Course Syllabus
FIR 3310-M50
Real Estate Principles
Spring 2019

Even though I am fairly new to online teaching, my mentor Dr. Mark Sunderman is an "old timer" when it comes to online education - he has been teaching online since Spring 1999. Yet he has assured me that he is still learning more every semester and trying not to make the same mistakes twice. Between us, we hope to help you have a great online experience this semester. Since many of you may be new to online instruction, I am sure this will be a learning experience for all of us.

This class has been designed so it should be beneficial to the university student needing an elective, the professional wanting to learn about real estate, the individual considering making real estate a career, or even the real estate professional needing continuing educational credit. This course serves as an introduction to physical, legal and economic fundamentals of real estate using an integration of real estate markets, mortgage financing, appraisal principles and investment analysis. FIR 3310 is intended as an overview of real estate and is the first in a five-course sequence in real estate that we have on campus, as well as online.

From a professional standpoint, this course should help students, considering further study and/or a career in the real estate field; decide whether their aptitudes and interests lie in that direction. From a personal standpoint, students should be in a better position to make decisions regarding real estate, becoming at least familiar enough with key considerations to know how to gather information and advice from available sources and to interpret this information.

Let me stress that online education has many benefits. But it is still in many respects self-directed learning. It requires a high level of responsibility, dedication and self-discipline on your part. Even though we do not have class meetings, there are still weekly assignments and deadlines to meet. In this class you will be responsible for your own work, your own progress, and your own grade. What you get from this class will be in direct relationship to what you put in! I really enjoy the flexibility of online education, but it is also VERY easy to get behind. I have tried to design this class so it is easy to succeed, but it requires you to be involved in the class and complete the assignments.

Syllabus

Class Syllabus for FIR 3310

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructor:</td>
<td>Wei Sun (Dr. Mark Sunderman will be assisting)</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>Wei Sun&lt;br&gt;University of Memphis&lt;br&gt;Department of Finance, Insurance and Real Estate&lt;br&gt;Memphis, TN 38152-3120</td>
</tr>
<tr>
<td>Office:</td>
<td>Fogelman Classroom Building, Rm 364</td>
</tr>
<tr>
<td>Office Hours:</td>
<td>Since I am only teaching online, I do not have any set office hours. However, I am on campus usually everyday. The best way to reach me is with class e-mail (sent from the class shell). If we need to talk or meet, a time can be arranged.</td>
</tr>
<tr>
<td>E-Mail:</td>
<td>Please use my e-mail from within the class shell. Do not use my University of Memphis e-mail address with my online classes since it is too easy for me to loss track of your correspondence. Also, I want Dr. Sunderman to also have access to the e-mail!</td>
</tr>
<tr>
<td>Calculator:</td>
<td>A calculator in this class is required. A financial calculator is not mandatory, but one is helpful (if you are planning to purchase one, the HP-12C is recommended). Calculators will be needed to work the quizzes and the problems assigned in class.</td>
</tr>
</tbody>
</table>
Course Overview

This course serves as an introduction to physical, legal and economic fundamentals of real estate using an integration of real estate markets, mortgage financing, appraisal principles and investment analysis. FIR 3310 is intended as an overview of real estate and is the first in a five-course sequence in real estate that we have available on campus, as well as online. Quantitative aspects of this subject are stressed, when appropriate, since success in different aspects of real estate require more than an understanding of concepts but it is critical that there is an understanding of how to work the numbers.

Course Objective

By successfully completing this course, students will be able to:

1. Have an understanding of the nature of real estate and real estate markets.
2. Understand and be able to calculate time value of money concepts as they are applied to real estate.
3. Have an understanding of how our legal system helps provide the basis of our real estate system and provides the foundation for real estate value.
4. Have an understanding of the power of government controls in regulating land use and how this power is typically used.
5. Understand the mechanics of the cost, sales comparison and income approach to property valuation and when each is most appropriate.
6. Have an understanding of "mass" appraisal and its application.
7. Understand the difference, as well as the application of direct capitalization and discounted cash flow models of property valuation.
8. Understand the mechanics and terms of the standard fixed-rate mortgage.
9. Have an understanding of how lenders control default risk through the use of borrower qualification, loan underwriting and contractual relationships.
10. Understand the impact that different forms of real estate financing can have on the success of a real estate investment project.
11. Understand how income tax impacts a real estate investment decision.
12. Have an understanding of how market determinants impact market value and the role of urban economics.
13. Understand the sequence of steps in the cycle of real estate market research.
14. Have an understanding of the working of the brokerage function.
15. Understand the enhancement of value possible through professional ongoing property management.

