DRAFT
Syllabus Real Estate Transactions – Spring 2017

Instructors
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Scholar in Residence: Gary Friedland
M 1:30 to 4:20 PM
W 6:00 to 9:00 PM
Room: KMC ________

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M and W ______________(Friedland)
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TA’s email address: ahg292@stern.nyu.edu
TA’s Office Hours: To be announced on NYU Classes
Administrative Assistant: Skye Weis: sweis@stern.nyu.edu

Course Description
This course is designed for MBA and undergraduate students with a strong interest in real estate. However, the course is also open to students who seek to gain a basic understanding of the legal, tax and financial aspects of each phase of commercial real estate transactions from the acquisition through the disposition of the property. The course places special emphasis on commercial real estate projects and transactions in today’s marketplace. More information on the Real Estate Specialization for MBA students and the Real Estate Track for undergraduates can be found at the end of this document.

The main topics covered in this course will include: property due diligence; property acquisition; entity selection and structure; tax considerations; construction and permanent financing; mortgage securitization; foreign investment; leasing; workouts and other exit strategies. This course will prepare the student to become sensitive to the wide variety of legal, tax and financial issues and topics encountered in commercial real estate transactions from the perspective of a business professional.
NYU Stern Course Policies
1. Laptops, cell phones, smart phones, recorders, and other electronic devices may not be used in class.
2. Attendance is required. Absences will be excused only in the case of documented serious illness, family emergency, religious observance, or civic obligation. If you will miss class for religious observance or civic obligation, you must provide advance notice.
3. Students are expected to arrive to class on time and stay to the end of the class period. Students may enter class late or leave class early only if given permission and if it can be done without disrupting the class. (Note that professors are not obliged to admit students who arrive late or readmit students who leave class or may choose to admit them only at specific times.)
4. Late assignments will not be accepted or will incur a grade penalty, unless due to documented serious illness or family emergency. We will make exceptions to this policy for reasons of religious observance or civic obligation only when the assignment cannot reasonably be completed prior to the due date and the student makes arrangements for late submission with us in advance.
5. Your active participation helps us to evaluate your overall performance. You will excel in this area if you come to class on time and contribute to class discussion by
   - Providing strong evidence of having thought through the assigned material.
   - Advancing the discussion by contributing insightful questions and comments.
   - Listening attentively in class.
   - Demonstrating interest in your peers’ comments, questions and presentations.
   - Providing constructive feedback to your peers when appropriate.

Course Requirements
You must read and be prepared to discuss the assigned materials by the dates indicated in the Course Schedule. NYU Classes is an integral part of this course and students are responsible for all posted information. We frequently post (and email) announcements. Therefore, please be sure your Stern email account is functioning. Class attendance and participation are mandatory. One or more individual and/or group projects will be required.

There will be a Midterm and Final Examination. The Final Examination will be non-cumulative. Each of the exams will cover topics addressed in the assigned readings, as well as discussed in class sessions. A make-up exam will be allowed only if we are notified prior to the scheduled exam date and the appropriate medical or personal documentation is provided. We strongly discourage you from requesting a make-up exam.

NYU Stern Grading Policies
At NYU Stern we seek to teach challenging courses that allow students to demonstrate differential mastery of the subject matter. Assigning grades that reward excellence and reflect differences in performance is important to ensure the integrity of our curriculum.

The process of assigning grades is intended to be one of unbiased evaluation. This means that students are encouraged to respect the integrity and authority of the professor’s grading system and discouraged from pursuing arbitrary challenges to it. If a student feels that an inadvertent error has been made in the grading of an individual assignment or in assessing an overall course grade, a request to have that grade re-evaluated may be submitted. Students should submit such requests in writing to us within 7 days of receiving the grade, including a written statement explaining why he or she believes that an error in grading has been made.
Course Grades
The final grade for this course will be based (approximately) on the components set forth below generally in accordance with the corresponding percentages. We present these percentages simply to provide you with some sense of the relative importance of each component. All course requirements must be completed to pass this course.

- Class Attendance and Participation: 15%
- Midterm Examination: 30%
- Projects and Other Assignments: 25%
- Final Examination: 30%

Academic Integrity
Integrity is critical to the learning process and to all that we do here at NYU Stern. All students are expected to abide by the NYU Stern Student Code of Conduct. A student’s responsibilities include, but are not limited to:

- A duty to acknowledge the work and efforts of others when submitting work as one’s own. Ideas, data, direct quotations, paraphrasing, creative expression, or any other incorporation of the work of others must be clearly referenced.
- A duty to exercise the utmost integrity when preparing for and completing examinations, including an obligation to report any observed violations.

