



---

## Assigned Reading Descriptions (Useful for Finding Pages from Previous Textbook Versions)

---

### Objective

---

Our goal is to equip you with the tools you need to explore the exciting world of Real Estate both during this class and beyond. Toward that end, we've narrowed down the readings in this course to two exceptional textbooks which we think you will find to be valuable additions to your personal library.

While we recommend the most recent editions of the texts, in light of the cost of textbooks we understand that some students may choose to purchase previous editions.

Since often times the content between editions is similar or even identical (depending on the chapter) with the exception of the page numbers, we are providing a "Table of Contents" of the specific section headings from the "official" edition to serve as waypoints for students trying to find the same topics in previous editions of the texts.

Unfortunately, we are not able to guarantee that the sections we assign are included in previous editions of the textbook but we hope this information is useful to you. Note also that we are listing the **Primary Section Headings** only – it is often the case these sections span multiple pages and contain subsections with their own headings (not listed here).

### Readings

---

The official textbooks (including the editions) used in this course are:

1. Geltner, David M., Miller, Norman G., Clayton, Jim, Eichholtz, Piet. Commercial Real Estate Analysis and Investment, Third Edition (OnCourse Learning, 2014)  
ISBN-13: 978-1133108825
2. Brueggeman, William B., Fisher, Jeffrey D. Real Estate Finance & Investments, 15th Edition (McGraw-Hill, 2015)  
ISBN-13: 978-0073377353
3. Poorvu, William J. The Real Estate Game: The Intelligent Guide To Decision-Making And Investment (The Free Press, 1999)  
ISBN-13: 978-0684855509

### Reading Schedule

---

#### Module I: Understanding Land Use and Urban Growth

#### **Wed. Jan 27<sup>th</sup>, 2016 - Lecture #1: An Introduction to Real Estate Investment**

*Readings: Brueggeman & Fisher (p. 346 – 349)*

- Chapter 11: Investment Analysis and Taxation of Income Properties
  - Exhibit 11-2: Investment Styles Used by Real Estate Investors

*Geltner & Miller (p.668 – 672)*

- Chapter: 26: Real Estate Investment Management and Derivatives
  - Macro property-level Performance Attribution and the Four Fundamental Responsibilities
  -



---

**Assigned Reading Descriptions (Useful for Finding Pages from Previous Textbook Versions)**

---

*Poorvu (p. 1 – 12, p. 44 – 57)*

- Chapter 1: The Game
- Chapter 3: From Concept to Commitment

**Wed. Feb 3<sup>rd</sup>, 2016 - Lecture #2: What is an “Appropriate” Investment Return?**

*Readings: Brueggeman & Fisher (p. 429 – 432)*

- Chapter 13: Risk Analysis
  - Comparing Investment Returns
  - Types of Risk
  - Due Diligence
  - Sensitivity Analysis

*Geltner & Miller (p. 177 – 194, p. 203 – 211)*

- Chapter 9: Measuring Investment Performance: The Concept of Returns
  - Investment Returns: Basic Definition and Classification
  - Periodic Returns
  - Multi-period and Money-weighted Returns
- Chapter 10: The Basic Idea: DCF and NPV
  - Relation between Return Expectations and Property Values in the Asset Market
  - Discounted Cash Flow Valuation Procedure
  - Ratio Valuation Procedures: Direct Capitalization and GIM as Shortcuts

**Wed. Feb 10<sup>th</sup>, 2016 - Lecture #3: Discounted Cash Flow Analysis**

*Readings: Brueggeman & Fisher (p. 366 Concept Box)*

- Chapter 11: Investment Analysis and Taxation of Income Properties
  - Concept Box: Abuse in Pro Forma Cash Flow Projections

*Geltner & Miller (p. 202 – 220, p. 230 - 252)*

- Chapter 10: The Basic Idea: DCF and NPV
  - Typical Mistakes in DCF Application to Commercial Property
  - Underwriting Haircuts
  - Capital Budgeting and the NPV Investment Decision Rule
- Chapter 11: Nuts and Bolts for Real Estate Valuation: Cash Flow Proformas and Discount Rates
  - Proformas and Cash Flow Projection
  - Discount Rates: The opportunity Cost of Capital

*Poorvu (p. 13 – 43)*

- Chapter 2: Using Numbers in Real Estate

**Wed. Feb 17<sup>th</sup>, 2016 - Lecture #4: How Does Debt Financing Work?**

*Readings: Brueggeman & Fisher (p. 393 – 394, 402 – 406)*

- Chapter 12: Financial Leverage and Financing Alternatives
  - Conditions for Positive Leverage - Before Tax
  - Risk and Leverage



---

**Assigned Reading Descriptions (Useful for Finding Pages from Previous Textbook Versions)**

---

- Underwriting Loans on Income Properties

*Geltner & Miller (p. 286 – 291, 389 – 392)*

- Chapter 13: Use of Debt in Real Estate Investment: The Effect of Leverage
  - Basic Definition and Mechanics of Leverage
  - Effect of Leverage on the Risk and Return to Equity
- Chapter 16: Mortgage Basics I: An Introduction and Overview
  - Typical Mortgage Covenants

