

**COURSE SYLLABUS**  
**CALIFORNIA STATE UNIVERSITY, FULLERTON**  
**MIHAYLO COLLEGE OF BUSINESS AND ECONOMICS**  
**Department of Finance**

**Finance 454**  
**Real Estate Market Analysis**  
**Spring 2012- Monday 7:00 - 9:45 P.M.**  
**M. Wayne Foss, DBA, MAI, CRE, FRICS**

**Prerequisite:** Finance 351

**Office Hours / Telephone:** Office hours will be held on Monday from 6:00 P.M. to 7:00 P.M. in SGMH-5184. If the office hours are inconvenient for you, please make arrangements with me in class for an appointment. Telephone: Finance Department - (657) 278-2217; Office direct line on campus - (657) 278-7571; off campus - (714) 871-3585; e-mail: wfoss@fossconsult.com

**Course Goals and Objectives:** This course introduces students to data sources and models for organizing data into real estate market studies. Real estate research is generally designed to answer questions about markets and marketability, financial and other costs, sales levels, expected supply, absorption rates, prices, and returns when posed by developers, lenders and other private and public sector entities; and to answer questions about environmental effects, traffic impact, density effects, and planning effects when posed by public sector representatives. The course will analyze the models used to generate answers to these questions and apply them to Southern California. This will be accomplished by class discussion during which each student group will verbally present their solution to a research problem and respond to comments by the class. Completion of a market study in the form of a term paper by each group for a specific property is required.

After completing the course, students will be able to:

- Understand real estate market terms and definitions.
- Be aware of data sources and limitations
- Be able to analyze local area economic trends
- Understand how to conduct market and feasibility studies
- Be able to understand real estate analyses submitted and real estate market conclusions reached by private and public sector entities.

The teaching methods employed in the course include lecture, lecture-discussion, problem solving, and workshop-discussion.

**Course Materials:** Stephen F. Fanning, *Market Analysis for Real Estate*, Appraisal Institute, Chicago, 2005 - - required

It is recommended that you read the Wall Street Journal and the Business section of the Los Angeles Times daily. You should focus on the various “economic indicators” (e.g., GDP, Index of Leading Economic Indicators, Housing Starts, etc.) that are released by various government agencies and private research groups. In addition, it is also recommended that you read the Real Estate section in the Sunday issue of the Los Angeles Times and the weekly edition of the Orange County Business Journal. The important economic indicators, as well as other relevant economic and real estate news, will usually be discussed at the beginning of each class.

**Grading:** Course grades will be determined as an accumulation of the total points on the two class tests, the group project and class participation as follows:

|                      |             |
|----------------------|-------------|
| Test 1:              | 30.0%       |
| Test 2:              | 35.0%       |
| Group Project        | 30.0%       |
| Class Participation: | <u>5.0%</u> |
| Total:               | 100.0%      |

Point scores are recorded for each element of your grade. The final grade for the course will be based on a straight accumulation of points in the following array:

| Grade |   | GPA | Pctg. Range   |
|-------|---|-----|---------------|
| A+    | = | 4.0 | 97-100%       |
| A     | = | 4.0 | 93-96%        |
| A-    | = | 3.7 | 90-92%        |
| B+    | = | 3.3 | 87-89%        |
| B     | = | 3.0 | 83-86%        |
| B-    | = | 2.7 | 80-82%        |
| C+    | = | 2.3 | 77-79%        |
| C     | = | 2.0 | 73-76%        |
| C-    | = | 1.7 | 70-72%        |
| D+    | = | 1.3 | 67-69%        |
| D     | = | 1.0 | 63-66%        |
| D-    | = | 0.7 | 60-62%        |
| F     | = | 0.0 | Less than 60% |

**Examinations:** All of the examinations will contain a combination of true-false questions, multiple choice questions, and problems requiring calculations. Generally, the true-false and the multiple choice questions will comprise about 50% of the exam. These sections are both *closed book and closed notes*. The other 50% of the exam will be comprised of problems. This section will be *open book and open notes*. However, there will be no partial credit given for incorrect answers to the problems. Calculators are permitted.

*No make-up examinations* will be permitted without a written medical excuse or documentation of extraordinary circumstances. If you are unable to take an examination when scheduled, you are required to notify me prior to the exam. If you cannot reach me, leave a message with the Department of Finance office at (657) 278-2217. Failure to follow these procedures may result in a zero on the unexcused examination.

**Assessment Statement:** The main purpose of the degree program at the Mihaylo College of Business & Economics (College) at Cal State Fullerton is to provide you with the knowledge and skills that prepare you for a successful career in business. In order to assist us in achieving this goal, we will use a number of assessment tools to track your progress throughout the College curriculum. Please expect to participate in College assessment activities in several of your courses while at CSU, Fullerton. As you do so, you will assist us in identifying our program's strengths and weaknesses as well as areas for potential improvement. In other words, you are making an important investment in the value of your degree.

**Academic Dishonesty:** *The Department of Finance requires that students engaging in academic dishonesty receive a grade of F. In addition, Department Policy requires that all individuals engaging in academic dishonesty be reported to the Vice President, Student Affairs. Academic dishonesty takes place whenever a student attempts to take credit for work that is not his/her own or violates test taking rules. Examples of academic dishonesty during test taking include looking at other students work, passing answers among students or using unauthorized notes. When students sitting next to each other have identical answer, especially the same mistakes, this may indicate academic dishonesty. Examples of academic dishonesty on out-of-class projects include submitting the work of others or quoting directly from published material without footnoting the source. If you have any questions about the proper use of outside sources, please consult with your professor.*

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## Reading Assignments

| Date    | Topic   | Reading           |
|---------|---|-------------------|
| Jan. 23 | Introduction  |                   |
| Jan. 30 | Real Estate Market Analysis                           | Chpts. 1-5        |
| Feb. 6  | Real Estate Market Analysis                           | Chpts. 7-9        |
| Feb. 13 | Data Sources for Market Analysis                      | Chpt. 10          |
| Feb. 20 | President's Day – No Class                            |                   |
| Feb. 27 | Population Forecasting & Economic Base Analysis       | Chpt. 6           |
| Mar. 5  | Basic Concepts and Real Estate Marketability Analysis | Chpt. 11          |
| Mar. 12 | Highest and Best Use Decisions                        | Chpt. 16          |
| Mar. 19 | Mid-term examination                                  |                   |
| Mar 26  | Spring Break  |                   |
| Apr. 2  | Market Analysis for Shopping Centers                  | Chpts. 12, 18, 19 |
| Apr. 9  | Market Analysis for Shopping Centers                  | Chpts. 12, 18, 19 |
| Apr. 16 | Market Analysis for Housing: Subdivision              | Chpt. 15          |
| Apr. 23 | Market Analysis for Office & Manufacturing Buildings  | Chpt. 13-14       |
| Apr. 30 | Market Analysis for Vacant Land                       | Chpt. 17          |
| May 7   | Class Presentation of Project Papers                  |                   |
| May 14  | Final Exam: 7:30 to 9:20 PM (time subject to Change)  |                   |

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