All students must follow the Stern Code of Conduct:
http://www.stern.nyu.edu/cons/groups/content/documents/webasset/con_039512.pdf

Students with Disabilities
Students whose class performance may be affected due to a disability should notify us early in the semester so that arrangements can be made, in consultation with the Henry and Lucy Moses Center for Students with Disabilities, to accommodate their needs. Please see www.nyu.edu/csd for more information.

Course Materials
All class materials for this course will be located on the NYU Classes page under the “Resources” tab by course topic. Assigned materials will be posted prior to the relevant class session and updated after the session (where appropriate.)

Course Schedule: This Draft Syllabus lists the dates that the evening class will meet (starting on Wednesday, February 8th.) The daytime class will begin meeting the prior week (on Monday, January 30th.)
The schedule set forth below is subject to change as the need arises. All changes will be announced in class, posted on NYU Classes and/or sent in an email message to students. If you miss a class session it is your responsibility to find out what you missed from another student.

<table>
<thead>
<tr>
<th>DATES</th>
<th>TOPICS</th>
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<tbody>
<tr>
<td>February 8</td>
<td>Course Overview</td>
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<tr>
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<td>Basic Property Law Overview</td>
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<td>Multifamily Housing Comparison: Condo vs. Co-op vs. Apartment</td>
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<td>February 15</td>
<td>Multifamily Housing (Continued)</td>
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<td>Basic Real Estate Finance Concepts</td>
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<td>Basic Real Estate Income Tax Concepts</td>
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<td>February 22</td>
<td>Role of Commercial Real Estate Brokers</td>
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<td>Zoning and Land Use</td>
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<td>March 01</td>
<td>Zoning (Continued)</td>
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<td>Title and Title Insurance</td>
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<td>Basic Environmental Law Concepts</td>
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<td>March 08</td>
<td>Acquisition/Contract of Sale</td>
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<td>1031 Like-Kind Exchange</td>
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<td>Choice of Entity: LLC vs. Other Entities</td>
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<td>March 15</td>
<td>No Class – Spring Break</td>
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<td>March 22</td>
<td><strong>Midterm Examination</strong></td>
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<td>Equity Structure/LLC Operating Agreement</td>
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<td>March 29</td>
<td>LLC Operating Agreement (Continued)</td>
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<td>Debt: Mortgage - Construction and Permanent</td>
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<td>Loan Origination and Mortgage Securitization</td>
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<td>April 05</td>
<td>Mezzanine Financing</td>
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<td>EB-5 Financing</td>
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<td>Ground Leasing</td>
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<td>April 12</td>
<td>Foreign Investors in the U.S. Market</td>
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<td>Commercial Leasing (Space Leases)</td>
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<td>April 19</td>
<td>Commercial Leasing (cont’d)</td>
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<td>Distressed Debt and Workouts</td>
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<td>Foreclosure and Remedies</td>
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<td>April 26</td>
<td>Foreclosure and Remedies (cont’d)</td>
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<td>Final Review</td>
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<td>May 03</td>
<td><strong>Final Examination</strong></td>
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Information about the MBA Real Estate Specialization

The Real Estate Specialization provides rigorous training in (i) the economics of real estate development and investment, the financing of such projects, leasing, and appraisal of buildings, (ii) the pricing/valuation and trading of financial instruments with real estate as the underlying, such Real Estate Investment Trusts (REITs), residential and commercial mortgage-backed securities (MBS), and related derivative and structured finance products such as collateralized debt obligations (CDOs), credit default swaps (CDS), and index products (CDX, ABX, etc.), (iii) the workings of real estate primary and secondary markets, including the various participants in these markets, their roles, and (iv) the legal, taxation, and regulatory environment. Elective courses can be chosen to emphasize the commercial real estate development process or the investment strategies in real estate capital markets. With an appropriate choice of elective courses, this track provides in-depth preparation for careers in real estate development, real estate brokerage, real estate project investment for private equity firms, family offices, sovereign wealth funds, and careers in real estate finance in the fixed income or equity desks of investment banks (research, sales & trading), hedge funds, and sovereign wealth funds.

