



RE 358/URB 351,

INTRODUCTION TO COMMERCIAL REAL ESTATE/ URBAN LAND DEVELOPMENT

UNIQUE NUMBER - 04100

Fall 2021

CLASS MEETS: 9:30AM-11:00AM, T,TH, UTC 1.132

Instructor: Lance Sallis

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Office hours: By Appointment

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TA: TBD

Course Description

THIS COURSE PROVIDES AN OVERVIEW OF COMMERCIAL REAL ESTATE. UPON COURSE COMPLETION, STUDENTS WILL BE FAMILIAR WITH THE VARIOUS TYPES OF COMMERCIAL REAL ESTATE, COMMERCIAL LEASES, PROPERTY LEVEL FINANCIAL AND YIELD CALCULATIONS, SOURCES OF INSTITUTIONAL DEBT AND EQUITY AS WELL AS ANALYSIS OF MARKET CYCLES.

IN ADDITION TO THE TEXT-BASED LEARNING THERE WILL BE ADDITIONAL FOCUS ON COMMERCIAL REAL ESTATE AS A CAREER. CLASS DISCUSSIONS WILL INCLUDE GUEST SPEAKERS, PRACTICAL INFORMATION ON JOB TYPES, COMPENSATION, AND SKILLS REQUIREMENTS.

PRE-REQUISITES FOR THE COURSE:

Accounting 310F or 311 or 311H; and Finance 357 or 357H

Course Requirements



REQUIRED MATERIALS

REAL ESTATE FINANCE AND INVESTMENT – RISKS AND OPPORTUNITIES, EDITION 5.1 BY PETER LINNEMAN, PHD, AND BRUCE KIRSCH

NOTE: IT IS BEST TO ORDER THE TEXTBOOK DIRECTLY FORM THE PUBLISHER AT:

[HTTPS://WWW.LINNEMANASSOCIATES.COM/REAL-ESTATE-FINANCE-TEXTBOOK](https://www.linnemanassociates.com/real-estate-finance-textbook)

ORDER JUST THE TEXTBOOK, THERE IS NO NEED TO ORDER AUDIO INTERVIEWS

THE TEXTBOOK INCLUDES AN ONLINE COMPANION. THIS ONLINE RESOURCE INCLUDES ASSIGNMENTS TO BE COMPLETED AS HOMEWORK. THE ONLINE COMPANION CAN BE FOUND AT [HTTPS://TEXTBOOK.GETREFM.COM/TOC/](https://textbook.getrefm.com/toc/)

ADDITIONAL COURSE MATERIALS WILL BE MADE AVAILABLE VIA CANVAS.

REQUIRED DEVICES

YOU WILL NEED A FINANCIAL CALCULATOR CAPABLE OF PERFORMING PRESENT VALUE AND RATE OF RETURN CALCULATIONS WITH UNEQUAL CASH FLOWS. I WOULD RECOMMEND ONE OF THE FOLLOWING: HP 10BII+, TI BA II PLUS OR HP 12C.

CLASSROOM EXPECTATIONS

Class attendance Attendance will be taken at the beginning of each class and is required both for regular classes and for guest lectures. Note that attendance is a component of class participation, which counts towards your grade (see grading policy below). **You can have two unexcused absences throughout the semester**

Class participation Class attendance and class participation will count for 10% of your final grade.

Behavior expectations You are expected to come to class prepared, i.e. up to speed with the material to be covered in class and have completed the readings listed on the syllabus.



