George Mason University

School of Business
Fall 2017

Finance 351- Principles of Real Estate

Class Time: Tuesday and Thursday 1:30PM to 2:45PM

Instructor: Dr. George H. K. Wang**
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Office Hours: Tuesday 3:00PM- 4:15 PM; Thursday 3:00 PM– 4:15PM or by Appointment (lecture notes and assignments are available in Blackboard)

2. Financial calculator and Proficiency in its use.
3. Ling and Archer Power points and selected Solutions posted on the blackboard site.
4. Supplemental materials posted on Blackboard

Prerequisites: Finance 301

Objectives: This course provides a survey of the real estate sector of the US economy from the perspective of financial economics. The course will focus on the development of understanding of factors that influence values of real estate assets. This understanding can be applied to make decisions about developing, acquiring, financing, owning, leasing, managing, and disposing of real estate assets. Given the significance of real estate assets to owners, lenders and users, these decisions have important consequences for individual, firms and the economy. The course will also examine the role and effects of institutional feature or real estate markets, including those related to property rights and other legal aspects, financing and government policies. At the end of the course, students should: (1) appreciate the significance of real estate resources in the economy; (2) be familiar with the principle features or real estate assets and markets; (3) understanding the factors that influence property values; (4) explain important features of real estate contracts; (5) understand government policies that influence real estate markets; (6) be able to use appropriate techniques for
estimating the values of real estate assets and mortgages; (7) be able to analyze real estate investment and financing decisions; (8) Be familiar with real estate management activities.


Examination Policies:
(1) Grading standards:
- First examination: 25%
- Second Exam: 25%
- Final exam: 40%
- Exercise and project: 10%
- Total: 100%

(2) Use of (+, -) grades and Types of exams: short essay on fundamental concepts and problem-solving questions.

Course Outline and Schedule

Topics [Chapters (Ling and Archer 4th edition)]

1. 8/29 The Nature of Real Estate and Real Estate Markets.
   (Chapters 1)

2. 8/31 Fundamentals of Valuation: The effect of Time and Risk on Value (Chapters 14)

3. 9/5 Fundamentals of Valuation: The effect of Time and Risk on Value (Chapters 14) and Mortgage Calculations and decisions (Chapter 15)

4. 9/7 Mortgage Calculations and decisions (Chapter 15) and alternative Mortgage instrumentals (Supplemental materials)

5. 9/12 Securities Markets (Chapters 3) and Mutual Funds and Other Investment Companies (4)

6. 9/14 Legal and Regulatory Determinants of value (Chapters 2 and 3)

7. 9/19 Legal and Regulatory Determinants of value (Chapters 2 and 3)

8. 9/21 Market Valuation and Appraisal (Market determinants of Values (chapter 5) and Forecasting Ownerships and value (Chapter 6))
10. 9/28  

**First Examination**

11. 10/3  
Government Controls and Real estate markets ( Chapter 4)

12. 10/5  
Valuation of Real Estate assets: Chapter 7

13. 10/10 
Valuation of real estate assets: Chapter 8

14. 10/12 
Financing home ownership : Chapter 9 and chapter 10

15. 10/17 
Financing home ownership : Chapter 10 and Appendix Chapter 10

16. 10/19 
Financing home ownership : Appendix Chapter 10 and chapter 11

17. 10/24 
Financing and Investing Commercial Real Estate (Caper 16)

18. 10/26 
Financing and Investing Commercial Real Estate (Caper 16)

19. 10/31 
Financing and Investing Commercial Real Estate (Caper 17)

20. 11/2 
Financing and Investing Commercial Real Estate (Caper 17) and Review for second examination

21. 11/7  

**Second Examination**

22. 11/9 
Financing and Investing Commercial Real Estate (Caper 18)

23. 11/14 
Financing and Investing Commercial Real Estate (Caper 18)

24. 11/16 
Financing and Investing Commercial Real Estate (Caper 19)
25. 11/21  Financing and Investing Commercial Real Estate (Caper 19)

26  11/22--26  Thanksgiving recess

27. 11/28  Financing and Investing Commercial Real Estate (Caper 19)

28.11/30  Financing and Investing Commercial Real Estate (Caper 19)

29. 12/5  Creating and Maintaining Values :Chapter 22

30.12/7  Creating and Maintaining Values :Chapter 22 and Review for Final Examination

30. 12/19  Final Examination ((1:30 -4:15 PM)

Note:  last day to drop with no tuition penalty  9/6

Honor Code:  Students are expected to observe the GMU Honor Code.

Attendance  Students are strongly encouraged to attend every class meeting. Anyone who thinks that he/she has a chance of missing more than four classes should definitely take a different course.

Etiquette in the Class Room - Students must turn off all phones, beepers, etc. when attending class. No one has permission to tape record any part of any lecture or discussion in any session. PRIVATE CONVERSATIONS BETWEEN STUDENTS WHILE CLASS IS IN SESSION ARE IMPOLITE, UNPROFESSIONAL, AND UNWELCOMED.

Exams  Students who want to take an exam at other than at the scheduled time must get prior permission from the instructor who is unlikely to give it unless the student has a serious medical problem (documented by a doctor in writing) or faces a severe conflict in schedule because of a work-related matter (documented in writing by a supervisor).

** (Short Bio) George H. K. Wang is the Research Professor of Finance in the School of Business at George Mason University. He received his Ph. D in statistics and economics (double majors) from Iowa State University, Ames, Iowa. He was the Deputy Chief Economist and Director of Research , U. S. Commodity Futures Trading Commission. Dr Wang was visiting Professor of Finance, Faculty of Economics and Business, University of Sydney, Australia in summer, 2006 , 2007.and winter , 2013 and a Visiting Professor of Finance, College of Management, National Central University, Jhongli, Taiwan in summer 2007. He has published widely in major refereed journals in the areas of derivative markets, applied time series, econometrics, mortgage markets and transportation. He is an elected ordinary member of International Statistical Institute and on the editorial board of the Journal of Futures Markets.