Fogelman College: Learning Outcomes for Your Degree

The Fogelman College has established the following learning goals for all students successfully completing the BBA degree:

- Graduates will be effective communicators.
- Graduates will demonstrate critical thinking skills.
- Graduates will be knowledgeable about ethical factors in the business environment.
- Graduates will be knowledgeable about the global business environment.
- Graduates will be proficient users of business presentation and analysis technology.

Course Requirements

1. There will be 7 quizzes (there will be a quiz for each unit of material). Each quiz will be worth 50 points and can be taken a total of three times. You are not required to take a quiz more than once. Your grade with be the average of your attempts. When the quiz is retaken, even though most of the questions remain the same, there will be some variation. Feel free to use your text / notes while taking these quizzes. Again, these quizzes are individual assignments -- teamwork is not permitted.
An important aspect of this class will be communication. Your involvement in this class, through conference threads, will be evaluated at the end of each unit. 25 points are available for Units 1 through 7 (and the Introduction Thread) for a total of 200 points for the course. To receive credit for your threaded discussion, your posts must be made by midnight on the due date of the unit of material. Threads will not only be used for discussion, but I will also use the threads to cover questions about the subject material.

In addition to the above, there will be two problem sets due during the semester. Each problem set will be worth 100 points. Late assignments will not be accepted. After the due date the solutions to the problem set will be posted. It is suggested you make a copy of your assignment prior to turning it in (with electronic submission of assignments - things can go wrong). Assignments will be uploaded into the class Dropbox.

There is no final exam in this class. The last unit of material will be due the last day of class.

Assignments and projects may be submitted anytime up to and including the date due. Please review all information in this syllabus and related “Class Schedule” for all due dates. Unless arrangements have been made in advance due to a reported illness or absence, late assignments will not be accepted.

There is no extra credit offered in this course. Your final grade will be computed based on your work on the formal/assessed activities previously described in this syllabus.

**Course Outline**

- **Unit 1 -- Introduction**
  - The Nature of Real Estate and Real Estate Markets (Chapter 1)
  - The Effects of Time and Risk on Value (Chapter 14)

- **Unit 2 -- Legal Aspects of Real Estate**
  - Legal Foundation to Value (Chapter 2)
  - Conveying Real Property Interests (Chapter 3)
  - Government Controls and Real Estate Markets (Chapter 4)

- **Unit 3 -- Real Estate Appraisal**
  - Valuation Using the Sales Comparison and Cost Approaches (Chapter 7)
  - Valuation Using the Income Approach (Chapter 8)

- **Unit 4 -- Financing Real Estate Ownership**
  - Real Estate Finance: The Laws and Contracts (Chapter 9)
  - Residential Mortgage Types and Borrower Decisions (Chapter 10)
  - Mortgage Calculations and Decisions (Chapter 15)
  - Commercial Mortgage Types and Decisions (Chapter 16)
  - Problem Set 1

- **Unit 5 -- Real Estate Investment Analysis and Impact of Taxes**
  - Investment Decisions: Ratios (Chapter 18)
  - Investment Decisions: NPV and IRR (Chapter 19)
  - Income Taxation and Value (Chapter 20)

- **Unit 6 -- Urban Economics and Market Research**
  - Market Determinates of Value (Chapter 5)
  - Spatial Economics: Rent, Situs, and Succession Theory ¹
  - Forecasting Ownership Benefits and Value: Market Research (Chapter 6)
  - Problem Set 2

- **Unit 7 -- Brokerage and Property Management**
  - Brokerage
    - Real Estate Brokerage and Listing Contracts (Chapter 12)
    - Contracts for Sale and Closing (Chapter 13)
  - Property Management
    - Enhancing Value through Ongoing Management (Chapter 21)
    - Leases and Property Types (Chapter 22)

¹ Chapter 3 of Wurtzebach and Miles, Modern Real Estate, John Wiley and Sons, 1994, Fifth Edition (this will be available online).

**Grading Policy**

This course will have a total of 750 possible points. The breakdown of these points are:

<table>
<thead>
<tr>
<th>Total Possible Points for FIR 3310</th>
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<td><strong>Graded Item</strong></td>
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<td>Unit Quizzes (7 @ 50 points each)</td>
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<tbody>
<tr>
<td>Unit Quizzes (7 @ 50 points each)</td>
<td>350</td>
</tr>
</tbody>
</table>
Grading Scale

Total points earned by the student will determine the grade assigned. I intend to use a 90 / 80 / 70 / 60 percent grading scale. Individual assignments may be curved; however, at no time will the final grading scale exceed the above listed scale.

