

FINC 375
PRINCIPLES OF REAL ESTATE
Spring 2007

Professor: Justin D. Benefield, Ph.D.

Office Hours: Mondays from 1:00 to 3:00
Tuesdays from 12:00 to 3:00
Other times by appointment
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Course Description:

The College of Charleston Undergraduate Course Catalog describes this course as “A basic course designed to cover the legal, financial, economic, and marketing concepts related to real estate. Topics include property rights (contracts, deeds, mortgages, leases, liens); property ownership (titles, closing of settlement, insurance, taxes); financing (interest rates and mortgage types); brokerage; and property evaluation.”

Course Objectives:

At the end of the term, students will understand what real property is, the forms of ownership that exist for real property, and how ownership of real property is transferred. Further, they will understand the types of agency relationships that can be formed when selling real property and some basic methods of carrying out real estate investment. Finally, students will be knowledgeable about the fundamentals of mortgage pricing and residential appraisals.

Course Prerequisites:

According to the College of Charleston Undergraduate Course Catalog, the only prerequisite for this course is junior standing. However, some of the calculations toward the end of the course require the use of the time value of money concepts introduced in FINC 303. Therefore, if you have not completed FINC 303, please see the professor as soon as possible.

Text:

Real Estate Principles, 10th ed., Charles J. Jacobus, Southwestern Publishing.

Calculator:

Some parts of this class require the use of the time value of money concepts that you learned in FINC 303. In class, I use the Texas Instruments BA II Plus Financial Analyst to work these problems. You may use any financial calculator you wish, but I will support the TI BA II Plus in class.

Supplementary Texts:

Barron's Real Estate Handbook, 5th ed., J.C. Harris and J.P. Friedman, editors, Barron's.

Modern Real Estate Practice, 17th ed., F.W. Galaty, W.J. Allaway, and R.C. Kyle, Dearborn.

Property Management, 7th ed., M.S. Spodek, R.C. Kyle, and F.M. Baird, Dearborn.

Real Estate Valuation, K.M. Lusht, McGraw-Hill Irwin (out of print).

Income Property Valuation, 2nd ed., J.D. Fisher and R.S. Martin, Dearborn.

Real Estate Finance and Investments, 13th ed., W.B. Brueggeman and J.D. Fisher, McGraw-Hill Irwin.

Grading:

Three exams will be given each accounting for 30% of your final grade. The exams will be a mixture of multiple choice, short essay, and problem solving. The final is not comprehensive. A small group project concerning the use of the sales comparison approach to appraisal will account for the remaining 10% of your grade. Groups will consist of no more than three (3) students and will be assigned later in the semester. The group project will be due on Wednesday, April 4th. Further details will be handed out with the assignment.

The dates of the three exams are as follows:

Midterm 1	Wednesday, February 7
Midterm 2	Wednesday, March 21
Final Exam	Saturday, April 28, from noon – 3:00 p.m.

I will make use of the new +/- grading scale that the College has adopted. Grades will be assigned approximately as follows:

$92.500 \leq \text{average} \Rightarrow A$	$72.500 \leq \text{average} < 77.500 \Rightarrow C$
$89.500 \leq \text{average} < 92.500 \Rightarrow A-$	$69.500 \leq \text{average} < 72.500 \Rightarrow C-$
$87.500 \leq \text{average} < 89.500 \Rightarrow B+$	$67.500 \leq \text{average} < 69.500 \Rightarrow D+$
$82.500 \leq \text{average} < 87.500 \Rightarrow B$	$62.500 \leq \text{average} < 67.500 \Rightarrow D$
$79.500 \leq \text{average} < 82.500 \Rightarrow B-$	$59.500 \leq \text{average} < 62.500 \Rightarrow D-$
$77.500 \leq \text{average} < 79.500 \Rightarrow C+$	$\text{average} < 59.500 \Rightarrow F$

I will report mid-term grades by the deadline on Monday, March 12. Since we will have only had one exam by that point, I would suggest you perform well on that one exam to avoid a less-than-pleasing mid-term report.

Make-Up Policy:

Exams are given in class, so time conflicts should not occur. If extenuating circumstances cause you to miss an exam, then you must contact the professor or the Department of Economics and Finance secretarial staff (843-953-8100) by 4:30 p.m. the day following the exam. If no contact is made, then your exam grade is a zero and cannot be made up. If you make contact, and the extenuating circumstances you describe are deemed valid, then you will be allowed to take a comprehensive make-up during the regularly scheduled final exam time that will count as both the missed exam and the final exam.

Academic Honor Code Statement:

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the professor determines the student's actions are clearly related more to a misunderstanding will be handled by the professor. A written explanation designed to help prevent the student from repeating the error in the future will be given to the student by his or her professor. The explanation, submitted by form and signed by both the professor and the student will be forwarded to the Dean of Students and placed in the student's file.