CLASS SCHEDULE/ ASSIGNMENTS & DUE DATES

Class	Date	Class Topic	Out of Class Activities	Assignments
1.	8/26	Class Overview Introduction to Real Estate	Read Preface & Chapter 1	Complete “Online Companion Hands On” for Figure 1.1 (Due by the beginning of class 2).
2	8/31	Commercial Real Estate Property Types	Read Chapters 2 and 4	Complete “Online Companion Hands On” for Figure 2.23 and Figure 4.1 exercise (Due by the beginning of class 3). <i>Writing Assignment #1 Introduction (Property Visit)</i>
3	9/2	Understanding Leases and Lease Structure	Read Lease Form (posted on Canvas)	Be prepared to comment in class on the form.
4	9/7	Guest Speaker -- Edvin Beasley Pennybacker Capital	None	None
5	9/9	Building a Property Level Pro Forma (part 1)	Read Chapter 5 (pages. 55-68)	Complete “Online Companion Hands On” Through Figure 5.11 (Due by the beginning of class 6). <i>Writing Assignment #1 Due by 10:00 PM (Property Visits). Upload .PDF file to Canvas.</i>
6	9/14	Building a Property Level Pro Forma (part 2)	Read Chapter 5 (pages. 69-83)	Complete “Online Companion Hands On” Through Figure 5.21 (Due by the beginning of class 7).
7	9/16	Building a Financial Model (part 1)	Read Chapter 6	Complete Chapter 6 “Online Companion Hands On” Through Figure 6.7 (Due by the beginning of class 8)
8	9/21	Building a Financial Model (part 2)	Read Chapter 6	Complete Chapter 6 “Online Companion Hands On” Through Figure 6.10 (Due by the beginning of class 9)



9	9/23	Guest Speaker - Parker Levy Goldman Sachs	Read "Supplemental IV" pages 423 – 440	None
10	9/28	Market Cycles	Listen to Dr. Glenn Mueller's Podcast https://www.realcrowd.com/blog/2019/02/podcast-mastering-real-estate-cycles-with-glenn-mueller/	Be prepared to comment in class on the podcast <i>Writing Assignment #2 Introduction (Market Cycle)</i>
11	9/30	Using Cap Rates for Valuation	Read Chapter 9	None
12	10/5	Guest Speaker - David Thibodeaux Newmark Knight Frank	Read Appraisal Report (posted on Canvas)	<i>Writing Assignment #2 (Market Cycle) due by 10:00PM. Upload .PDF file to Canvas.</i>
13	10/7	Midterm Exam Preparation	Study Exam Review	None
14	10/12	Midterm Exam	None	None
15	10/14	Midterm Exam Review	None	None
16	10/19	Survey & Title	Review Title Policy (posted on Canvas)	Be prepared to discuss Title Policy in class.
17	10/21	Commercial Real Estate Sales Process	Read Purchase & Sale Agreement (posted on Canvas)	Be prepared to discuss Purchase & Sale Agreement in class. <i>Writing Assignment #3 Introduction (1000 - 1002 Ave N)</i>
18	10/26	Real Estate Due Diligence	Read Chapter 7	None
19	10/28	Development & Investment (Part 1)	Read Chapter 10	None
20	11/2	Development & Investment (Part 2)	Read Chapter 10	<i>Writing Assignment #3 (1000 - 1002 Ave N) due by 10:00PM. Upload .PDF file to Canvas.</i>



21	11/4	Guest Speaker Brad Maples Trammell Crow Company	None	None
22	11/9	Debt Financing	Read Chapters 14 & 15	<i>Writing Assignment #4 Introduction (TCC Lessons Learned)</i>
23	11/11	Distressed Debt Bankruptcy Ground Leases	Read Chapters 13 7 17	None
24	11/16	Guest Speaker Matt Greer Newmark Knight Frank	Read Finance Offering (posted on Canvas)	None
25	11/18	Real Estate Private Equity Funds	Read Chapter 19	<i>Writing Assignment #4 (TCC Lessons Learned) due by 10:00PM. Upload .PDF file to Canvas.</i>
26	11/23	Thanksgiving		
27	11/25	Real Estate Investment Trusts	Read Chapter 21	
28	11/30	Final Exam Preparation	Study Exam Review	
29	12/2	Final Exam		

GRADING FOR THIS COURSE

The following table represents how you will demonstrate your learning and how we will assess the degree to which you have done so.

Item	Percent of Total Grade
Class Participation	10%
Homework	15%
Writing Assignments	15%
Mid-Term Exam	30%
Final Exam	30%
Total	100%



COURSE OUTLINE

All instructions, assignments, readings, rubrics and essential information will be on the Canvas website at utexas.instructure.com. Check this site regularly and use it to ask questions about the course schedule.

Changes to the schedule may be made at my discretion and if circumstances require. It is your responsibility to note these changes when announced (although I will do my best to ensure that you receive the changes with as much advanced notice as possible).

Policies

CLASSROOM POLICIES

STATEMENT ON LEARNING SUCCESS

Your success in this class is important to me. We will all need accommodations because we all learn differently. If there are aspects of this course that prevent you from learning or exclude you, please let me know as soon as possible. Together we'll develop strategies to meet both your needs and the requirements of the course. I also encourage you to reach out to the student resources available through UT. Many are listed on this syllabus, but I am happy to connect you with a person or Center if you would like.