**Wed. Feb 24<sup>th</sup>, 2016 - Lecture #5: How Are Real Estate Investments Taxed?**

*Readings: Brueggeman & Fisher (p. 366 – 373)*

- Chapter 11: Investment Analysis and Taxation of Income Properties
  - Taxation of Income-Producing Real Estate
  - Taxable Income from Operation of Real Estate
  - Taxable Income from Disposal of Depreciable Real Property
  - After-Tax Investment Analysis

*Geltner & Miller (p. 308 – 322)*

- Chapter 14: After-Tax Investment Analysis and Corporate Real Estate
  - General Effects of Income Taxes and Debt
  - Numerical Example of After-Tax Proforma
  - After-Tax Equity Valuation and Capital Budgeting

**Wed. Mar 2<sup>nd</sup>, 2016 - Lecture #6: Raising Investor Capital (Part 1)**

*Readings: Brueggeman & Fisher (p. 583 - 602)*

- Chapter 18: Structuring Real Estate Investments: Organizational Forms and Joint Ventures
  - Sole Proprietorships
  - Partnerships
  - Limited Liability Companies
  - Corporations
  - Joint Ventures
  - Profit Sharing
  - Initial Capital Contributions
  - Sharing Cash Flow from Operations
  - Sharing of Cash Flow from Sale
  - Summary of Cash Flows Distributed in Each Operating Year
  - IRR to Each Joint Venture Party
  - Variation on the Preferred IRR- “The Lookback IRR”
  - Syndications
  - Use of the Limited Partnership in Private and Public Syndicates
  - Private Syndication Problem Illustrated

*Geltner & Miller (p. 352 – 361)*

- Chapter 15: Real Estate Investment Capital Structure



---

**Assigned Reading Descriptions (Useful for Finding Pages from Previous Textbook Versions)**

---

- Project-Level Capital Structure in Real Estate

*Poorvu (p. 98 – 101, 108 – 116, 223 – 224)*

- Chapter 4: From Commitment to Closing
  - Getting the Equity Money: Your Partners
- Chapter 5: Syndications and REITS
- Chapter 7: Operations
  - Investor Relations

**Wed. Mar 9<sup>th</sup>, 2016 – Midterm Exam**

*No Readings*

**Wed. Mar 16<sup>th</sup>, 2016 – Spring Break: No Classes**

*No Readings*

**Wed. Mar 23<sup>rd</sup>, 2016 - Lecture #7: Raising Investor Capital (Part 2)**

*No Readings*

**Wed. Mar 30<sup>th</sup>, 2016 - Lecture #8: What If...?**

*Readings: Brueggeman & Fisher (p. 432 - 437)*

- Chapter 13: Risk Analysis
  - Due Diligence in Real Estate Investment Risk Analysis
  - Sensitivity Analysis
  - Partitioning the IRR

*Geltner & Miller (p. 221 – 224, 361 – 368)*

- Chapter 10: The Basic Idea: DCF and NPV
  - Appendix 10A Micro-Level Investment Performance Attribution: Parsing the IRR
- Chapter 15: Real Estate Investment Capital Structure
  - Analyzing Project-Level Capital Structures: An Example Application of Sensitivity Analysis

**Wed. Apr 6<sup>th</sup>, 2016 - Lecture #9: Maximizing Your Return**

*Readings: Brueggeman & Fisher (p. 458 – 466)*

- Chapter 14: Disposition and Renovation of Income Properties
  - Disposition Decision
  - IRR for Holding versus Sale of the Property
  - Return to a New Investor

*Geltner & Miller (p. 419 – 425)*

- Chapter 17: Mortgage Basics II: Payments, Yields, and Values
  - Refinancing Decision

*Bonus Readings: (Advanced Perspective on Refinance Decision)*

**Wed. Apr 13<sup>th</sup>, 2016 - Lecture #10: Maximizing Your Return (Continued)**



---

**Assigned Reading Descriptions (Useful for Finding Pages from Previous Textbook Versions)**

---

*Readings: Brueggeman & Fisher (p. 466 – 471, 484 - 487)*

- Chapter 14: Disposition and Renovation of Income Properties
  - Refinancing as an Alternative to Disposition
  - Other Disposition Considerations- Portfolio Balancing
  - Tax-Deferral Strategies upon Disposition
  - Renovation as an Alternative to Disposition
  - Renovation and Refinancing



**Wed. Apr 20<sup>th</sup>, 2016 - Lecture #11: Global Capital Markets and International Investing**

*Readings: Brueggeman & Fisher (p. 690 – 706, 744 – 748, 772 - 777)*

- Chapter 21: Real Estate Investment Trusts (REITs)
  - Types of REITs
  - Important Issues in Accounting and Financial Disclosure: Equity REITs

*Geltner & Miller (p. 573 – 601, 605 – 632, 666 - 673)*

- Chapter 23: Real Estate Investment Trusts (REITs)
  - Introduction to REITs
  - REIT Analysis and Valuation
  - Some Consideration of REIT Management
- Chapter 26: Real Estate Investment Management and Derivatives
  - Macro-Level Investment Performance Attribution

*Poorvu (p. 119 - 144)*

- Chapter 5: Syndications and REITs
  - Pooled and Commingled Funds
  - Syndication: Fitting into a Bigger Picture

**Wed. Apr 27, 2016 - Lecture #12: Final project presentation (Round I)**

*No Readings*

**Wed. May 4<sup>th</sup>, 2016 - Lecture #13: Final project presentation (Round II)**

*No Readings*

**Wed. May 11, 2016 – Final Exam**

*No Readings*