Cases of suspected academic dishonesty will be reported directly by the professor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student's transcript for two years, after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal), or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration – working together without permission – is a form of cheating. Unless the professor specifies that students can work together on an assignment and/or test, no collaboration is permitted. Other forms of cheating included possessing or using an unauthorized study aid (such as a PDA), copying from others' exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the professor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/studentaffairs/general_info/studenthandbook.html.

Additional Resources:

1. I will sometimes make important course materials available to you on the internet via WebCT or the library's electronic reserves (usually both). Examples of such materials would include the course syllabus, chapter outlines, copies of notes that I use in class, and old exams. Please check both websites regularly for the most recent additions.
2. The Center for Student Learning at the Addlestone Library (843-953-5635) offers a wide variety of assistance to students. Even though FINC 375 is not a course normally covered by their regular tutors, you can still get tutoring assistance for this class by making a request online at www.cofc.edu/~csl. They also offer numerous study skills seminars on such topics as time management, note taking, and test taking. Finally, if you are thinking about graduate school, they offer several study groups for various graduate school entrance exams.
3. The School of Business and Economics Career Services Office (843-953-4966) on the first floor of the Beatty Center offers help with resumés, cover letters, and interviewing skills. They are also your source for information about internship opportunities and

upcoming career fairs, on-campus recruiting, and organization meetings. Whether you are planning to enter the workforce or go on to graduate school right away, the help available in the Career Services Office can be invaluable to you.

Other Policies:

1. Attendance at regular class meetings is strongly encouraged, but is not required. However, please bear in mind that attendance has been shown to correlate strongly with performance on assignments.
2. If you must come in late or leave early, please do so quickly and quietly.
3. To appeal your grade on an exam, write down the reason you feel you deserve more points on a particular question and turn in your reason, along with the exam, to the professor within one calendar week of the exam being returned to you. Appeals made after the one-week deadline (e.g. at the end of the semester) will not be considered.
4. Cell phones and pagers are to be turned off and put away before class, especially during exams. It is disruptive to the professor and to the rest of the class to have a phone suddenly ring.
5. On exams, you may not use a graphing calculator of any variety. In addition, you may not use a cell phone or a PDA as a calculator on exams.
6. I do not send out grades of any variety via e-mail, so do not ask me to send you your score on a test or your final grade in the class. I cannot.
7. The last day to normally drop this course is the close of business on Tuesday, February 20, 2007. Any student withdrawing by this date will receive a “W” on the transcript. To drop the course before this date, you may either use Cougar Trail or submit the required paperwork to the Registrar’s Office in 281 Lightsey Center (843-953-5668). After 4:30 p.m., Tuesday, February 20, students normally are not permitted to drop a course. Students with extenuating circumstances may present a written petition to drop this course to the Director of Undergraduate Academic Services in 206 Randolph Hall (843-953-5674). Petitions to the Director must be accompanied by significant supporting documents to verify the circumstances cited in the petition. Students must be aware that claims cited in the petition will be verified BEFORE completion of the drop is permitted. Generally, the drop will only be granted if continuing in the course would be detrimental to the student’s health or if the extenuating circumstances prevent the student’s continued enrollment. Poor academic performance is not sufficient justification to drop any course and the professor must approve the drop.

Other Important Dates:

Friday, January 12	Last day of drop/add
Monday, January 15	No class – Martin Luther King, Jr. Holiday
Thursday, February 1	Graduation application deadline for Spring 2007
Monday, March 5	No class – Spring Break
Wednesday, March 7	No class – Spring Break
Friday, March 9	No class – Spring Break

Equal Education Opportunity:

The College of Charleston abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act that stipulates no students shall be denied access to an education “solely by reason of a handicap.” Disabilities covered by law include, but are not limited to, learning disabilities and hearing, sight, or mobility impairments. Students with disabilities are encouraged to register with the Center for Disability Services, located in Suite 104 of the Lightsey Center (843-953-1431). Thereafter, students are invited to schedule an appointment to see me to discuss accommodations and other special needs.

The College of Charleston and this professor are committed to equal opportunity in education and do not discriminate on the basis of race, color, religion, national origin, sex, age, or against qualified handicapped persons, disabled veterans, or veterans of the Vietnam era, as identified and defined by law.

Topic Outline and Reading Assignments

<u>Subject</u>	<u>Chapter</u>
Introduction to Real Estate	Ch. 1 & 2
Interest and Ownership	Ch. 3 & 4
Title and Title Insurance	Ch. 5 & 6
Contracts	Ch. 7 & 8
Lending	Ch. 9 - 14
Land Use Controls	Ch. 25
Appraisals	Ch. 18
Fair Housing	Ch. 22
Agency Relationships	Ch. 20 & 21
Real Estate Mathematics	Notes

South Carolina License Law and other chapters as time allows (e.g. Ch. 19, Ch. 26, Ch. 15, Ch. 24, Ch. 23, Ch. 17, and Ch. 16).