University of Maryland  
School of Architecture, Planning and Preservation  
Graduate Programs in Real Estate Development  

RDEV 688K Special Topics in Real Estate Development:  
Tax and Accounting for Real Estate Developers

Appointments: Prearranged prior to class

Course Time: Evenings: 7:00 – 9:40 pm

Classroom: TBD

Textbooks: *Principles of Real Estate Accounting and Taxation* by Joel Rosenfeld  
*REIT Roadmap* by Stephanie M. Krewson  

*Other Documents as need*

Course Objectives:  
1. To acquaint students with an overview of the accounting and taxation of the real estate development industry  
2. To develop a facility with the vocabulary and concepts of real estate accounting and taxation  
3. To acquire the basic understanding of the accounting and tax concepts in the following areas: Acquisition, forms of ownership, development and construction costs, budgeting for capital and operating costs, sales and profit recognition, real estate leases and the taxation thereof, review of the basic accounting process and the users of information, financial statement review including notes, Auditor’s reports.  
4. To enhance each student’s analytical capability  
5. To inculcate habits of keeping current with academic and professional journal content related to the accounting and taxation of the real estate development industry  
6. To use and develop critical business skills in oral and written communication,
presentation skills, and effective business formats

**Calculator:**
No calculator required. Students who wish to purchase/use a calculator the following calculators are considered industry standards:
- Hewlett-Packard 12C or Hewlett-Packard 17B

**Computer:**
Ownership of or access to a personal computer is required. It is strongly recommended that the computer use a Microsoft based operating system such as: Windows 7 or Windows 8.

Student should also have access to “Microsoft Office” (see software section below) or at a minimum, access to the following “Office” program components: PowerPoint, Word, and Excel.

**NOTE:** Much of what is done in real estate development, particularly in financial projections, is performed using Excel. Non-Windows based operating systems running Excel are known to exhibit a variety of problems/glitches.

**Software (Free!):**
TERPware: ([https://terpware.umd.edu](https://terpware.umd.edu)) is the software download website for the University of Maryland, College Park. Various software products are available for download and use by UMD students, faculty, and staff through agreements managed by the Division of IT between the university and software companies.

*Incoming students for the Fall 2014 semester can download software beginning 24-48 hours after they have registered for classes.*

Recommended Software Downloads available for PC:

1. *Office Professional Plus 2013 – Student or Office Professional Plus 2010 – Student*
2. *Acrobat XI Professional*
3. *Windows 7 Ultimate or Windows 8 – Professional – Student* (If you are currently running earlier versions of Windows such as XP).
4. *Adobe Creative Suite 6*

**COURSE POLICIES**

1. **Attendance:** This is a graduate seminar course. It is *essential* to the class, the professor and other students that you be in class for each scheduled session ON TIME, the ENTIRE TIME. Class participation by all students is key to the learning experience. If you expect to miss a class because of a religious holiday, please contact me as soon as possible (the school policy for an excused absence can be found at [testudo.umd.edu/soc/atedasse.html](http://testudo.umd.edu/soc/atedasse.html)).
II. **Cell Phones/ Blackberrys / Droid/etc.** Please turn off all devices when you come to class. Checking messages or other information during class on any electronic device is not permitted.

III. **Laptop computers, Tablets etc.** are not necessary and are **not permitted** except as a reasonable accommodation with proper documentation.

IV. **Off Site Visits.** None planned

V. **LEARNING ASSESSMENT**

A. **Written Assignments (Dual Grading).** Each assignment has two grades (dual grading): One for Content (50% of the points) and one for Business Writing (50%) Papers will be reviewed in accordance with the following criteria.

1. **Business Writing (50%)**
   The Six Measures of Success in Business Writing are that your writing be:
   - Concise (Short Sentences, Avoid compound sentences)
   - Logical (points are logically connected and support a main point)
   - Standard English Grammar [Grammar and spelling, sentences and paragraphs]
   - Business Formal: No vernacular, no slang; nothing flowery; no contractions
   - Business Style
     - 1 inch margins,
     - 12 pt font of Arial, Calibri or Times New Roman
   - Organized with Introduction (or summary); Section and subsection headers

2. **Course Content (50 %)**
   a. Depth of analysis (analytical/critical) (no simple summary)
   b. Synthesis of information
   c. Connection between assumptions; persuasive argument
   d. Demonstrates clear understanding of the material presented
   e. Details support content delivered.

