COURSE SYLLABUS

FINANCE 370 – 001: PRINCIPLES OF REAL ESTATE

Summer 2017 – PROF. BROWN

COURSE OBJECTIVE:

The objective of the course is to develop an understanding of the principles of real estate and the importance of real estate in the economy. Emphasis will be placed on real estate finance, including valuation of real estate, evaluating commercial income properties, and the basics of mortgage financing.

REQUIRED TEXT:

Real Estate Principles: A Value Approach, Fourth edition by David C. Ling and Wayne R. Archer (McGraw-Hill: 2013). Please call the bookstore to inquire about availability. You can buy or rent the book online. You can also rent an e-textbook of the new fifth edition for 60 days for $77.60 (https://www.vitalsource.com/products/real-estate-principles-a-value-approach-david-ling-v9781259328664). Search for the fourth edition of the book using the ISBN: 9780073377346.

REQUIRED CALCULATOR:

Texas Instruments BA-II Plus

OFFICE, PHONE, FAX AND E-MAIL:

327 Grise Hall, Office Phone: 270-745-8858, Fax: 270-745-5284
e-mail: christopher.brown@wku.edu

OFFICE HOURS:

By appointment.

COURSE PREREQUISITES: FIN 330

If you have not completed the prerequisite listed above, you should drop the class immediately. IT IS YOUR RESPONSIBILITY TO DROP THE CLASS IF YOU HAVE NOT COMPLETED THE PREREQUISITE. It is possible that you will be dropped from the class at some point if it is determined that you have not completed the prerequisites.

LEARNING OBJECTIVES:

Students will learn the importance of real estate in our economy.

Students will develop an understanding of how real property is appraised using the sales comparison, cost and income approaches.

Students will learn some of the laws and contracts associated with real estate.

Students will learn about different types of residential mortgages.

Students will learn how to use time value of money to calculate mortgage payments, balances and to evaluate mortgage decisions.

Students will learn about different types of investments in commercial real estate and how to use NPV and IRR to evaluate income producing properties.

DROPPING THE COURSE:

May 23 is the last day to drop with a "W" and last day to change from credit to audit. No drops or changes in class status will be allowed after May 23, except under the most extraordinary circumstances and must be approved by the department head and the Dean of the Gordon Ford College of Business.

COURSE PACE:

As indicated in the course bulletin, the material will be delivered asynchronously through the Blackboard site. My PowerPoint slides and notes will be posted on Blackboard. You can review the material at your convenience, but you will need to keep pace and be prepared to take the quizzes and exams on the scheduled dates.

GRADING SYSTEM:

Chapter Quizzes (online)	100
2 regular exams (150 points each)	300
TOTAL POINTS POSSIBLE	400

A	90 –100%	360 – 400 points
B	80 – 89.9%	320 – 359 points
C	70 – 79.9%	280 – 319 points
D	58 – 67.9%	232 – 279 points
F	< 58%	0 – 231 points

CHAPTER QUIZZES:

There will be four 25 point chapter quizzes per the schedule below. You may use your notes during the chapter quizzes. They will be given online and will be timed.

CHAPTER QUIZ SCHEDULE:

The quizzes will consist of 12 multiple choice questions. They will be given online. You will be given 30 minutes to complete the online quizzes. You will be allowed to use the books and any notes you have on the quiz. If you don't prepare before taking the quizzes, you WILL run out of time before you can look up all of the answers. You can complete the quizzes at any point from the beginning of the term until the deadline date for that quiz. Please note the first two quizzes must be taken by May 26 and the last two quizzes by the last day of class. The quiz must be completed entirely on the first attempt.

Deadline: **May 26:**	**Quiz #1:**	Chap. 2,	Legal Foundations to Value
Deadline: **May 26:**	**Quiz #2:**	Chap. 3,	Conveying Real Property Interests
Deadline: **June 2:**	**Quiz #3:**	Chap. 4,	Government Controls and Real Estate Markets
Deadline: **June 2:**	**Quiz #4:**	Chap. 5,	Market Determinants of Value

EXAMS:

There will be two proctored exams worth 150 points each. You will need to make an appointment to take the exam at an approved Testing Center. Exams may consist of multiple choice and short answer type questions. Exams will cover the assigned material from the text as well as information on the Chapter slides posted on Blackboard. Exams will require the Texas Instruments BA-II Plus Financial Calculator.

EXAM DATES, TIMES AND PLACES:
The exams will be given on Tuesday, May 23 and Friday, June 2. Please make arrangements ahead to assure that you are able to take the exam on the assigned dates at an approved Testing Center. Exams should be taken on these dates. If you have an unavoidable conflict, please contact me at the beginning of the course and we will try to find a solution. It is a requirement that these two exams be proctored by a proctor that has been approved by WKU Testing.

COMMUNICATIONS AND STUDY GROUPS:
Please feel free to contact me for help when you need it. You can call my office and leave a message or you can send an e-mail to me. Please note my e-mail address on the top of the syllabus. There is more than one "Chris Brown" on campus, so be careful when sending e-mails to me. I will normally answer telephone messages and e-mails within 24 hours. The response time may be delayed on weekends. My primary communications with the class will be via Blackboard's "announcements" or through the discussion board.

When asking a question about the material, I would prefer you post the question on the Blackboard discussion board (see below) rather than sending an e-mail. If you are uncomfortable posting the question, send me an e-mail and I will post the question and answer on Blackboard. I will use the Blackboard discussion board and "Announcements" page to communicate answers to questions, changes in assignments, or any other information I need to share with the class.

