



### **Course Description**

#### **REE2304 | Commercial Real Estate | 3.00 credits**

In this course the student will learn specific financial tools and techniques required to assess the feasibility of commercial real estate investment, funding and financing options, risks associated to real estate transactions and factors impacting real estate investment decisions. The student will learn how the commercial real estate process works, the different interested parties involved in the transaction, the essentials of risk and return, financing options and different phases in a commercial real estate transaction.

### **Course Competencies**

**Competency 1:** The student will attain an understanding of the fundamentals of commercial real estate by:

1. Describing the four (4) major property types: multi-family, office, retail and industrial
2. Analyzing major differences between commercial real estate and personal use real estate
3. Describing activities pursued by real estate agents engaged in commercial real estate including leasing, brokerage, development, property management and financing
4. Applying basic economic concepts: market supply and demand variables and indicators

**Competency 2:** The student will achieve proficiency in the financial factors associated to commercial real estate by:

1. Discussing common parameters when assessing commercial real estate investment such as cost per square foot, gross rent multiplier, capitalization rate, and the cash
2. Identifying types of financing options available for commercial real estate transactions
3. Analyzing commercial real estate investment alternatives such as income-producing investments, joint ventures, leverage, and leasing
4. Defining concepts associated to commercial real estate investment and financing such as inflation, property underwriting, lending, efficient markets, and equity
5. Describing the concept of returns in real estate transactions including basic definitions and classification

**Competency 3:** The student will develop an understanding of real estate valuation and legal aspects of real estate by:

1. Differentiating commercial real estate valuation practices such as cost versus value and cost versus income
2. Achieving proficiency in data collection for commercial and personal property valuation usually used by property appraisers and the search of property values via secondary sources such as web-based data resources
3. Discussing the appraisal process and forces influencing value
4. Analyzing the role of appraisals in the lending environment and the loan decision process
5. Reviewing the legal aspects of commercial real estate transactions such as contracts, leases, deeds and property law

### **Learning Outcomes:**

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Formulate strategies to locate, evaluate, and apply information
- Demonstrate knowledge of ethical thinking and its application to issues in society
- Use computer and emerging technologies effectively