B. Oral **Presentations to the Class and PPT (dual grading).**
Structured Content

Story Board – (beginning, middle, and end)
  i. Summarize what I will present
  ii. Present information
  iii. Summarize what I presented

Simplicity

The Rule of 3’s and 5’s
  i. 3 key points with 5 supporting points each, or
  ii. 5 key points with 3 supporting points each

Personal Poise

- Effective body language (posture, gestures, movement, etc.)
- No verbal litter (ex. um, ah, like, so, etc.)

Audience Engagement

- Dynamic/Energetic presentation
  - Do not turn back to the audience
  - Do not read from notes

C. Class Discussion/Participation
All students are expected to participate in class discussion. I do expect use of the skills discussed, and a demonstration of critical thinking. Please curb your enthusiasm if you find you are talking and speaking up more than the average; and if you are not participating and speaking up, you should focus on engaging.

V. Grading: Grading will be on the curve distributed among the following areas:

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>10%</td>
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<tr>
<td>Synopsis, Definitions, etc.</td>
<td>5%</td>
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<tr>
<td>Homework</td>
<td>15%</td>
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<tr>
<td>Major Project</td>
<td>20%</td>
</tr>
<tr>
<td>Mid Term</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exams</td>
<td>25%</td>
</tr>
</tbody>
</table>

Grading Conversion Scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage Range</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>100% - 97%</td>
<td>A+</td>
</tr>
<tr>
<td>A</td>
<td>96% - 93%</td>
<td>A</td>
</tr>
<tr>
<td>A-</td>
<td>92% - 90%</td>
<td>A-</td>
</tr>
</tbody>
</table>
VI. Assignments:

A. Assignments will be made at least two weeks in advance, and will always be posted on the ELMS (Canvas) site for RDEV688K. You should check ELMS frequently for announcements of any changes in class, changes in the syllabus, and new readings posted. Before you start to do any reading or homework, check ELMS for the latest syllabus. An email notification will be sent for all updates and assignments.

B. Assignments must be submitted in class on the date due, at the beginning of class!!! No late submissions will be accepted. Maximum points possible from your homework assignments assume that you miss turning in a maximum of two weeks assignments. If you turn in all assignments you get the learning and class participation, but the over maximum points will not be included. Permission need not, and will not, be granted to miss class, except in accordance with the University's religious holiday observances policy.

C. Presentations, Projects and Exams. These must be turned in and/or presented on time on the date due. There is significant lead time (and choice of date for your Presentations) and late submission of these items, or submission by email, rather than in class is NOT accepted.

D. All written assignments must be typed, proofread and formatted in a businesslike manner. Your answers should progress logically from one thought or step to the next. They should be presented in the format required. Follow the directions; show all your work.

E. Reading and other assignments are subject to change. Any changes or additions will be announced no later than the class two weeks prior the date assignments are due.

VII. News Synopsis:
Each student should review events that may affect the accounting rules or taxation of a Real Estate Developer. Weekly submissions of articles or analysis of other current issues that impact real estate development from popular business/finance/tax or academic periodicals addressing the topic under discussion is a key feature of the course. In class discussion and presentations are required.
VIII. Class Participation and Business Conduct:
You are expected to have read the assigned material and be prepared to participate in class discussion each week. Business like conduct is expected at all times. If you expect to be (or are in fact are) LATE, do NOT enter the classroom in front of a guest lecturer. Making it to class on time (Plan to arrive by 6:45) is a business value and respectful of your professor and other classmates. Repeated late arrival will not be accepted and admission to the classroom will be limited. Coming late to class is not only disruptive to the other members of the class, but is not a good representation of yourself, or the MRED program, to potential employers. NEVER enter the class and walk across in front of a speaker!

IX. Examinations:

A. Exams will be taken in class as announced.

B. Exams may be a mix of essay questions, case studies, vocabulary definitions and multiple choice questions, as appropriate to show mastery of the material.

X. Academic Integrity

A. The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. Along with certain rights, students have the responsibility to behave honorably in an academic environment. Academic dishonesty, including cheating, fabrication, facilitating academic dishonesty, and plagiarism, will not be tolerated. Plagiarism for those of you who have been out of school a while includes the use of the words, or ideas, of another person, without attribution.

B. The Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For group projects, if any, the boundaries for individual and group work will be provided prior to the beginning of the assignment. You should review carefully the information on the Code of Academic Integrity or the Student Honor Council at www.studenthonorcouncil.umd.edu/code.html.

C. Student Honor Pledge: Each assignment and exam is assumed to include the following pledge: “I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination.”

