



CRE 4302 Commercial Real Estate Investments
CRN: 19027
Fall 2021

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Class Hours: 10:30 – 11:50 am, MW, in BUSN 304
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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

REQUIRED MATERIALS

Real Estate Finance & Investments, 16th Edition

By William Brueggeman and Jeffrey Fisher.

ISBN-13: 978-1259919688



COURSE GRADING & DETAILS

GRADING

| Course Requirements | Assignments | Cases / Projects | Module #1 Exam | Module #2 Exam | Module #3 Exam | Final Exam | Total |
|---------------------|-------------|------------------|----------------|----------------|----------------|------------|-------|
| Weights #1 | 20% | 20% | 20% | 20% | 20% | | 100% |
| Weights #2 | 20% | 20% | | | | 60% | 100% |

LETTER GRADE

| Letter | A | B | C | D | F |
|--------|-----------|------------|------------|------------|---------------|
| Range% | 90 - 100% | 80 – 89.99 | 70 – 79.99 | 60 – 69.99 | 59.99 or less |

MINI-QUIZ/PROBLEM SETS/ASSIGNMENTS

Each week, there are mini-quizzes, problem sets, and assignments scheduled for this class. They count 20% of your final grades. The mini-quizzes, problem sets, and assignments are graded on a pass (2 points), low pass (1 point), and fail basis (0 points). No Late mini-quizzes, problem sets, and assignments are accepted. No re-take would be offered if you miss it, except with prior permission from the professor.

Mini-quizzes are completed in class. Problem sets and assignments are assigned at the end of the class and are due at the beginning of the next class or beforehand unless otherwise announced. All assignments / Problem sets will be submitted via Blackboard. The problem sets and assignments are designed to give the students practice with the material covered in class prior to the exams. While students must present their own work, students are allowed to discuss the problem sets with their classmates and/or seek help from the instructor. **TIME IS OF THE ESSENCE**. Therefore, turning in course assignments later than the dates outlined above will result in a significant deduction from the student's final course grade.

EXAMS

Three module exams will be given. The exams will be based on assigned readings, lectures, and most importantly, assigned end-of-chapter problems of the corresponding module. There will also be a final exam, which covers all the materials that we learned in the semester. The highest of the average of the three in-term exams or the final exam will be counted as the grade for exams.

Exams will have multiple-choice, short answer, and problem-solving sections. You will not pass the class if you can not master the finance-related problems. The exam scoring is weighted to make this a certainty.

CASES/PROJECTS

Three (3) major cases/projects will be required. 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 are unable to join a group, you must notify the professor of the course at least two weeks before the project due date.** 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 result in a reduction of one full letter grade (10 percentage points).

STUDENT PERFORMANCE EXPECTATIONS

Participation: Participation is judged through a combination of interactive actions on the part of the student. These actions include, but are not limited to, adherence to the course syllabus and course instructions and participation in class discussion among other activities. Students who cannot attend class due to observation of their religious holidays must submit his/her request to me, in writing, before August 23, 2021.

Group Evaluation: In this course, students will be working on three group projects. After every project is submitted, each group member will evaluate all the other group members on a 1-5 scale. Students who are evaluated poorly by their group members could forfeit all of their group evaluation points.

Grade Dispute: Grade appeals must be submitted to me, in writing, within one week after the assignment is returned to the student. This written appeal should contain a description of the assignment question, student answer, and a detailed objection to the current grade. Please submit this appeal along with the graded assignment that is in dispute.

Ideas, Comments, and Suggestions: One of the best ways to make my teaching most effective is by listening to your ideas, comments, and suggestions. Therefore, please insert your input. In some cases, if an easy change, I will respond immediately, and in other cases, I will integrate it into future semesters.

TENTATIVE COURSE OUTLINE:

The class will be organized as follows.