GRADING POLICIES

Grade	Cutoff
A	94%
A-	90%
B+	87%
B	84%
B-	80%
C+	77%
C	74%
C-	70%
D	65%
F	<65%

LATE WORK

All assignments are due when shown on the syllabus. If you are having trouble turning in an assignment on the due date, please notify me in writing prior to that due date.

ABSENCES

You are allowed two unexcused absences during the semester. If you need to miss class for any reason, please contact me in writing, prior to class.

POLICY ON SCHOLASTIC DISHONESTY

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://my.mcombs.utexas.edu/BBA/Code-of-Ethics>. By teaching this course, I have agreed to observe all faculty responsibilities described there. By enrolling in this class, you have agreed to observe all student responsibilities described there. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Conduct and Academic Integrity website at <http://deanofstudents.utexas.edu/conduct/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.



ONLINE INSTRUCTION

GETTING HELP WITH ZOOM

Students needing help with Zoom should refer to the [McCombs Student Instructional Wiki](#) for a set of comprehensive instructions. All McCombs Canvas course pages have this link on the left menu bar for quick and easy reference.

UT ZOOM ACCOUNT

All students must use a UT Zoom account in order to participate in classes, office hours, and any UT affiliated events. For detailed instructions on how to sign up for a UT Zoom account, see [Getting Started with Zoom](#). You will be denied access to Zoom sessions if you attempt to access without a valid UT account.

JOINING A CLASS OR OFFICE HOURS IN ZOOM

The preferred method of joining a class or office hours is through Canvas. Students must log into their Canvas course site and click on Zoom on the left menu bar to locate links to join the class in Zoom in the calendar on Canvas. Zoom links for a class or office hours may also be emailed by the instructor. Regardless, students must use their UT Zoom account to participate. For more information, see [How to Join Class or Office Hours](#).

ZOOM PROFESSIONALISM AND ETIQUETTE

Following are some best practices for making sure we are working together to create an efficient, effective, respectful, and ultimately enjoyable classroom when accessing remotely:

- Keep your video on at all times.
- Be mindful of your surroundings when on camera to minimize distractions.
- Avoid display of inappropriate materials or expressions, either visual, textual, or otherwise. Such displays may be subject to disciplinary action.
- Turn your camera off when leaving the meeting temporarily and use the away feedback icon.
- Include a professional photo of yourself for your Zoom profile picture. This photo will be visible during class sessions if you keep your video off.
- Mute yourself unless you are speaking. This will reduce background or feedback noise and limit distractions.
- Pose questions or comments using the “raise” your hand feature or typing in the chat window. Try to keep questions and comments brief, especially in large classes.
- Turn off your video if the video or audio is choppy. After the class or meeting, try these [Internet Connection Tips](#).
- Use the most reliable WIFI you can access. If you are experiencing problems with your internet connection, here are some [Internet Connection Tips](#).

For more information, please see [Zoom Etiquette](#).



CLASS RECORDING PRIVACY

Class recordings are reserved only for students in this class for educational purposes and are protected under FERPA. The recordings should not be shared outside the class in any form. Violation of this restriction by a student could lead to Student Misconduct proceedings.

SHARING OF COURSE MATERIALS IS PROHIBITED

No materials used in this class, including, but not limited to, lecture hand-outs, videos, assessments (quizzes, exams, papers, projects, homework assignments), in-class materials, review sheets, and additional problem sets, may be shared online or with anyone outside of the class without explicit, written permission of the instructor. Unauthorized sharing of materials promotes cheating. It is a violation of the University's Student Honor Code and an act of academic dishonesty. The University is well aware of the sites used for sharing materials, and any materials found on such sites that are associated with a specific student, or any suspected unauthorized sharing of materials, will be reported to [Student Conduct and Academic Integrity](#) in the [Office of the Dean of Students](#). These reports can result in sanctions, including failure of the course.

MCCOMBS CLASSROOM PROFESSIONALISM POLICY.