Course Policies

As with any course, there are policies that need to be followed. With an online class, since we never meet face to face, these policies tend to be even more important.

Communication Expectations

Since this class meets over the Internet, it is critical that constant communication is maintained. For my part, I will check my e-mail daily, usually late afternoon, and will check the Threaded Discussions at least three times a week. From past experience, e-mail communication works best since I am not always in my office (I also enjoy the flexibility of online teaching!). To better serve you, PLEASE include in the subject line of your e-mail "FIR 3310". Also, please make sure to include your name in your message - it is often hard knowing who you are when all I have is an e-mail address! This makes it easier to identify each of you. If at all possible, I will respond to your questions / problems within 24 hours. To send me e-mail - be sure to send it to me from within the online course.

E-mail Policies

To contact me, please e-mail me from within the course shell. This makes sure that ALL my online e-mail communication goes to one location. This way it makes it easier for me (and Dr. Sunderman) to have access to JUST my online class correspondence. PLEASE do not use my University of Memphis e-mail address - it is too easy for me to loss track of your correspondence! You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a "full mailbox" condition, etc.) is the student's responsibility.

E-mail can be a valuable tool; however, it can be easily abused. Each of you has the option to e-mail the entire class; however, PLEASE keep these messages related to course content. Also, I suggest that you do not give the entire class your phone number or address. If you want to share this selectively, that is fine. These policies are designed so each of you are not inundated with junk mail and you are able to maintain some degree of privacy. Further, often posting your question / comment in the threads is better than sending an e-mail message to the entire class.

Finally, please realize that the University of Memphis or this instructor cannot and will not be held responsible for the content of any personal messages which are sent from one student directly to another student using the online e-mail delivery system. It is expected that all students will adhere to accepted codes of ethical, personal, and civil conduct when conversing online using e-mail or engaging in any real time online chat sessions. Failure to abide by such codes of conduct and etiquette will result in expulsion from the course with a failing grade.

Threads Policies

I will not place limits on the use of conference threads other than to clearly state that I will not tolerate rudeness or inconsiderate comments being posted. Please treat each others views with the same amount of respect that you would want your views handled. Remember, it is VERY easy to be guilty of "flaming" in a thread situation. If handled properly, you may find that the "threads" are the most enjoyable aspect of the class.

Grammar / Spelling

There is a tendency to become lax when posting responses to threaded discussions and when sending e-mail. This is not an English class; however, I still expect proper grammar and spelling to be used. I do not intend to grade participation based on the quality of your writing style; however, it is disconcerting when it is HARD to understand what someone is expressing because their writing is unclear. As a suggestion, you may want to compose your threaded comments or e-mail messages in a word processing program where you can check spelling, edit, and revise your writing. Once you are finished, you can cut and paste the work into the threaded discussion or into e-mail.
File Format of Assignments

When I deliver material to the class for downloading, I will save text files in "pdf" format. This is an easy format to read with a free Adobe Acrobat reader. You can download this reader at http://www.adobe.com/prodindex/acrobat/readstep.html. Non-text files will be saved in Microsoft Office format. To send files to me, you can send files in either Word / Adobe Acrobat or Excel format. If you have any concerns regarding my ability to read a file, please contact me. Again, I am very flexible!

Technical Problems

If you have technical problems with the course platform, there is information on the initial login screen at eCourseware. In essence, you can contact the ITD help-desk at 901-678-8888. If you have continual problems, please let me know.

If you have problems with the course content, please contact me.

Unfortunately, Internet Service Providers (ISP) periodically have problems. I have also found that all ISPs are not "created equal" - many class problems have resulted from an inferior ISP. These problems are not an excuse for failing to complete assignments or for turning them in late, not being involved in threaded discussion, or having no e-mail access. Since computer crashes and disasters are bound to happen, I encourage you to make hard copies of your assignments and communication. If you have problems with your ISP, notify them immediately. If problems persist, you may have to access this course from another computer or through another ISP. Keep in mind that your ISP is your only link to this class.

Access to Course

The way this class is designed, you are not permitted to work ahead; however, I have provided some overlap of the units for flexibility (please check out the schedule shown under "Class Schedule"). After each unit is completed, you will still have access to it; however, work done on prior units (involvement in past threads and quizzes) will not be graded.

Reporting Illness or Absence

Due dates and deadlines have been established for each graded assignment. In this course, deadlines are taken very seriously. Please do not wait until the last day to submit assignments or to take quizzes and exams. If an emergency should arise, it is the student's responsibility to contact the instructor prior to the deadline to discuss the matter. A deadline extension will be considered only if all of the following conditions are met: (1) Extreme emergency and (2) Instructor contacted prior to the due date.