| Module 1 | | | |
|-----------------|--|----------------|-------------------------|
| Week | Topic Covered | Chapter | Others |
| 1 | Income Producing Properties | 9 | |
| | Income Producing Properties | 9 | Case/Project 1 assigned |
| 2 | Valuation of Income Properties | 10 | |
| | Valuation of Income Properties | 10 | |
| 3 | Investment Analysis and Taxation of Income Properties | 11 | |
| | Investment Analysis and Taxation of Income Properties | 11 | |
| 4 | Financial Leverage and Financing Alternatives | 12 | |
| | Financial Leverage and Financing Alternatives | 12 | Case/Project 1 due |
| 5 | Model Review | | |
| | Exam #1: | | |
| Module 2 | | | |
| Week | Topics | Chapter | Others |
| 6 | Risk Analysis | 13 | Case/Project 2 assigned |
| | Risk Analysis | 13 | |
| 7 | Disposition & Renovation of Income Properties | 14 | |
| | Disposition & Renovation of Income Properties | 14 | |
| 8 | Financing Corporate Real Estate | 15 | |
| | Financing Corporate Real Estate | 15 | |
| 9 | Financing Project Development | 16 | |
| | Case/Project Presentation | | Case/Project 2 due |
| 10 | Case/Project Presentation | | |
| | Exam #2: | | |
| Module 3 | | | |
| Week | Topics | Chapter | Others |
| 11 | Structuring Real Estate Investment | 18 | Case/Project 3 assigned |
| | Structuring Real Estate Investment | 18 | |
| 12 | The Secondary Mortgage Market | 19 | |
| | The Secondary Mortgage Market | 20 | |
| 13 | Real Estate Investment Trust | 21 | |
| | Real Estate Investment Trust | 21 | |
| 14 | Real Estate Investment Performance and Portfolio Consideration | 22 | |
| | Real Estate Funds | 23 | |
| 15 | Case/Project Presentation | | Case/Project 3 due |
| | Exam #3 | | |
| 16 | Final Exam | | |

TECHNOLOGY REQUIREMENTS

Course content is delivered via the Internet through the Blackboard learning management system. Ensure your UTEP e-mail account is working and that you have access to the Web and a stable web browser. Google Chrome and Mozilla Firefox are the best browsers for Blackboard; other browsers may cause complications. When having technical difficulties, update your browser, clear your cache, or try switching to another browser.

You will need to have access to a computer/laptop, scanner, a webcam, and a microphone. You will need to download or update the following software: Microsoft Office, Adobe Acrobat Reader, Windows Media Player, QuickTime, and Java. Check that your computer hardware and software are up-to-date and able to access all parts of the course.

If you do not have a word-processing software, you can download Word and other Microsoft Office programs (including Excel, PowerPoint, Outlook and more) for free via UTEP's Microsoft Office Portal. Click the following link for more information about [Microsoft Office 365](#) and follow the instructions.

IMPORTANT: If you encounter technical difficulties beyond your scope of troubleshooting, please contact the UTEP [Help Desk](#) as they are trained specifically in assisting with the technological needs of students. Please do not contact me for this type of assistance. The Help Desk is much better equipped than I am to assist you!

ATTENDANCE AND PARTICIPATION

Attendance in the course is determined by participation in the learning activities of the course. Your participation in the course is important not only for your learning and success but also to create a community of learners. Participation is determined by completion of the following activities:

- Reading/Viewing all course materials to ensure understanding of assignment requirements
- Participating in engaging discussion with your peers on the discussion boards (grading rubric provided in the “grading information” area of each forum)
- Participating in scheduled Blackboard Collaborate sessions
- Other activities as indicated in the weekly modules

Because these activities are designed to contribute to your learning each week, they cannot be made up after their due date has passed.

EXCUSED ABSENCES AND/OR COURSE DROP POLICY

I will not drop you from the course. However, if you feel that you are unable to complete the course successfully, please let me know and then contact the [Registrar's Office](#) to initiate the drop process. If you do not, you are at risk of receiving an “F” for the course.

MAKE-UP WORK

Make-up work will be given *only* in the case of a *documented* emergency. Note that make-up work may be in a different format than the original work, may require more intensive preparation, and may be graded with penalty points. If you miss an assignment and the reason is not considered excusable, you will receive a zero. It is therefore important to reach out to me—in advance if at all possible—and explain with proper documentation why you missed a given course requirement. Once a deadline has been established for make-up work, no further extensions or exceptions will be granted.

ALTERNATIVE MEANS OF SUBMITTING WORK IN CASE OF TECHNICAL ISSUES

I strongly suggest that you submit your work with plenty of time to spare in the event that you have a technical issue with the course website, network, and/or your computer. I also suggest you save all your work (answers to discussion points, quizzes, exams, and essays) in a separate Word document as a back-up. This way, you will have evidence that you completed the work and will not lose credit. If you are experiencing difficulties submitting your work through the course website, please contact the UTEP Help Desk. You can email me your back-up document as a last resort.

INCOMPLETE GRADE POLICY

Incomplete grades may be requested only in exceptional circumstances after you have completed at least half of the course requirements. Talk to me immediately if you believe an incomplete is warranted. If granted, we will establish a contract of work to be completed with deadlines.