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas BBA experience hinges on this. You should treat the Texas BBA classroom as you would a professional corporate environment. Faculty are expected to be professional and prepared to deliver value for every class session. Students are expected to be professional in all respects. The Texas BBA classroom experience is enhanced when:

- Students arrive on time. On-time arrival ensures that classes are able to start and finish at the scheduled time. On-time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- Students display their name cards. This permits fellow students and faculty to learn names, enhancing opportunities for community building and evaluation of in-class contributions.
- Students are fully prepared for each class. Much of the learning in the Texas BBA program takes place during classroom discussions. When students are not prepared, they cannot contribute to the overall learning process. This affects not only the individual but their peers who count on them, as well.
- Students respect the views and opinions of their colleagues. Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- Students attend the class section to which they are registered. Learning is enhanced when class sizes are optimized. Limits are set to ensure a quality experience and safety.
- Technology is used to enhance the class experience. When students are surfing the web, responding to e-mail, instant messaging each other, and otherwise not devoting their full attention to the topic at hand,



they are doing themselves and their peers a major disservice. Those around them face additional distractions. Fellow students cannot benefit from the insights of the students who are not engaged. Faculty office hours are spent going over class material with students who chose not to pay attention, rather than truly adding value by helping students who want a better understanding of the material or want to explore the issues in more depth. Students with real needs may not be able to obtain adequate help if faculty time is spent repeating what was said in class. There are often cases where learning is enhanced by the use of technology in class. Faculty will let you know when it is appropriate.

- Phones and wireless devices are turned off. We've all heard the annoying ringing in the middle of a meeting. Not only is it not professional, but it also cuts off the flow of discussion when the search for the offender begins. When a true need to communicate with someone outside of class exists (e.g., for some medical need) please inform the professor prior to class.

DIVERSITY AND INCLUSION

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed, and that the diversity that students bring to this class can be comfortably expressed and be viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

PERSONAL PRONOUN PREFERENCE

Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by a name different than what appears on the roster, and by the gender pronouns you use. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.

STUDENT RIGHTS & RESPONSIBILITIES

- You have a right to a learning environment that supports mental and physical wellness.
- You have a right to respect.
- You have a right to be assessed and graded fairly.
- You have a right to freedom of opinion and expression.
- You have a right to privacy and confidentiality.
- You have a right to meaningful and equal participation, to self-organize groups to improve your learning environment.
- You have a right to learn in an environment that is welcoming to all people. No student shall be isolated, excluded or diminished in any way.



With these rights come responsibilities:

- You are responsible for taking care of yourself, managing your time, and communicating with the teaching team and with others if things start to feel out of control or overwhelming.
- You are responsible for acting in a way that is worthy of respect and always respectful of others. • Your experience with this course is directly related to the quality of the energy that you bring to it, and your energy shapes the quality of your peers' experiences.
- You are responsible for creating an inclusive environment and for speaking up when someone is excluded.
- You are responsible for holding yourself accountable to these standards, holding each other to these standards, and holding the teaching team accountable as well.

RELIGIOUS HOLY DAYS

By [UT Austin policy](#), you must notify me of your pending absence as far in advance as possible to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

UNIVERSITY RESOURCES FOR STUDENTS

Your success in this class is important to me. We will all need accommodations because we all learn differently. If there are aspects of this course that prevent you from learning or exclude you, please let me know as soon as possible. Together we'll develop strategies to meet both your needs and the requirements of the course. There is also a range of resources on campus:

SERVICES FOR STUDENTS WITH DISABILITIES

This class respects and welcomes students of all backgrounds, identities, and abilities. If there are circumstances that make our learning environment and activities difficult, if you have medical information that you need to share with me, or if you need specific arrangements in case the building needs to be evacuated, please let me know. I am committed to creating an effective learning environment for all students, but I can only do so if you discuss your needs with me as early as possible. I promise to maintain the confidentiality of these discussions. If appropriate, also contact [Services for Students with Disabilities](#), 512-471-6259 (voice) or (512) 410-6644 (video phone).

COUNSELING AND MENTAL HEALTH CENTER

Do your best to maintain a healthy lifestyle this semester by eating well, exercising, avoiding drugs and alcohol, getting enough sleep and taking some time to relax. This will help you achieve your goals and cope with stress. All of us benefit from support during times of struggle. You are not alone. There are many helpful [resources](#)



available on campus and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful. If you or anyone you know experiences any academic stress, difficult life events, or feelings like anxiety or depression, we strongly encourage you to seek support. A [Counselors in Academic Residence \(CARE\) Program](#) is available in each college from the [Counseling and Mental Health Center](#).

