



CRE 4302 Commercial Real Estate Investments

CRN: 19003

Fall 2022 - Aug 22, 2022 - Dec 01, 2022

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Class Hours: 10:30 am - 11:50 am, Monday & Wednesday, in BUSN 304

Office Hours: 9 am - 10 am, Monday & Wednesday, and by appointment

COURSE DESCRIPTION

This course is designed to expose the student to the complete life cycle of an investment decision from ownership entities, tax impacts on investment decisions, capital decisions, maintaining value during ownership, risk analysis, asset valuation, and fundamentals that affect property disposition decisions. This course also studies the secondary mortgage markets, derivatives, portfolios, and other real estate investment fund types.

COURSE OBJECTIVES OR EXPECTED LEARNING OUTCOMES

Upon successful completion of this course, you should be able to understand and apply your knowledge of the following points:

1. Understand the role of Investment CRE in the overall financial system and an investment portfolio
2. Understand the various legal aspects and forms of ownership used in RE investments
3. Calculate and present investment options based on multi-year cash flows analysis, and apply financial fundamentals to compare investment options
4. Analyze risk factors by conducting sensitivity analysis and other risk models
5. Analyze exit strategies, hold/sell analysis, and opportunity cost across various investment types

Textbook (Required): Real Estate Finance & Investments, 16th Edition, By William Brueggeman and Jeffrey Fisher.

Financial Calculators: A financial calculator (TI-83, TI-83 Plus, TI-84, TI-84 Plus, TI BA II Plus Professional, HP 10B, HP 12, or other programmable Graphic Calculator with a Finance or Application keypad) is highly recommended. Your calculator should be able to compute the net present value (NPV) and the internal rate of return (IRR) on an uneven stream of cash flows.

**Grading:
Grade Calculation**

Schedule 1		Schedule 2	
Course Requirements	Weight	Course Requirements	Weight
Homework	30%	Homework	30%
Module 1 Exam	20%	Final Exam	60%
Module 2 Exam	20%		
Module 3 Exam	20%		
Group Project Presentation	10%	Group Project Presentation	10%
Total	100%	Total	100%

Letter Grade

Letter	A	B	C	D	F
Range %	90 - 100%	80 - 89	70 - 79	60 - 69	59 or less

Grade Remark:

- 1) 89.49 is a B. Use Excel and click “decrease decimal” to find your letter grade.
- 2) Schedule 2 is only available to students who have taken three module exams but would like to improve their grades.
- 3) Schedule 2 could only improve students’ grades by one full letter grade. If a student’s letter grade is D/F according to Schedule 1, the best grade the student could get via Schedule 2 is C. if a student’s letter grade is C according to Schedule 1, the best grade the student could get via Schedule 2 is B.

Attendance: Although there is no attendance point for this class, students are strongly encouraged to attend each class session and participate in class discussions. Students who attend class regularly perform substantially better in exams than those who do not.

Homework: Homework assignments are collected and graded via Blackboard. Homework solutions will be available via Blackboard.

Module Exams: The module exams are NOT cumulative. The exams will be based on assigned readings, lectures, and the assigned end-of-chapter problems.

Final Exam: There will also be a final exam available to students who want to improve their grades based on Schedule 1.

Group Projects: The group projects are due at the beginning of class on the day of the due date or beforehand unless otherwise announced. It is your responsibility to find group members and create a group. Each group should have four (4) to (5) students. **If you cannot join a group, you must notify the course professor before the Modul 1 exam.** One student from each group will electronically **submit the group project in MS Word and Excel via Blackboard.** The group will title the documents “*THE SENDER’S NAME – ProjectX – DOC*” and “*THE SENDER’S NAME – ProjectX – EXL*,” respectively. The names of all the group members will appear on a title page. The readability of these documents is the group’s responsibility. Failure to follow these instructions will result in a reduction in your course grade. Specifically, submitting an

individual instead of a group project will automatically reduce one full letter grade (10 percentage points).

Important Notes:

1. If you have any trouble with the class, please get help ASAP. Do not let the problems build up.
2. If you have a disability and need classroom accommodations, please contact The Center for Accommodations and Support Services (CASS) at 747-5148, or by email to cass@utep.edu, or visit their office located in UTEP Union East, Room 106. For additional information, please visit the CASS website at www.sa.utep.edu/cass.
3. **Academic integrity**. Academic integrity is an extremely serious matter. All students are expected to comply with University rules and regulations on academic integrity and honesty. Disciplinary sanctions may be imposed for violations of these rules and regulations. Because this class is a combination of quizzes and written case reports, extra care will be taken to assure the integrity of the teaching/learning process.
4. This syllabus is tentative.

TENTATIVE COURSE OUTLINE:

The class will be organized as follows.

Week	Date		Topics & Chapters Covered	Notes
1	22-Aug	Mo	Ch. 1 – CRE Basic Legal Concepts	
	24-Aug	We	Ch. 1 – CRE Basic Legal Concepts	
2	29-Aug	Mo	Ch. 1 – CRE Basic Legal Concepts	
	31-Aug	We	Ch. 1 – CRE Basic Legal Concepts	
3	5-Sep	Mo	Labor Day - No Class	
	7-Sep	We	Teaching Note – CRE Market Analysis	
4	12-Sep	Mo	Teaching Note – CRE Market Analysis	
	14-Sep	We	Teaching Note – CRE Market Analysis	HW Due Sep 15 (Th)
5	19-Sep	Mo	Module 1 Review	
	21-Sep	We	Exam 1	
6	26-Sep	Mo	Ch. 9 - Income Producing Properties	
	28-Sep	We	Ch. 9 - Income Producing Properties	
7	3-Oct	Mo	Ch. 10 -Valuation of Income Properties	
	5-Oct	We	Ch. 10 -Valuation of Income Properties	
8	10-Oct	Mo	Ch. 10 -Valuation of Income Properties	
	12-Oct	We	Ch. 11 - Investment Analysis and Taxation of Income Properties	
9	17-Oct	Mo	Ch. 11 - Investment Analysis and Taxation of Income Properties	HW Due Oct 18 (Tu)
	19-Oct	We	Module 2 Review	
10	24-Oct	Mo	Q Exam 2	
	26-Oct	We	Ch. 13 & Teaching Note – Investment & Risk Analysis	
11	31-Oct	Mo	Ch. 13 & Teaching Note – Investment & Risk Analysis	
	2-Nov	We	Ch. 13 & Teaching Note – Investment & Risk Analysis	
12	7-Nov	Mo	Ch. 14 – Disposition & Renovation of Income Properties	
	9-Nov	We	Ch. 14 – Disposition & Renovation of Income Properties	
13	7-Nov	Mo	Ch. 21 – Real Estate Investment Trust	
	16-Nov	We	Ch. 21 – Real Estate Investment Trust	
14	21-Nov	Mo	Group Project Presentations	HW Due Nov 22 (Tu)
	23-Nov	We	Module 3 Review	Pre-Thanksgiving Day
15	28-Nov	Mo	Group Project Presentations	
	30-Nov	We	Exam 3	
16			Final Exam	Covering All Chapters