D. Failure to Abide: If you are involved in obtaining unauthorized assistance, or plagiarism or any other activity that violates the academic integrity of your work or the work of others you may earn a Failing grade for the course, or be subject to dismissal from the Program.
XI. Students with Disabilities:

Students who seek special accommodations due to disabilities please follow the procedures outlined by the Disability Support Service (DSS) and available on the web at: www.counseling.umd.edu/DSS/registration.html

Based on DDS provided information, Instructors will meet with the student and discuss appropriate arrangements including any modified testing procedures

XII. Learning Assistance Service (LAS):

If you are experiencing difficulties in keeping up with the academic demands of this course, contact the Learning Assistance Service, 2202 Shoemaker Building, 301-314-7693. Their educational counselors can help with time management, reading, math, writing skills, note-taking and exam preparation skills. Of particular interest to graduate students is the opportunity to work individually with academic specialists, as well as attend any LAS workshops. LAS also have a specialized structured writing group for international graduate students. There are new web based self-instruction tools that have been collated by the Graduate School that take you directly to sites that can help with grammar and basic writing skills if needed. All services are free to UMD students.

PLEASE, IF YOU NEED HELP, ASK!

XIII. Course and MRED Program Communications:

A. Canvas (ELMS) is used in this course. You will need to check that website regularly (daily is recommended). Your official email address as registered through Testudo. All email communications will come through Canvas. You may modify that email address at any time.

B. It is recommended that you stay up to date with news and events at the School (and off campus) on the MRED bulletin board in the Studio lounge on the first floor, at www.arch.umd.edu/real_estate_development, OR the Boards outside the Library.

XIV. Course Evaluations:

A. University Evaluations
You are responsible for submitting the formal University course evaluation for this course at CourseEvalUM in order to help faculty and administrators improve teaching and learning at Maryland

B. MRED Program Evaluations
You also will be asked to do a MRED Program evaluation for this course at one of the last sessions of the course (See the syllabus schedule). As a new program,
the MRED program and its unique approach to real estate education is greatly assisted by your comprehensive responses, and particularly the open ended questions at the end of the Evaluation Form.
<table>
<thead>
<tr>
<th>#</th>
<th>TOPIC</th>
<th>ASSIGNMENT DUE Two weeks from class meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction Acquisition, Development &amp; Construction Costs Forms of Ownership Chapter 1</td>
<td>Study Questions 2,3. Discuss a form of ownership and why you picked it as the best.</td>
</tr>
<tr>
<td>2</td>
<td>The Acquisition Process Chapters 2,3 &amp; 7</td>
<td>Chpt. 2, Discuss the elements of a contract. Chpt. 3, Discuss Capitalized Cost. Chpt. 7, Discuss the Basis of Property.</td>
</tr>
<tr>
<td>3</td>
<td>Sale of Real Estate Chapters 4,9 &amp; 10</td>
<td>Chpt. 4, Discuss Sect.1031. Chpt. 9, Discuss Dealer v. Investor. Chpt. 10, Discuss the process of Percentage of Completion.</td>
</tr>
<tr>
<td>4</td>
<td>Accounting in Business Chapters 11 - 14</td>
<td>Chpt. 11, Question 11. Chpt. 12, Question 3. Chpt. 13, Question 17 Chpt. 14, Question 8</td>
</tr>
<tr>
<td>5</td>
<td>The Budget Process</td>
<td>What types of Budgets are there? Discuss each.</td>
</tr>
<tr>
<td>6</td>
<td>Understanding Financial Statements Auditor’s Reports It is all in the Foot Notes Chapters 15 - 17</td>
<td>Chpt. 15, Discuss the two methods of accounting. Chpt. 16, Question 6 and discuss each component. Chpt. 17, Questions 1 &amp; 2.</td>
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<tr>
<td>7</td>
<td>MID TERM EXAM</td>
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<tr>
<td>8</td>
<td>Troubled Properties Chapter 8</td>
<td>Chpt. 8, Questions 2,3,6,9 &amp;12,</td>
</tr>
</tbody>
</table>
|  | Leases Chapter 5  
New rules coming - update | Distinguish between the types of leases. |
|---|---|---|
| 10 | Measures of Real Estate Profitability  
Chapter 19 | Chpt. 19, Questions 6,7,10,13,16 and 17. |
| 11 | Develop Financial Statements | Discuss Assigned Case in detail. |
| 12 | Develop Financial Statements | Discuss Assigned Case in detail. |
| 13 | Real Estate Investment Trusts – Separate Reading | Review Selected REIT |
| 14 | Current Tax Issues - | |
| 15 | Updates / Final Review  
Final Exam | |