ACCOMMODATIONS POLICY

The University is committed to providing reasonable accommodations and auxiliary services to students, staff, faculty, job applicants, applicants for admissions, and other beneficiaries of University programs, services and activities with documented disabilities in order to provide them with equal opportunities to participate in programs, services, and activities in compliance with sections 503 and 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act (ADA) of 1990 and the Americans with Disabilities Act Amendments Act (ADAAA) of 2008. Reasonable accommodations will be made unless it is determined that doing so would cause undue hardship on the University. Students requesting an accommodation based on a disability must register with the [UTEP Center for Accommodations and Support Services](#) (CASS). Contact the Center for Accommodations and Support Services at 915-747-5148, or email them at cass@utep.edu, or apply for accommodations online via the [CASS portal](#).

SCHOLASTIC INTEGRITY

Academic dishonesty is prohibited and is considered a violation of the UTEP Handbook of Operating Procedures. It includes, but is not limited to, cheating, plagiarism, and collusion. Cheating may involve copying from or providing information to another student, possessing unauthorized materials during a test, or falsifying research data on laboratory reports. Plagiarism occurs when someone intentionally or knowingly represents the words or ideas of another as ones' own. Collusion involves collaborating with another person to commit any academically dishonest act. Any act of academic dishonesty attempted by a UTEP student is unacceptable and will not be tolerated. All suspected violations of academic integrity at The University of Texas at El Paso must be reported to the [Office of Student Conduct and Conflict Resolution \(OSCCR\)](#) for possible disciplinary action. To learn more, please visit [HOOP: Student Conduct and Discipline](#).

CLASS RECORDINGS

The use of recordings will enable you to have access to class lectures, group discussions, and so on in the event you miss a synchronous or in-person class meeting due to illness or other extenuating circumstance. Our use of such technology is governed by the Federal Educational Rights and Privacy Act (FERPA) and UTEP's acceptable-use policy. A recording of class sessions will be kept and stored by UTEP, in accordance with FERPA and UTEP policies. Your instructor will not share the recordings of your class activities outside of course participants, which include your fellow students, teaching assistants, or graduate assistants, and any guest faculty or community-based learning partners with whom we may engage during a class session. **You may not share recordings outside of this course.** Doing so may result in disciplinary action.

PLAGIARISM DETECTING SOFTWARE

Some of your course work and assessments may be submitted to SafeAssign, a plagiarism detecting software. SafeAssign is used to review assignment submissions for originality and will help you learn how to properly attribute sources rather than paraphrase.

COPYRIGHT STATEMENT FOR COURSE MATERIALS

All materials used in this course are protected by copyright law. The course materials are only for the use of students currently enrolled in this course and only for the purpose of this course. They may not be further disseminated.

COVID-19 PRECAUTIONS

Please stay home if you have been diagnosed with COVID-19 or are experiencing COVID-19 symptoms. If you are feeling unwell, please let me know as soon as possible, so that we can work on appropriate accommodations. If you have tested positive for COVID-19, you are encouraged to report your results to covidaction@utep.edu, so that the Dean of Students Office can provide you with support and help with communication with your professors. The Student Health Center is equipped to provide COVID 19 testing.

The Center for Disease Control and Prevention recommends that people in areas of substantial or high COVID-19 transmission wear face masks when indoors in groups of people. The best way that Miners can take care of Miners is to get the vaccine. If you still need the vaccine, it is widely available in the El Paso area, and will be available at no charge on campus during the first week of classes. For more information about the current rates, testing, and vaccinations, please visit epstrong.org

Course Resources:

UTEP provides a variety of student services and support:

Technology Resources

- [Help Desk](#): Students experiencing technological challenges (email, Blackboard, software, etc.) can submit a ticket to the UTEP Helpdesk for assistance. Contact the Helpdesk via phone, email, chat, website, or in person if on campus.

Academic Resources

- [UTEP Library](#): Access a wide range of resources including online, full-text access to thousands of journals and eBooks plus reference service and librarian assistance for enrolled students.
- [University Writing Center \(UWC\)](#): Submit papers here for assistance with writing style and formatting, ask a tutor for help and explore other writing resources.
- [Math Tutoring Center \(MaRCS\)](#): Ask a tutor for help and explore other available math resources.
- [History Tutoring Center \(HTC\)](#): Receive assistance with writing history papers, get help from a tutor and explore other history resources.
- [RefWorks](#): A bibliographic citation tool; check out the RefWorks tutorial and Fact Sheet and Quick-Start Guide.

Individual Resources

- [Military Student Success Center](#): Assists personnel in any branch of service to reach their educational goals.
- [Center for Accommodations and Support Services](#): Assists students with ADA-related accommodations for coursework, housing, and internships.
- [Counseling and Psychological Services](#): Provides a variety of counseling services including individual, couples, and group sessions as well as career and disability assessments.