THE SANGER LEARNING CENTER

Did you know that more than one-third of UT undergraduate students use the Sanger Learning Center each year to improve their academic performance? All students are welcome to take advantage of Sanger Center's classes and workshops, private learning specialist appointments, peer academic coaching, and tutoring for more than 70 courses in 15 different subject areas. For more information, please visit [Sanger Learning Center](#) or call 512-471-3614 (JES A332).

STUDENT EMERGENCY SERVICES

UT's [Student Emergency Services](#) provides assistance, intervention, and referrals to support students navigating challenging or unexpected issues that impact their well-being and academic success. If you need to be absent from class due to a family emergency, medical or mental health concern, or academic difficulty due to crisis or an emergency situation, please register with [Student Emergency Services](#). SES will verify your situation and notify your professors.

IMPORTANT SAFETY INFORMATION

If you have concerns about the safety or behavior of fellow students, TAs or Professors, call BCCAL (the [Behavior Concerns and COVID-19 Advice Line](#)): 512-232-5050. Your call can be anonymous. If something doesn't feel right – it probably isn't. Trust your instincts and share your concerns.

CLASSROOM SAFETY AND COVID-19

To help preserve our in-person learning environment, the university recommends the following.

- Adhere to university [mask guidance](#). Masks are strongly recommended, but optional, inside university buildings for vaccinated and unvaccinated individuals, except when alone in a private office or single-occupant cubicle.
- [Vaccinations are widely available](#), free and not billed to health insurance. The vaccine will help protect against the transmission of the virus to others and reduce serious symptoms in those who are vaccinated.
- [Proactive Community Testing](#) remains an important part of the university's efforts to protect our community. Tests are fast and free.



- The university has determined that all students coming to campus for the fall semester must receive a viral COVID-19 test in their local community within 72 hours prior to arrival in Austin for move in. If they already reside in Austin, they must test within 72 hours of moving into the residence where they will reside for the academic semester. Finally, individuals who are already living in the residence in Austin where they will reside this academic semester should test within 72 hours (3 days) prior to the start of class on Aug. 25.
- We encourage the use of the [Protect Texas App](#) each day prior to coming to campus.
- If you develop COVID-19 symptoms or feel sick, stay home and contact the [University Health Services'](#) Nurse Advice Line at 512-475-6877. If you need to be absent from class, contact [Student Emergency Services](#) and they will notify your professors. In addition, to help understand what to do if you have been had close contact with someone who tested positive for COVID-19, see this [University Health Services link](#).
- [Behavior Concerns and COVID-19 Advice Line](#) (BCCAL) remains available as the primary tool to address questions or concerns from the university community about COVID-19.
- Students who test positive should contact [BCCAL](#) or self-report (if tested off campus) to [University Health Services](#).
- Visit [Protect Texas Together](#) for more information.

TITLE IX REPORTING

Title IX is a federal law that protects against sex and gender-based discrimination, sexual harassment, sexual assault, sexual misconduct, dating/domestic violence and stalking at federally funded educational institutions. UT Austin is committed to fostering a learning and working environment free from discrimination in all its forms. When sexual misconduct occurs in our community, the university can:

1. Intervene to prevent harmful behavior from continuing or escalating.
2. Provide support and remedies to students and employees who have experienced harm or have become involved in a Title IX investigation.
3. Investigate and discipline violations of the university's [relevant policies](#).

Faculty members and certain staff members are considered "Responsible Employees" or "Mandatory Reporters," which means that they are required to report violations of Title IX to the Title IX Coordinator. **I am a Responsible Employee and must report any Title IX-related incidents** that are disclosed in writing, discussion, or one-on-one. Before talking with me or with any faculty or staff member about a Title IX-related incident, be sure to ask whether they are a responsible employee. If you want to speak with someone for support or remedies without making an official report to the university, email advocate@austin.utexas.edu For more information about reporting options and resources, visit the [Title IX Office](#) or email titleix@austin.utexas.edu.



CAMPUS SAFETY

The following are recommendations regarding emergency evacuation from the [Office of Campus Safety and Security](#), 512-471-5767,

- Occupants of buildings on The University of Texas at Austin campus must evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation shall inform their instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors. Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- For more information, please visit [emergency preparedness](#).