BONUS POINTS:
I will set up discussion topics for each question so that you can post any questions you have about the material. The only opportunity for bonus points is answering questions on Blackboard. If someone posts a question about the material that you know the answer to, you can earn 2 bonus points for answering it correctly. Only 2 bonus points can be earned per chapter. Please don't guess at the correct answer. Don't answer the question unless you are certain you are providing the correct response.

COURSE SEQUENCE:
You are responsible for all material in the chapters listed below, all of the review questions, and all problems for each chapter covered.

ACADEMIC DISHONESTY:
The Honor Pledge and Code of Ethics can be found on the last page of this syllabus. Please note the repercussions of academic dishonesty are discussed in the university catalogue.

STUDENTS WITH DISABILITIES:
In compliance with University policy, students with disabilities who require academic and/or auxiliary accommodations for this course must contact the Student Accessibility Resource Center located in Downing Student Union, 1074. SARC can be reached by phone number at 270-745-5004 [270-745-3030 TTY] or via email at sarc.connect@wku.edu . Please do not request accommodations directly from the professor or instructor without a faculty notification letter (FNL) from The Student Accessibility Resource Center.

COURSE SEQUENCE:

Chapter	Title
1	The Nature of Real Estate and Real Estate Markets
7	Valuation Using the Sales Comparison and Cost Approaches
8	Valuation Using the Income Approach
9	Real Estate Finance: The Laws and Contracts
10	Residential Mortgage Types and Borrower Decisions

Tuesday, May 23: Exam One over Chapters 1, 7, 8, 9 and 10

11	Sources of Funds for Residential Mortgages
14	The Effects of Time and Risk on Value
15	Mortgage Calculations and Decisions
16	Commercial Mortgage Types and Decisions
19	Investment Decisions: NPV and IRR

Friday, June 2: Exam Two over Chapters 11, 14, 15, 16 and 19

Western Kentucky University (WKU) is committed to supporting faculty, staff and students by upholding WKU's Title IX Sexual Misconduct/Assault Policy (#0.2070) at https://wku.edu/eoo/documents/titleix/wkutitleixpolicyandgrievanceprocedure.pdf and

Discrimination and Harassment Policy (#0.2040) at https://wku.edu/policies/hr_policies/2040_discrimination_harassment_policy.pdf.

Under these policies, discrimination, harassment and/or sexual misconduct based on sex/gender are prohibited. If you experience an incident of sex/gender-based discrimination, harassment and/or sexual misconduct, you are encouraged to report it to the Title IX Coordinator, Andrea Anderson, 270-745-5398 or Title IX Investigators, Michael Crowe, 270-745-5429 or Joshua Hayes, 270-745-5121.

Please note that while you may report an incident of sex/gender based discrimination, harassment and/or sexual misconduct to a faculty member, WKU faculty are "Responsible Employees" of the University and ***MUST*** *report what you share to WKU's Title IX Coordinator or Title IX Investigator. If you would like to speak with someone who may be able to afford you confidentiality, you may contact WKU's Counseling and Testing Center at 270-745-3159.*

WKU GORDON FORD COLLEGE OF BUSINESS – FINANCE DEPARTMENT

SYLLABUS SUPPLEMENT – THE HONOR PLEDGE; CODE OF ETHICS

Statement of Philosophy

The students in the B.S. in Finance (Financial Management Concentration or Financial Planning Concentration), Minor in Finance, and Financial Planning Certificate programs in the Gordon Ford College of Business regard the principles of truth, honesty and fairness as fundamental to the financial management, financial planning, and related professions. Students enrolled in courses in the Finance Department possess a duty to perform in a highly ethical manner at all times.

The Honor Pledge

The Honor Pledge is an agreement that a student makes with his or her fellow students and with the instructor of a course to adhere to these principles and to promote fairness in the grading of assessments. The Honor Pledge allows each student to fully develop his or her individual potential while protecting the integrity of scholarship. All students enrolled in WKU Department of Finance courses are bound by The Honor Pledge automatically as a condition of enrollment in a Finance Department course. The Honor Pledge follows:

> ***I pledge that I will not lie, cheat, steal, or plagiarize in my academic endeavors, and that I will conduct myself truthfully and honestly to uphold the integrity of Western Kentucky University.***

Prohibited Conduct

Dishonesty involving a violation of The Honor Pledge, cheating, plagiarism, and other violations of the WKU Student Code of Conduct is prohibited. By way of explanation (but not by way of limitation), as set forth in WKU's Academic Requirements and Regulations in the WKU Undergraduate Catalog:

- ***Cheating*** – No student shall receive or give assistance not authorized by the instructor in taking an examination or in the preparation of an essay, report, problem assignment, or other project that are submitted for purposes of grade determination.
- ***Plagiarism*** – To represent written work taken from another source as one's own is plagiarism. Plagiarism is a serious offense. The academic work of a student must be his / her own. One must give any author credit for material borrowed from him/her. To lift content directly from a source without giving credit is a flagrant act. To present a borrowed passage without reference to the source after having changed a few words is also plagiarism.

Sanctions for Violations

Violations of The Honor Pledge or the WKU Student Code of Conduct may result in sanctions as set forth in the WKU Student Handbook. It is the general policy of the Finance Department that the normal sanction for academic dishonesty is a failing grade in the course in which the dishonesty occurred.

All members of the Department of Finance – students, faculty, and staff – are responsible for reporting Honor Pledge violations to the instructor of the course, or to the Department Chair for a non course-related violation. Further reports may be made to the Dean's Office, the Office of Judicial Affairs, or other units of Western Kentucky University.