

DONALD J. VALACHI
Department of Finance
California State University, Fullerton

EDUCATION

UNIVERSITY OF SOUTHERN CALIFORNIA

Received a Doctor of Business Administration degree in 1976, with a major emphasis in Real Estate.

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Received a Master of Business Administration degree in 1969, with a major emphasis in Accounting.

CALIFORNIA STATE UNIVERSITY, NORTHRIDGE

Received a Bachelor of Science degree in 1966, with a major emphasis in Accounting.

TEACHING EXPERIENCE

CALIFORNIA STATE UNIVERSITY, FULLERTON, 1995-PRESENT

Clinical Professor of Real Estate. Department of Finance, School of Business Administration and Economics.

Teaching assignments. Undergraduate courses: Introduction to Real Estate; Real Estate Finance; Real Estate Investment Analysis; Business Finance. Graduate Course: Seminar in Real Estate Investment.

Service: Co-Director of the Real Estate & Land Use Institute (RELUI) for the College of Business Administration and Economics. Advisory Committee for the Appraisal Certificate Program, CSUF Extended Education Program. Advisory Committee for the Mortgage Banking Certificate Program, CSUF Extended Education Program. Faculty advisor for the CSUF Student Real Estate Association. Department of Finance Scholarship Committee.

UNIVERSITY OF SOUTHERN CALIFORNIA, 1980-1995

Clinical Associate Professor of Real Estate. Department of Finance and Business Economics, School of Business.

Teaching assignments. Undergraduate courses: Introduction to Urban Real Estate; Real Estate Valuation; Real Estate Finance and Investments. Graduate courses: Real Estate Analysis; Advanced Real Estate Analysis.

CALIFORNIA STATE UNIVERSITY, LONG BEACH, 1978-1980

Professor of Real Estate. Department of Finance, School of Business Administration.

Received tenure and promoted to full professor in 1980.

Teaching Assignments. Undergraduate courses-- Real Estate Principles and Practices; Real Estate Finance; Real Estate Investment Analysis and Taxation.

Functioned as the Real Estate Coordinator for the School of Business. Sponsored the formation of the Real Estate Association for students interested in pursuing careers in real estate. Obtained a real estate education endowment grant from the State of California to develop an internship program in real estate and to coordinate the development of library workshops and seminars for the purpose of informing real estate firms in the community of the reference, research and audio-visual materials in real estate available in the University library. Maintained an ongoing relationship with the Long Beach Board of Realtors in coordinating the real estate scholarship awards granted annually by the Board to real estate students at the University.

CALIFORNIA STATE UNIVERSITY, FULLERTON, 1976-1978

Associate Professor of Real Estate. Department of Finance, School of Business Administration.

Teaching Assignments. Undergraduate courses: Real Estate and Urban Land Analysis; Real Estate Finance; Real Estate Valuation; Real Estate Investment Analysis and Taxation.

Developed new courses in Real Estate Investment Analysis and Taxation and Property Development. Introduced the use of deterministic and probabilistic computer simulation models for financial analysis of real estate investments.

CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA, 1974-1976

Lecturer in Real Estate. Finance, Insurance and Real Estate Department, School of Business Administration.

Teaching Assignments. Undergraduate courses: Introduction to Real Estate and Urban Land Economics; Real Estate Law; Real Estate Valuation; Real Estate Investment Analysis and Taxation; Real Estate Finance; Corporate Finance.

RESEARCH AND PUBLICATIONS

MONOGRAPHS AND DISSERTATION

Goals, Investment Policies, Patterns of Success of Real Estate Investment Trusts (Los Angeles: Graduate School of Business Administration, University of Southern California, 1975), with C. E. Elias, Jr. and H. Davidson. A study financed by the Department of Real Estate, State of California.

"A Discriminant Analysis of Financial Ratios as Predictors of Real Estate Investment Trust Failure," (Doctoral Dissertation, University of Southern California, 1976).

1999 Orange County Apartment Market Overview (Fullerton: Real Estate & Land Use Institute, California State University, Fullerton and Research Network Ltd., June 1999), with Pamela S. Woolridge.

2000 Orange County Apartment Market Overview (Fullerton: Real Estate & Land Use Institute, California State University, Fullerton and Research Network Ltd., June 2000), with Pamela S. Woolridge.

2000 Western Riverside County Apartment Market Overview (Fullerton: Real Estate & Land Use Institute, California State University, Fullerton and Research Network Ltd., October, 2000), with Pamela S. Woolridge.

