresses.

Date	Topic	Assignment
8/26	Major Real Estate Asset Classes, Market Segmentation, Supply & Demand	Ch 9
9/9	Valuation of Income Properties	Ch 10
9/16	Market Analysis, Sources and Uses of Debt and Equity Capital	Ch 11
9/23	Financial Leverage, Commercial Loan Analysis & Underwriting	Ch 12
9/30	Risk Analysis	Ch 13
10/7	Presentation of Project 1 to Class	Project 1 Due
10/14	Mid-Term Exam	
10/21	Intro to Argus, Entering Properties, Revenues, and Expenses	
10/28	Rent Roll, MLA, Purchase/Resale, IRR, Direct Capitalization, Port Analysis	
11/4	Advanced rents/expenses, Space Absorption, Property Reports	
11/18	Detailed Recovery Structures, Expense Groups	Case Due

11/25	Leasing Commissions, Renewal Options, Miscellaneous Rent	
12/2	Advanced Cases	Project 2 Due
12/9	Final Exam	

Class Format:

This course will meet once per week and requires additional self-study sessions to practice Argus Enterprise modeling. I will supplement the text book with additional real estate topics and current events. Regular class attendance is expected since material will be covered that is not in the text book. Please feel free to ask questions during lecture. Lecture notes will be on Canvas at least 24 hours in advance of class. I will also use Canvas to distribute emails to the class and post supplemental information.

Grading:

Quizzes	5%
Case	5%
Projects	30%
Mid-term	30%
Final Exam	30%

Quizzes:

There will be in-class quizzes at the start of a few classes. You will not receive advanced notice of quizzes. If you are absent or late to class, you **will not** have an opportunity to take a make-up quiz.

Mid-term and Final Exam:

The exams (closed book) will consist of a case study and multiple-choice questions. Exams are closed book and do not allow for any kind of collaboration or communication between students. Absences from exams will only be excused for the most serious of reasons and documented by an appropriately accredited professional (i.e., a medical doctor).

Students with Disabilities:

The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact me **at the beginning** of the semester to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.

Academic Integrity:

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct."

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, submitting the same or similar work for credit in more than one class, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

If a student is suspected of or reported to have committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to COAM. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Disenrollment:

Any student who fails to attend without giving prior notification to the instructor will be dis-enrolled after the third instructional day of the term, the first Friday of the term, or the second scheduled class meeting of the course, whichever occurs first.

NOTE: The University and College expectation is that students spend two hours outside of class for every hour spent in class. Since this course meets 3 hours per week, you should expect to spend 6 hours per week outside of class on course-related work. Thus, you should be spending at least six hours per week outside of class on this course alone. That time should be spent reading the required material, taking notes on what you were reading, working on homework problems, and practicing case studies in Argus.