University of Maryland
School of Architecture, Planning and Preservation
Colvin Institute of Real Estate Development

SYLLABUS

RDEV 688V

TEXTS:

Required

Recommended
*Market Analysis for Real Estate: Concepts and Applications in Valuation and Highest and Best Use*, Stephen F. Fanning, MAI

I. COURSE OVERVIEW

The Course is designed to introduce and familiarize the student with the principals of real estate appraisal and valuation. The course will make clear the three approaches to value appraisers use to value real property. Also, it will examine basic real estate concepts such as property rights, the nature of value, market analysis and highest and best use. The Course will culminate in the completion of a narrative-style appraisal report based on a fictionalized version of a real income-producing property.

II. COURSE OBJECTIVES

A. Develop a knowledge of appraisal methods and principles
B. Develop an understanding of income-producing commercial real estate
C. Analyze a property’s physical and financial characteristics
D. Analyze a property’s neighborhood and local market
E. Analyze and use market data to effectively support conclusions
F. Enhance written communication skills in a deadline-oriented environment

III. COURSE STRUCTURE

A. The course will be conducted as a series of weekly lectures coupled with in-class discussions, in-class group activities and quizzes. Drafts of sections of the final project will be due on a weekly or bi-weekly basis.

B. Speakers’ schedules and readings are subject to change. When necessary or appropriate, the instructor reserves the option to change scheduled speakers, class topics, assignments, or due dates.

C. Off-Site Requirement: One site visit is planned for Saturday.

IV. COURSE RULES

A. Classroom Decorum

   i. Photographs or video recording of the class are not allowed.
   ii. Turn off cell phones during class.
   iii. Computers may be used for note taking during class.
   iv. There is NO EATING allowed in class.
   v. No hats may be worn in class
   vi. Your Colvin Institute Name Tent MUST be displayed at all times
   vii. Business Posture and Comportment expected at all times
   viii. Be on Time; Do NOT Walk in front of a Speaker if you arrive late

B. Academic Integrity

   i. Generally. Academic dishonesty is a corrosive force in the academic life of a university. It jeopardizes the quality of education and deprecates the genuine achievements of others. It is, without reservation, a responsibility of all members of the campus community to actively deter it. Apathy or acquiescence in the presence of academic dishonesty is not a neutral act. Histories of institutions demonstrate that a laissez-faire response will reinforce, perpetuate, and enlarge the scope of such misconduct. Institutional reputations for academic dishonesty are regrettable aspects of modern education. These reputations become self-fulfilling and grow, unless vigorously challenged by students and faculty alike. All members of the University community-students, faculty, and staff-share the responsibility and authority to challenge and make known acts of apparent academic dishonesty

   ii. Prohibited Acts. Any of the following acts, when committed by a student,
shall constitute academic dishonesty:

1. CHEATING: intentionally using or attempting to use unauthorized materials, information, or study aids in any academic exercise.

2. FABRICATION: intentional and unauthorized falsification or invention of any information or citation in an academic exercise.

3. FACILITATING ACADEMIC DISHONESTY: intentionally or knowingly helping or attempting to help another to violate any provision of this Code.

4. PLAGIARISM: intentionally or knowingly representing the words or ideas of another as one’s own in any academic exercise.

iii. **The Code of Academic Integrity.** 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.

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.

iv. **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.”

FAILURE to sign the pledge is not an honors offense, but neither is it a defense in case of violation of this Code. Students who do not sign the pledge will be given the opportunity to do so. Refusal to sign must be explained to the instructor. Signing or non-signing of the pledge will not be considered in grading or judicial procedures. Material submitted electronically should contain the pledge, submission implies signing the pledge.

C. Attendance
i. **RDEV Courses.** While attendance is not technically required, in fact for a graduate course in real estate where each class builds on the information of the prior class it is generally not possible to pass a course if you will miss more than two weeks (the equivalent of 6 class periods.) To do well in most RDEV classes you need to have done your reading, your assignment, be working on your major project and be in class. The connections and information you share with each other in an enriched environment are one of the key reasons students come to graduate school. You are part of that community. If you miss 3 or more classes, you should assume that you will get a poor to non-passing grade for a class and contact the professor and the program director.

ii. **Acceptance of Late Work.** Assignments are due at the beginning of class and should be submitted in a paper format unless instructed otherwise. Assignments submitted after the beginning of class are considered late. A late penalty of 20% is applied for the first 24 hours overdue; an additional 20% is applied for the second 24 hours overdue. Assignments more than 48 hours late receive no credit.

iii. **University Attendance policy Generally.** University policy excuses the absences of students for illness, religious observances, participation in University activities at the request of university authorities and compelling circumstances beyond the student’s control. Students who miss a single class for a medical reason are not required to provide medical documentation, but students who are absent more than once are responsible for providing various forms of documentation, depending on the nature of the absence. For more information, see University Policy V-1.00G on Medically Necessary Absence.

iv. **Medically Necessary Absences.** Students who miss a single class (lecture, recitation, or lab) for a medical reason must make a reasonable effort to contact their instructor in advance, and upon return to class, present the instructor with a self-signed note which acknowledges that the information provided is accurate. Faculty must accept this note; a student's failure to provide an accurate statement is a violation of the Honor Code. Any subsequent medical absence will required medical documentation.