PUBLISHED ARTICLES

"Calculating True Yields on Wraparounds," Real Estate Review (Winter, 1977).

"The Internal Rate of Return: A Note on the Arithmetic of Multiple and Imaginary Rates," The Real Estate Appraiser (March-April, 1977).

"REITs: A Historical Perspective," The Appraisal Journal (July, 1977).

"An Investment Framework for the Real Estate Course," Journal of Financial Education (Fall, 1977).

"Determining the Value of a Real Estate Investment," Real Estate Review (Winter, 1978).

"The Limitation on the Deduction of Investment Interest and Rental Real Estate," The Appraisal Journal (April, 1978).

"Analysis for Refinancing Decisions," The Real Estate Appraiser and Analyst (September-October, 1978).

"The Three Faces of IRR," Real Estate Review (Fall, 1978).

"Under 18: A Potential Tax Trap on Resale is Examined in Light of New Federal Laws," California Real Estate (December, 1978).

"The Tax-Deferred Exchange: Some Planning Considerations," The Appraisal Journal (January, 1979).*

- "Tax Planning for Investment Realty Used Partly as a Residence," Taxation for Accountants (March, 1979); reprinted in Taxation for Lawyers (May-June, 1979).
- "Does Life Begin at 55?: That's the Magic Number for a \$100,000 Exclusion of Gain on Sale," California Real Estate (May, 1979).
- "Teaching the Introductory Real Estate Course: In Search of a Logical Framework," California Business Education Journal (May, 1979).
- "Combining the Installment Sale and the Tax Deferred Exchange," Apartment Owner-Builder (June, 1979).
- "How to Calculate the Rate of Return on a Real Estate Investment," The Practical Accountant (July-August, 1979).
- "The Arithmetic of Real Estate Tax Shelter," Journal of Property Management (July-August, 1979).
- "Increasing Depreciation Deductions in a Tax-Deferred Exchange," Real Estate Review (Fall, 1979).
- "The Arithmetic of Wraparound Financing," AMO Quarterly (Fall, 1979).
- "Installment Sales of Mortgaged Real Estate and the Wraparound Mortgage," The Appraisal Journal (January, 1980).
- "Reporting Installment Gain on a Like-Kind Exchange," The Practical Accountant (March, 1980).
- "More on the Arithmetic of Multiple and Imaginary Rates of Return," The Real Estate Appraiser and Analyst, (September-October, 1980).
- "On Interpreting the Internal Rate of Return on a Real Estate Investment," The Real Estate Appraiser and Analyst, (First Quarter, 1981).
- "Balancing a Financial Seesaw," California Real Estate (April, 1981).
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- *I was the recipient of The Robert H. Armstrong Award for this article, which was judged the outstanding contribution to the literature of real estate published originally in The Appraisal Journal in 1979.
- "Refinancing a Personal Residence," Real Estate Review (Winter, 1982).
- "The Advantages and Disadvantages of Group Real Estate Investing," California Health Review (March-April, 1984).

"Apartment Buildings: Are They Good Investments Again?," California Health Review (June-July, 1984).

"The Nature and Significance of the Tax Basis of Your Apartment Building," The Apartment Owner (September, 1984).

"Beware of the Potential Installment Sale Trap in the New Tax Law," Apartment Owner-Builder (November, 1984).

"The Gross Income Multiplier: Some Observations," The Apartment Owner (November, 1984).

"Cost of Repairs: Trading Off Ordinary Income and Capital Gain Upon Sale of Your Apartment Building," The Apartment Owner (June, 1985).

"How to Reduce the Tax on the Initial Installment Sale Payment," The Apartment Owner (May, 1986).

"Figuring the Real Return on Real Estate: An Addendum," Apartment Age (July, 1986).

"How to Determine the Maximum Purchase Price on an Apartment Building Investment," The Apartment Owner (June, 1992).

"Installment Sales of Mortgaged Real Estate and the Wraparound Mortgage: An Update," The Appraisal Journal (July, 1993).

"Smart Tax Moves for Tough Times," Real Estate Today (July, 1993).

"Treatment of Loan Fees Varies Greatly," Daily News (November 6, 1993).

"Points are Deducted Differently in a Refinance," Daily News (November 13, 1993).

"Home Move-Up May Have Added Benefits," Daily News (December 11, 1993).

"30-Year Mortgage Best Suited to Average Homebuyer Needs," Daily News (January 1, 1994).

"15-Year Loans Have Advantages and Disadvantages," Daily News (January 29, 1994).