Personal Involvement and Time

There is often a misconception that taking a course online is easier since you don't have to physically go to a classroom. It is true that there are some things that become easier for online students. However, it is also easier to get behind. Even though you have flexibility in attending class, the work still needs to be done. Further, you have to take more responsibility for your learning. Finally, an online course requires more personal involvement where participation is the KEY. For success, don't put off your assignments. When possible, get an early start on each unit of material.

You are expected to stay active and engaged throughout the academic term and keep up with the schedule of activities. Your full engagement in the class begins on the first day of the semester and should be maintained until the last assignment is submitted. For students receiving federal student loans, any lack of engagement in the course may be treated as non-attendance and potentially impact access to student loans in the future.

How much you learn in this class will be in direct relationship to the amount of time spent on this material. Even though this class will be a lot of work, I also hope it can be an enjoyable experience!

Finally, I ask that you check your e-mail daily. I may be making adjustments to the course from time to time depending on the needs of the class. I will use e-mail and the message center to keep you informed. Also, I ask that you access conference threads several times during the week. Don't be surprised if you find most of your learning results from this form of communication.

Class Attendance / Involvement

This is NOT A CORRESPONDENCE class! We don't have class meetings, but we have weekly assignments AND deadlines! We will move through this material AS A CLASS, not as individuals. You will find that I stress communication. This is not possible if everyone is at a different place in the material. Professor Sunderman and I are here to help you, but you will likely find your classmates can help a lot as well! Get to know them.

I would suggest that you set aside a time each day that you plan on working on this class. If you need to miss a day, that is fine, but the work still needs to be done! The way this class is designed, you have 17 days to complete a unit of material. Even though this may sound like a lot of time, it really isn't considering the amount of material that needs to be covered in each unit. I had considered breaking these units up into smaller pieces; however, leaving them larger gives each of you more flexibility (or more rope to hang yourself with!). Do not get behind.
I realize that problems occur. I am usually fairly flexible; however, if you are having problems (technical or otherwise) it is YOUR responsibility to contact me.

**Student Services**

Please access the [FCBE Student Services](#) page for information

- Students with Disabilities
- Tutoring and other Academic Assistance
- Advising Services for Fogelman Students
- Technical Assistance

**Syllabus Changes**

The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.

**Class Schedule**

Shown below is the schedule we will be following this semester. Remember, you cannot enter a unit until the "Beginning Date". Even after a unit is completed, you can still access it; however, any work done AFTER the "Ending Date" will not be graded.

*Class Schedule for FIR 3310*

<table>
<thead>
<tr>
<th>Unit - Material Covered</th>
<th>Beginning Date (at 8:00 AM)</th>
<th>Ending Date (at Midnight)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit 1 - Chapters 1 and 14</td>
<td>Wednesday, 1/16</td>
<td>Saturday, 2/2</td>
</tr>
<tr>
<td>Unit 2 - Chapters 2, 3 and 4</td>
<td>Friday, 1/25</td>
<td>Monday, 2/11</td>
</tr>
<tr>
<td>Unit 3 - Chapters 7 and 8</td>
<td>Friday, 2/8</td>
<td>Monday, 2/25</td>
</tr>
<tr>
<td>Unit 4 - Chapters 9, 10, 15, and 16</td>
<td>Friday, 2/22</td>
<td>Monday, 3/18</td>
</tr>
<tr>
<td>Unit 5 - Chapters 18, 19 and 20</td>
<td>Friday, 3/15</td>
<td>Monday, 4/1</td>
</tr>
<tr>
<td>Unit 6 - Chapters 5 and 6</td>
<td>Friday, 3/29</td>
<td>Monday, 4/15</td>
</tr>
<tr>
<td>Unit 7 - Chapters 12, 13, 21 and 22</td>
<td>Friday, 4/12</td>
<td>Monday, 4/29</td>
</tr>
</tbody>
</table>

Except for Unit 1, new units will open on Friday and are due 17 days later, on a Monday (by midnight). Due to Spring Break, I have allowed for an extra week in Unit 4. Note that there is some overlap in the units to provide more flexibility - however, please do not leave the material to the last day! Even though I have attempted to have these units approximately of equal amount of material, you will find that some are harder than others. To be able to schedule the extra week for Spring Break, Unit 1 opens on Wednesday, January 16th and it (and the introduction thread) will close 17 days later on Saturday, February 2nd. **Note that Unit 1 and Unit 2 will both be open from January 25th till February 2nd - SORRY.**

Syllabus Updated on January 3, 2019