v. **Documentation.** In the event a student is absent for a Major Grading Event as will be identified in the Course SCHEDULE. You must provide documentation of illness from a health care professional, as well as notify the instructor in advance.

vi. **Religious Observances.** Students may be excused and make up major projects or exams for religious observances if the instructor is notified
within the first two weeks of the semester that such an absence is
necessitated. The policy also requires that tests and major assignments
will not be scheduled on certain holiday dates. Including Rosh Hashanah
and Yom Kippur.

vii. **Inclement Weather.** Official closures and delays are announced on the
campus website at umd.edu and snow phone line (301-405-SNOW), as
well as on local radio and TV stations. Notification for cancellation of
class for other reasons will be provided via email through blackboard.

### D. Course Evaluation

i. **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. Please make a note now of the link at which you can access
the submission system (www.courseevalum.umd.edu). If you submitted
all of your evaluations in the fall or are a new student, you can also
access all posted results from Fall 2007 forward via Testudo under
CourseEvalUM Reporting. To retain this access, you must submit all of
your evaluations each semester. If you do not have access right now,
you can gain it by submitting all of your Spring 2011 evaluations. More
information is at:

ii. **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.

### E. Accommodation for Students and Disabilities

Please notify the faculty advisor within the first week of the semester if you
require accommodation due to a disability. The University's Disability Support
Service will make arrangements to provide an appropriate accommodation in
response to the students need. See www.counseling.umd.edu/DSS/.

### F. Your Contact Information

Make sure the instructor and the faculty advisor have your current e-mail
address and telephone number. Your e-mail address should be one that you
check regularly. This should be the one that you put in to the University. **Be sure
to use the same email when you claim your place in the CANVAS/ELMS space for your course.** You will miss important announcements if you do not have an
email in Testudo and ELMS that you actually check.

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:

i. **Business Writing (50%)**
   a. Spelling & Punctuation
   b. Grammar
   c. Clarity & Concision
   d. Business Format (headers, margins, fonts, etc.)

ii. **Course Content (50%)**

The criteria for content will vary depending on the particular assignment.

B. Presentations to the Class.

The class is writing-oriented. There are no graded presentations during the semester. However, participation in class discussions and debates will be assessed through a class participation component of the grade.

C. Class Discussion/Participation (15% of total grade)

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.

D. Grade Distribution

i. Class Participation..............................................................................15%

ii. Quizzes ...............................................................................................20%±

iii. Weekly/Bi-Weekly Assignments
   1. Pre-Class Assignment.........................................................................2%±
   2. Responsive Memo to Final Project Manual.......................................3%±
   3. Draft Sections of Final Project...........................................................30%±

iv. Final Project .......................................................................................30%±

v. Total ....................................................................................................100%

Unless otherwise indicated, grades will be issued from A+ to D- on a plus/minus basis, where all plusses and minuses contribute to your Grade Point
Average, except for A+, all in accordance with University policy. Grading is on the curve. Mid-Term Grades will not be officially entered but will be provided.

E. Late Work Policy

i. Assignments are due at the beginning of class and should be submitted in a paper format unless instructed otherwise. Assignments submitted after the beginning of class are considered late. A late penalty of 20% is applied for the first 24 hours overdue; an additional 20% is applied for the second 24 hours overdue. Assignments more than 48 hours late receive no credit.

ii. Students do not have to notify the instructor when they will miss class. However, if an assignment is due at the beginning of a class which the student will miss, the instructor must be notified and the assignment must be submitted electronically by the scheduled start time to avoid a late penalty.

F. Modification to Syllabus

When necessary or appropriate, the instructor and/or faculty advisor reserves the option to change scheduled topics, speakers and due dates, provided there is at least two weeks’ notice.

VI. SCHEDULE OF ASSIGNMENTS AND TOPICS BY DATE

See below schedule of assignments, topics and activities.
Course Schedule

1. Week 1
   A. Preliminaries
      i. Assignment #1: Pre-Class Assignment – Chapter 1 (10 points)
   B. Course Introduction & Overview
   C. Lecture Topics
      i. Land, Real Estate, and Ownership of Real Property (Chapter 2)
      ii. The Nature of Value (Chapter 3)
      iii. The Valuation Process (Chapter 4)
   D. Activities
      i. Present Sample of a Real Appraisal Report

2. Week 2
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #2: Review Final Project Manual (20 points)
   B. Lecture Topics
      i. Elements of the Assignment (Chapter 5)
      ii. Identifying the Type of Value and Its Definition (Chapter 6)
      iii. Identifying the Rights to Be Appraised (Chapter 7)
      iv. Scope of Work (Chapter 8)
      v. Introduce USPAP
   C. Activities
      i. Discuss Final Project
      ii. Distribute USPAP reading