"Advantages of 15-Year Mortgage Discussed," Daily News (February 12, 1994).

"Installment Sales: Reducing the Reportable Gain in the Year of Sale By Having the Buyer Pay the Closing Costs," The Apartment Owner (February, 1994).

"A Smart Tax Approach for Older Homeowners," Real Estate Today (May, 1994).

"Points: A Lesson in Deduction," Real Estate Today (February, 1995).

“Consider the Consequences of Your Options,” Commercial Investment Real Estate Journal (Spring, 1995).

“Repairs Versus Capital Improvements,” Journal of Property Management (September-October, 1995).

“Tax Deferred Exchanges: Pros and Cons,” The Real Estate Finance Journal (Spring, 1996).

“What Tax Class is Your Real Estate,” Journal of Property Management (March- April, 1996).

“Key Tax-Planning Considerations in the Sale of a Residence,” Journal of Financial Planning (April, 1996).

“Lease Option or Installment Sale,” Commercial Investment Real Estate Journal (July-August, 1996).

“Installment Sales,” Commercial Investment Real Estate Journal (September-October, 1997).

“Allocation of Basis to Increase Depreciation Deductions,” Journal of Property Management (May-June, 1998).

“EXCEL at Basic Mortgage Calculations,” Commercial Investment Real Estate Journal (September-October), 1998.

“Solving Basic Time-Value-of-Money Calculations Using Microsoft Excel,” CFP/Biz (Web site magazine published by the Institute of Certified Financial Planners).

Appeared as a six-part weekly series on the web site for the period of September 7, to October 12, 1998. Web site address: www.icfpbiz.net.

“Calculating Fixed-Rate Mortgage Problems with Microsoft Excel,” CFP/Biz (Web site magazine published by the Institute of Certified Financial Planners). Appeared as a six-part weekly series on the web site for the period of October 19, 1998 to November 23, 1998. Web site address: www.icfpbiz.net.

“The U.S. Bureau of Census National Apartment Survey: A Look at Property Owners, Their Management Practices and Tenant Policies,” Apartment News (May, 1999).

“1998 Apartment Sales Summary for Orange County,” co-author with Pamela S. Wooldridge, Apartment News (June, 1999).

“The U.S. Bureau of Census National Apartment Survey: Ownership Types, Age and Race of Owners, and Owner Personal Involvement,” Apartment News (June, 1999).

“Sale-Leaseback Solutions,” Commercial Investment Real Estate (May-June, 1999).

“Value Indicators for Orange County Apartment Sales in 1998,” Apartment News (July, 1999).

“The U.S. Bureau of Census National Apartment Survey: Advertising for and Screening Tenants and Tenant Retention and Maintenance Policies,” Apartment News (July, 1999).

“Using the Gross Income Multiplier: Assumptions and Limitations,” Apartment News (August, 1999).

“1998 Apartment Market Share Analysis for Orange County Apartment Brokers,” co-author with Pamela S. Woolridge, Apartment News (September, 1999).

“1998 Apartment Sales Summary for Riverside County,” co-author with Pamela S. Woolridge, Apartment News (October, 1999).

“Value Indicators for Riverside County Apartment Sales in 1998,” co-author with Pamela S. Woolridge, Apartment News (November, 1999).

“1998 Market Share Analysis for Riverside County Apartment Brokers,” co-author with Pamela S. Wooldridge, Apartment News (December, 1999).

“The Orange County Apartment Market: A Look at Occupancy and Rent Trends,” co-author with Pamela S. Wooldridge, Apartment News (January, 2000).

“The Orange County Apartment Market: A Look at Rent Concessions and Construction Trends,” co-author with Pamela S. Wooldridge, Apartment News (February, 2000).

“When Are Tax-Deferred Exchanges Not Advisable,” Apartment News (April, 2000).

“Selected Web Sites for Apartment Investors,” Apartment News (July, 2000).

“1999 Apartment Sales Summary for Riverside County,” AAGIE: Apartment Association Greater Island Empire (August, 2000).

“1999 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (August, 2000).

“Excel at Financial-Analysis Calculations: Spreadsheet Software Can Help You Calculate Discounted Cash Flow Measures of Value and Return,” Commercial Investment Real Estate (September/October, 2000).

“The Orange County Apartment Market: A Look at Occupancy and Rent Trends,” co-author with Pamela S. Wooldridge, Apartment News (September, 2000).

“1999 Apartment Sales Summary for the San Fernando Valley – Part II,” The Apartment Owner (September, 2000).

