

R E E: 4 2 0 3

COMMERCIAL

REAL ESTATE

FINANCE

COURSE SYLLABUS

Fall 2009

4:30 pm TTh. & 6 pm Th
BA 122 BA 218

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be sure to include "Comm RE" as SUBJECT in ALL E-Mails

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R E E 4203
COMMERCIAL REAL ESTATE FINANCE

PREREQUISITES: FIN 3403 No other courses other than **basic Finance** are prerequisite to your being able to successfully complete this course. Note that this course does require extensive out-of-class time for practice problems, homework, study, etc... so be prepared to spend 6-9 hours outside class some weeks working on this material.

TEXT: none

SUPPLEMENTAL MATERIAL:

1. Detailed Course outline --- will be e-mailed directly to you at the beginning of the semester
2. Supplemental Handout Material --- will be e-mailed to you periodically
3. Financial Calculator capable of IRR computations with irregular cash flows (HP 10b suggested).
4. Access to email — it is YOUR responsibility to make sure that your email will accept large attachments and you must take responsibility to ck your email prior to each class — if your email address changes during the semester it is also YOUR responsibility to advise me of that change (via email preferably). When you communicate via e-mail be sure to put the name of the class (“Comm RE”) as the subject so that I won’t accidentally delete it without opening it!

COURSE DESCRIPTION & OBJECTIVES:

Description: This is a study of the practice of commercial real estate finance:

Part 1

- ☆analysis of the borrowing decision with many of its alternatives

Part 2

- ☆description of commercial mortgage related financial institutions and capital markets
- ☆analysis of the commercial secondary market including the market and its participants, the securitization process and products, analytical tools and processes

Objectives:

Development of expertise in dealing with the practical problems of analyzing potential commercial real estate financing alternatives with thorough understanding and analysis of the risks and advantages implicit in each. A main objective is to improve your ability to make good judgements about commercial real estate finance using both qualitative and quantitative analysis; emphasis is placed upon learning the proper use of quantitative tools to analyze both yield and risk. Note that this course concentrates exclusively on commercial real estate finance.

COMMON BODY OF KNOWLEDGE COVERED: Basic and advanced quantitative techniques for financial analysis of commercial real estate finance.

COURSE REQUIREMENTS & GRADING: This course uses lecture, class discussion (*to the extent that you are willing to participate*) and either graded out-of-class assignments and/or unannounced in-class quizzes to help you learn the material. Your grade for this course will be computed using a conventional 90-80-70 grading scale (*I rarely use + & - in reporting your grade*).

Examinations

Tests #1, #2 and #3: PART ONE: Commercial Real Estate Finance (75% of total grade)

test #1 covers mortgage math only and is worth 10% of your total grade

test #2 & #3 covers a wide variety of commercial related topics; the second exam is worth 35% of your total grade and the third exam is worth 30% of your total grade

Test #4: PART TWO: Securitization of Commercial Mortgages (25% of total grade) *this exam will come at the very end of the semester.*

Final exam for Spring 2009: **Saturday, December 5 at 10 am** (this will take all the time pressure off and give you plenty of time to do your absolute best on the exam --- we will also use this time for make-up's, etc...)

Exam Format: the exams will be a combination of multiple choice, problems, fill-in-the blank and short-answer (*discussion with limited space in which to respond*). The ratio of multiple choice to fill-in-the blank to short-answer and problem oriented questions will vary from exam to exam and from semester-to-semester and test-to-test.

Test Make-up Policy: generally no make-up exams will be offered without advance approval. If you are approved to take a make-up it will be held on **Saturday, December 5 beginning at 10 am**. Generally, make-up exams are quite thorough and rigorous.

Incomplete Policy: There will be no grades of incomplete given.

BA 426 OFFICE HOURS:

Spring 2009: Tuesday & Thursday 1:30 to 4:15

NOTE THAT DUE TO THE TIME IT USUALLY TAKES TO PRODUCE EXAMS, OFFICE HOURS ARE GENERALLY CANCELLED ON EXAM DAYS AND ARE ERRATIC/CURTAILED DURING FINALS WEEK SO IF YOU NEED TO ASK A QUESTION DO IT EARLY!!!