Course List
At least 6 credits must be taken (and all 9 credits can be taken) from the following list of Stern courses:
BSPA-GB.2300 Real Estate Transactions
ECON-GB.3375 Urban Systems
ECON-GB.3182 Law & Economics of Municipal Governance
FINC-GB.2329 Real Estate Primary Markets
FINC-GB.2339 Real Estate Capital Markets
FINC-GB.2341 Real Estate Investment Strategies
OPMG-GB.2312 Operations in Panama
OPMG-GB.2360 Real Estate Development and Entrepreneurship
OPMG-GB.2313 Operations in Entertainment: Las Vegas (with approved Real Estate project)
OPMG-GB.2312 Operations in Panama (with approved Real Estate project)

Up to 3 credits may be taken from the list of pre-approved non-Stern courses which can be found at: http://www.stern.nyu.edu/AcademicAffairs/Specializations/RealEstate/index.htm

*In order for you to have OPMG-GB.2313 Operations in Entertainment: Las Vegas count towards the Real Estate Specialization, you must have your professor approve a real estate project and complete this form. Upon approval by the professor, the form must then be submitted to the Office of Records & Registration.

For additional recommendations on how to gain expertise in the area of Real Estate, please visit: http://www.stern.nyu.edu/crefr

INFORMATION ABOUT THE REAL ESTATE TRACK FOR UNDERGRADUATE STUDENTS

The Real Estate Track provides rigorous training in (i) the economics of real estate development and investment, the financing such projects, leasing, and appraisal of buildings, (ii) the pricing/valuation and trading of financial instruments with real estate as the underlying, such Real Estate Investment Trusts (REITs), residential and commercial mortgage-backed securities (MBS), and related derivative and structured finance products such as collateralized debt...
obligations (CDOs), credit default swaps (CDS), and index products (CDX, ABX, etc.), and (iii) the workings of real estate primary and secondary markets, including the various participants in these markets, their roles, and (iv) the legal, taxation, and regulatory environment. Elective courses can be chosen to emphasize the commercial real estate development process (RED focus) or the investment strategies in real estate capital markets (REF focus). With an appropriate choice of elective courses, this track provides in-depth preparation for careers in real estate development, real estate project investment for private equity firms, family offices, sovereign wealth funds, and careers in real estate finance in the fixed income or equity desks of investment banks (research, sales & trading), hedge funds, and sovereign wealth funds.

**Track Details**

**Prerequisites**
- Stern Business Tools
- Law, Business, and Society
- Foundations of Financial Markets (FINC-UB.0002)

**Essentials**
- Corporate Finance (FINC-UB.0007, req: Foundations of Financial Markets)
- Real Estate Transactions (MULT-UB.0051)
- Real Estate Primary Markets (FINC-UB.0039, co-req: Corporate Finance)
- Real Estate Capital Markets (FINC-UB.0038, req: Foundations of Financial Markets)

**Advanced Electives**
Four courses from the following list, of which one or two from the first two courses. The courses denoted by [REF] are more interesting for students who want to specialize more towards a real estate finance specialization, whereas the courses denoted with [RED] are more interesting for students who want to focus on the development, direct investment, or management of property.

1. [RED] Real Estate Development and Entrepreneurship (MULT-UB.0050)
2. [REF] Real Estate Investment Strategies (MULT-UB.XXX)
3. [RED] Urban Economics (ECON-UA 227 – CAS)
5. [RED] Taxation of Individuals (ACCT-UB 63)
6. [REF] Risk Management in Financial Institutions (FINC-UB 22)
8. [REF] Debt Instruments (FINC-UB 26)
10. [REF] Equity Valuation (FINC-UB 41)
11. [RED] Topics in Entrepreneurial Finance (FINC-UB 61)
15. [RED] Strategic Analysis (MGMT-UB 18)
16. [RED/REF] Negotiation and Consensus Building (MGMT-UB 30)
17. Courses from other schools, subject to approval from academic director and professor teaching the course
   - CAS, Department of Art History: Urban design and architecture studies – courses in history of architecture, shaping the urban environment, etc.
   - Law School: courses in real estate law, taxation, property law, or partnership law, subject to approval of NYU LS instructor and Stern real estate track director
   - Wagner School: courses in urban planning, subject to approval of instructor and Stern real estate track director
   - SCPS, Schack Institute: courses in real estate finance and development, subject to approval of instructor and Stern real estate track director.