“Value Indicators for Riverside County Apartment Sales in 1999,” AAGIE: Apartment Association of Greater Inland Empire (September, 2000).

“The Orange County Apartment Market: A Look at Rent Concession and Construction Trends,” co-author with Pamela S. Wooldridge, Apartment News (October, 2000).

“Cal State Fullerton Provides Real Estate Knowledge, Expertise to Orange County’s Business Community,” The Orange County Register (October 21, 2000).

“1999 Apartment Market Share Analysis for Orange County Brokers,” Apartment News (January, 2001).

“2000 Apartment Sales Summary for Orange County, co-author with Pamela S. Wooldridge, Apartment News (July 2001).

“Value Indicators for Orange County Apartment Sales in 2000,” co-author with Pamela S. Wooldridge, Apartment News (August, 2001).

“Value Indicators for San Bernardino County Apartment Sales in 2000,” AAGIE: Apartment Association of Greater Inland Empire (September, 2001).

“2000 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (September, 2001).

“2000 Apartment Market Share Analysis for Orange County Brokers,” co-author with Pamela S. Wooldridge, Apartment News (October, 2001).

“Value Indicators for San Fernando Valley Apartment Sales in 2000,” The Apartment Owner (October, 2001).

“2000 Apartment Sales Summary for Orange County,” co-author with Pamela S. Wooldridge, Apartment News (November, 2001).

“The Orange County Apartment Market: A Look at Occupancy and Rent Trends,” co-author with Pamela S. Wooldridge, Apartment News (December, 2001).

“The Orange County Apartment Market: A Look at Rent Concession and Construction Trends,” co-author with Pamela S. Wooldridge, Apartment News (January, 2002).

“2001 Apartment Sales Summary for Orange County,” co-author with Pamela S. Wooldridge, Apartment News (July, 2002).

“2001 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (July, 2002).

“Value Indicators of Orange County Apartment Sales in 2001,” co-author with Pamela S. Wooldridge, Apartment News (August, 2002).

“Value Indicators for San Fernando Valley Apartment Sales in 2001,” The Apartment Owner (August, 2002).

“2001 Apartment Market Share Analysis for Orange County Brokers,” co-author with Pamela S. Wooldridge, Apartment News (September, 2002).

“2002 Apartment Sales Summary for Orange County,” Apartment News (June, 2003).

“2002 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (June, 2003).

“Value Indicators for San Fernando Valley Apartment Sales in 2002,” The Apartment Owner (July, 2003).

“Value Indicators for Orange County Apartment Sales in 2002,” Apartment News (July, 2003).

“2003 Apartment Sales Summary for Orange County,” Apartment News (May, 2004).

“2003 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (May, 2004).

“Value Indicators for San Fernando Valley Apartment Sales in 2003,” The Apartment Owner (June, 2004).

“Value Indicators for Orange County Apartment Sales in 2003,” Apartment News (June, 2004).

“2004 Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (May, 2005).

“2004 Apartment Sales Summary for Orange County,” Apartment News (July, 2005)

“Value Indicators for Orange County Apartment Sales in 2004,” Apartment News (August, 2005)

“Value Indicators for San Fernando Valley Apartment Sales in 2004,” The Apartment Owner (September, 2005)

“2005 in Review: Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (April, 2006).

“2005 in Review: Apartment Sales Summary for Orange County,” Apartment News (August, 2006).

“2005 in Review: Value Indicators for San Fernando Valley Apartment Sales,” The Apartment Owner (August, 2006).

“2005 in Review: Value Indicators for Orange County Apartment Sales,” Apartment News (September, 2006).

“2006 in Review: Apartment Sales Summary for Orange County,” Apartment News (April, 2007).

“2006 in Review: Apartment Sales Summary for the San Fernando Valley,” The Apartment Owner (April, 2007).

“Excel at Financial Analysis Calculations: Spreadsheets are Useful for Time-Value-of-Money Assessments,” Commercial Investment Real Estate (May-June, 2007).

“2006 in Review: Value Indicators for Orange County Apartment Sales,” Apartment News (May, 2007).

“2006 in Review: Value Indicators for San Fernando Valley Apartment Sales,” The Apartment Owner (June, 2007).

“2007 in Review: Apartment Sales Summary for Orange County,” Apartment News (April, 2008).

“2007 in Review: Value Indicators for Orange County Apartment Sales,” Apartment News (June, 2008).

“Why Tax-Deferred Exchanges May Not Always be Advantageous for Apartment Investors,” Apartment News (August 2008).

