

Course: Principles of Real Estate Finance (B40.2329.10 {Sept. 2008})
Professor: Ary H. Freilich (Adjunct)
Email: afreilic@stern.nyu.edu
Classroom: KMEC 3-110
Class Time: Tuesdays, 6:00 – 9:00 PM
Office Hours: By appointment

Course Description and Objectives: This is an introductory course covering the fundamentals of real estate, real estate finance and real estate investment, taught from a distinctly entrepreneurial perspective and directed toward providing students with grounding in the fundamental practical concepts and techniques required to evaluate, finance, acquire and operate income-producing property. The course will focus on:

- The nature of commercial real estate.
- The language, concepts and, agreements and instruments that are critical to real estate transactions.
- The interrelationships between owners, their tenants, lenders and investors, and the issues that arise in those relationships.
- Common methods used to analyze cash flows and determine valuations, capital requirements, returns on capital and deal feasibility.

Required reading: William J. Poorvu, *Creating and Growing Real Estate Wealth: The 4 Stages to a Lifetime of Success* (FT Press, 2008).

Recommended: *Dictionary of Real Estate Terms, Sixth Edition* (Barron's, 2005).

Additional reading: A number of documents and readings required for class will be posted on Blackboard. These should be read at the time we cover the related topic in class. In addition, students should stay abreast of real estate news in the financial press (e.g., Wednesday's *Wall Street Journal* and Sunday's *New York Times*) as part of their acculturation to the real estate industry.

Further optional reading for those who want more: William J. Poorvu & Jeffrey L. Cruikshank, *The Real Estate Game –The Intelligent Guide to Decision-Making and Investment* (The Free Press {Simon & Schuster}), 1999.

Financial Calculator: You will need a financial calculator (HP 12C or equivalent).

Course Methodology: The subject matter of this course is not contained in any textbook. As a result, most of the course's subject matter will be covered only in the classroom. The subject matter is not linear, so students will need to review and integrate matters covered in class. Also, a significant portion of the concepts are legalistic in nature, as real estate investment is by nature a legalistic enterprise.

Grading: Grading will be calculated in accordance with the following formula (I reserve the right to make modifications in exceptional circumstances):

- Midterm examination: 40%
- Final examination: 50%
- Classroom contribution: 10%

Examination Policies: The midterm examination will be closed book. The final examination will be cumulative. You must take both the midterm and final examinations.

Honor Code: You are expected to comply with Stern's Honor Code.

Email/Blackboard: Please check your email and Blackboard regularly as I frequently communicate information and post important materials.

Classroom Civility; Laptops: You are expected to arrive on time and conduct yourself appropriately. Laptops are permitted for note-taking purposes.

Names: Please help me by displaying your name card at your seat.

Disabilities: If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.