      SITE VISIT – SATURDAY

3. Week 3
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #3: Students submit Introductory Sections of Final Project (20 points)
      ii. Assignment #4: Quiz 1 (20 points; 10 questions) – Covers USPAP Reading
   B. Lecture Topics
      i. Chapter 9 – Data Collection (Chapter 9)
      ii. Economic Trends in Real Estate and Capital Markets (Chapter 10)
      iii. Neighborhoods, Districts and Market Areas (Chapter 11)
   C. Activities
      i. Neighborhood analysis
ii. Discuss progress on final project

4. Week 4
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #5: Students submit Neighborhood Description (20 points)
   B. Lecture Topics
      i. Land and Site Description (Chapter 12)
      ii. Zoning Analysis
      iii. Building Description (Chapter 13)
      iv. Discuss Maryland Real Estate Assessment Methodology (can be shifted to Week 5)
   C. Activities
      i. Work through a zoning analysis example
      ii. Discuss progress on final project

5. Week 5
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #6: Students submit Property Description & Zoning sections (20 points)
      ii. Assignment #7: Quiz 2 (20 points; 20 questions) – Covers General Topics to Date
   B. Lecture Topics
      i. Discuss Maryland Real Estate Assessment Methodology (if not addressed in Week 4)
      ii. Market Analysis (Chapter 15)
      iii. Intro to Highest & Best Use (Concepts Needed for HBU Analysis)
   C. Activities
      i. Discuss market analysis process for Fairgrounds Center
      ii. Discuss progress on final project

6. Week 6
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #8: Students submit Assessment Data & Taxes and Market Analysis (20 points)
   B. Lecture Topics
      i. Highest and Best Use Analysis (Chapter 16)
   C. Activities
      i. Highest & Best Use Problems & Examples (students work in pairs)
      ii. Discuss progress on final project
7. Week 7
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #9: Students submit Highest and Best Use (20 points)
   B. Lecture Topics
      i. Land and Site Valuation (Chapter 17)
      ii. Discuss Layout of Land Valuation (Sales Approach) Section
      iii. The Sales Comparison Approach (Chapter 18)
   C. Activities
      i. Assemblage and Plottage Value
      ii. Discuss progress on final project

8. Week 8
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #10: Students submit Land Valuation (20 points)
   B. Lecture Topics
      i. The Sales Comparison Approach (Chapter 18)
      ii. Comparative Analysis (Chapter 19)
      iii. Comparative Analysis Examples
   C. Activities
      i. Sales comparison approach problems & examples (students work in pairs)
      ii. Discuss progress on final project

9. Week 9
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #11: Quiz 3 (20 points) – Covers sales comparison approach
   B. Lecture Topics
      i. The Income Capitalization Approach (Chapter 21) – Principles & Basics
      ii. Income and Expense Analysis (Chapter 22)
   C. Activities
      i. Discuss progress on sales comparison approach
10. Week 10
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #12: Students submit Sales Comparison Approach (20 points)
   B. Lecture Topics
      i. Direct Capitalization (Chapter 23)
      ii. Treatment of non-stabilized properties
      iii. Basics of Discounted Cash Flow
   C. Activities
      i. Income approach problems & examples (students work in pairs)
      ii. Discuss progress on final project

11. Week 11
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #13: Quiz 4 (20 points) – Covers income approach
   B. Lecture Topics
      i. The Cost Approach (Chapter 27)
      ii. Building Cost Estimates (Chapter 28)
   C. Activities
      i. Cost Estimation Using Marshall & Swift (students work in pairs)
      ii. Discuss progress on income approach

12. Week 12
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #14: Students submit Income Approach (20 points)
   B. Lecture Topics
      i. Depreciation and Obsolescence (Chapter 29)
   C. Activities
      i. Problems related to obsolescence and depreciation
      ii. Discuss progress on final project

13. Week 13
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #15: Quiz 5 (20 points) – Covers cost approach
   B. Lecture Topics
      i. Reconciling Value Indications (Chapter 30)
      ii. Exposure & Marketing Time
      iii. Discuss Reconciliation Section and Certification
      iv. The Appraisal Report (Chapter 31)
C. Activities
   i. Discuss progress on cost approach
   ii. USPAP & Appraiser Ethics

14. Week 14
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #16: Students submit Cost Approach (20 points)
      ii. University Evaluation
   B. Lecture Topics
      i. Yield Capitalization/Discounted Cash Flow Analysis (Chapter 24)
      ii. Subdivision Analysis
   C. Activities
      i. Discuss progress on final report and planning for the last 2 weeks

15. Week 15
   A. Submit Weekly Assignment & Preliminaries
      i. Course Evaluation
   B. Lecture Topics
      i. Condemnation Appraisals
      ii. Assessment Appeal Appraisals
   C. Activities
      i. Final Review, Questions and Concerns
      ii. Sales Confirmation Role Play

16. Week 16
   A. Submit Weekly Assignment & Preliminaries
      i. Assignment #17: Students Submit Final Projects (200 points)
      ii. Assignment #18: Quiz 6 (20 points) – Covers General Topics to Date (end of class)
   B. Lecture Topics
      i. Real World Examples of “Tough” and “Unique” Valuation Assignments
   C. Activities
      i. Short Presentations of Final Project