“Exchange Your Strategy: Investors Should Consider Alternatives to 1031 Transactions,” Commercial Investment Real Estate (November/December, 2008).

“Tax Planning for Maintenance Expenses, Repairs, and Capital Improvements,” Apartment News (November, 2008).

“2008 in Review: Apartment Sales Summary for Orange County,” Apartment News (April, 2009).

“2008 in Review: Value Indicators for Orange County Apartment Sales,” Apartment News (May, 2009).

“Looking Back: Apartment Sales in Orange County for the Years 2000-2008,” Apartment News (September, 2009).

“Looking Back: Value Indicators for Orange County Apartment Sales for the Years 2000-2008,” Apartment News (October, 2009).

“2nd Quarter Rents and Occupancy Drop in Orange County Apartment Buildings,” Apartment News (November, 2009).

TRAINING MANUALS

“Fundamentals of Income Property Brokerage,” Sperry VanNess, Real Estate Investment Brokers, 1992. Training manual used in training seminars for all new

agents hired.

“Investment Brokerage Fundamentals for Multi-Family Housing,” CB Commercial, Commercial Real Estate Services, 1997. Training manual used in training seminars for all new apartment sales agents hired.

“Basic Real Estate Principles and Practices (Course 110),” E&Y Kenneth Leventhal Real Estate Group, 1998 (revised annually). Training manual used in national training seminars for all new employees – including tax, auditing, and consulting specialists – entering the firm.

“Real Estate Finance: An Introduction (Course 131),” E&Y Kenneth Leventhal Real Estate Group, 1998 (revised annually). Training manual used in national training seminars for all second year employees in the real estate consulting group.

“Real Estate Financing (Course 231),” E&Y Kenneth Leventhal Real Estate Group, 1998 (revised annually). Training manual used in national training seminars for all third year employees in the real estate consulting group.

BUSINESS EXPERIENCE

DONALD J. VALACHI, REAL ESTATE CONSULTANT, 1992-Current

Sole Practitioner. Served as a training consultant for commercial real estate investment brokerage and consulting firms. Developed and wrote a training manual for Sperry/Van Ness (SVN), Real Estate Investment Brokers; SVN is one of the largest commercial investment brokerage firms in Orange County. The manual encompassed all aspects of the commercial investment property brokerage process, including the marketing of apartment buildings, office buildings, shopping centers, and industrial properties. Developed and wrote a training manual for the Multi-Housing Group of CB Commercial/Richard Ellis, Commercial Real Estate Services (CB); CB is the largest commercial real estate services firm in the world. Developed training seminars, wrote seminar material, and conducted training seminars for the real estate group (E&Y Kenneth Leventhal Real Estate Group) of Ernst & Young LLP (E&Y); E&Y is one of the largest accounting and consulting firms in the world. Serve as a consultant for JH Real Estate Partners, Inc. in Newport Beach, where I prepare real estate market studies and conduct due diligence for all of their acquisitions of large apartment projects and shopping centers throughout Southern California.

V&R INVESTMENTS, WOODLAND HILLS, 1982-1994

Partner. Real estate investment and brokerage firm.

1982-1985. Specialized in apartment house brokerage in the San Fernando Valley and surrounding areas.

1985-1994. Specialized in purchasing, refurbishing, and selling/exchanging apartment properties for our own account. In addition, we functioned as the general partner in a number of limited partnerships formed with a private pension fund and a foreign real estate investment company.

THE HANES COMPANY, INC., INVESTMENT REAL ESTATE BROKERS, WOODLAND HILLS, 1978-1982

Senior Vice President and Director of Training. The Hanes Company, Inc. was one of the largest investment real estate brokerage firms in Southern California.

Developed and conducted training classes, workshops and seminars that encompassed all aspects of the investment real estate brokerage process.

Served as in-house consultant for sales agents.

KENNETH LEVENTHAL & COMPANY, CERTIFIED PUBLIC ACCOUNTANTS, LOS ANGELES, 1969-1972

Staff Accountant. Participated in a variety of audit and tax engagements, with clients concentrated in the real estate industry.

HASKINS & SELLS, CERTIFIED PUBLIC ACCOUNTANTS, LOS ANGELES, 1966-1967

Staff Accountant. Participated in a variety of audit engagements.

LICENSES AND PROFESSIONAL DESIGNATIONS

Licensed real estate broker, State of California

CCIM designation, National Association of Realtors

Licensed certified public accountant (CPA), State of California (Not Renewed)