

Department of Marketing and Consumer Studies

REAL*3810
REAL ESTATE MARKET ANALYSIS
Fall 2017

Instructor Paul Anglin
 Office MINS 213F
 Phone 519-824-4120 (x58542)
 Office Hours: Tuesdays and Thursdays 11:00- 12:00 pm or by appointment (given generously)
 Email panglin@uoguelph.ca
 Please include the course number in the subject line or your message may be deleted without being read. Some questions can be answered by checking CourseLink.

Objectives

In this course, students examine the processes used to analyze supply and demand in the real estate market. The course focuses on using research methodologies to define the scope of analysis; identify data needs; collect information from various sources, including on-line resources; and interpret the results. Applications to different property types are discussed. Current market trends are also examined. As well, the course deals with marketing real estate: listing procedures, advertising, negotiating.

Learning Objectives: when finished, a student should be able to

- a) Create a thoughtful business plan
- b) Evaluate data sources and to describe data
- c) Analyse market trends and property-specific features, including distinguishing an “indicator” and a “driver”
- d) Estimate multivariate relationships using regression analysis, and to apply the output for purposes of prediction, hypothesis testing, Sensitivity Analysis and What if analysis
- e) Recognize the difference between statistical significance and operational significance, and to discriminate between “important” and “trivia”

Grading

	Weight	Approximate Due Date	Relationship to Learning Objectives
Case I	10%	October 12	b, d, e
2 Executive Summaries	10%	Oct. 3 and Nov. 14	a, c, e
On-line Case	10%	November 21	b, e
Neighbourhood Report	5%	On or before Oct. 31	b, e
Midterm	30%	October 19	a, b, c, d, e
Final Exam	35%	December 15, 8:30	a, b, c, d, e

For many students, the real challenge will *not* be found in “what learning objectives are covered” but in what they “uncover” or “discover” for themselves. While many of the ideas in this course have been explored in pre-requisite courses separately, good market analysis requires a student to “put it all together”. Attempting to combine ideas, and finding that they do not quite fit, may uncover points of confusion that you did not notice before.

The course emphasizes the operational implications of market analysis from a user’s perspective in a way which account for imperfections. Some students may find this perspective challenging because an easy way to get a good grade in a technical course, while evading a conceptual question, is to offer a list of additional technical and theoretical concepts which should be considered (even if they are not or cannot be measured). And an easy way to get a good grade in a conceptual class, while evading a technical question, is to offer a list of other concepts which could be considered (even if they are possible but trivial). In this class, realism dictates that you should focus on non-trivial measurements: that each item on a list of “things to think about” should be matched with a data source and that you should be aware of flaws in data even if it is of the highest quality. So, one of the goals of this class is to enable you to be constructively skeptical.

Required Text (“SB”): Schmitz, A., and D. Brett, 2009 *Real Estate Market Analysis*, Urban Land Institute, second edition (paperback or hardcover)

Other notes will be posted from time to time on Courselink

You may also wish to read the file containing the important “Take Away Ideas” from last year’s class: while each year’s course is slightly different, it does not change so much that last year’s ideas become “wrong”.

Anticipated Schedule (subject to change, especially w.r.t. guest speakers)

- Sept. 7 Introduction (SB Ch. 1)
- 12 Project Planning (see Notes on Business Plans and on Financial Statements)
- 14 Basics of Market Analysis (SB Ch. 2 and 3)
- 19 Residential Property (SB Ch. 4)
- 21 Multi-Residential Properties (SB Ch. 4)
- 26 Forecasting I: Price Functions (see Notes on Hedonic Price Functions; there are also many popular videos on-line which can explain the steps, such as <https://www.youtube.com/watch?v=G4IEJBCNVjw>)
- 28 Forecasting II: Advanced Price Functions
- Oct. 3 Forecasting III: Sensitivity Analysis and What if Analysis
- 5 Guest Speaker
- 10 Fall Study Break
- 12 Case I: Guelph Apartment Market
- 17 Puzzles and Problems: Questions to ask a Forecaster
- 19 Midterm Test
- 24 Retail Property (SB Ch. 5)
- 26 Guest Speaker
- 31 Review of Midterm
- Nov. 2 Office and Industrial Property (SB Ch. 6)
- 7 Mixed Use Development (SB Ch. 8)
- 9 In-class Exercise

- 14 Trend Analysis and Extrapolation
- 16 Planning Process and the Role of Government (e.g. Ontario Municipal Board)
- 21 Guest Speaker
- 23 Property Taxes and Municipal Finances
- 28 Risk Management I: Puzzles and some solutions
- 30 “The Ultimate Lecture” (your choice)

Miscellaneous

Attendance: This course will involve substantial discussion designed to identify the scope of a problem before attempting to solve it. Thus, attendance and participation are encouraged.

Explanation: Tests and reports will be marked based on the ability to explain your answer. A simple statement of an answer is not good enough since it may be wrong, since it cannot convince somebody who does not already believe in that answer and since it reveals no insight or awareness on your part that might spark a helpful comment from your audience. In part, your ability to explain an answer depends on being able to identify the relevant question. For further details, please read the two files I posted on Courselink concerning Explaining and Writing.

Submitting: Case reports or assignments must be handed in at or before the beginning of class when it is due, since the class discussion on that day will focus on the case material. Electronic submission is acceptable with one condition and one strong suggestion. First, that you trust the quality and the layout used by my printer; docx or pdf formats are acceptable. And, mostly for my benefit, I strongly suggest that you use a unique name for the file: a name such as “3810 JD.Case 1.docx” is much better than “Case 1.docx”.

Sickness: If you are forced to miss the midterm test *for reasons outside of your control*, please bring me a doctor’s note or other evidence within one week. If accepted, the weight for that test will be divided amongst the other graded items. To the best of your ability, I expect you to tell me of a situation ASAP.

Final examination conflict: Students are responsible for ensuring that they do not have a time conflict with examinations in other courses. You are not permitted to enrol in this course if you have a time conflict with another course.

Plagiarism is a serious academic offence. Do **not** copy work (including spreadsheets and programming) done by others except with proper acknowledgement. I assume that anything written **without quotation marks** represents your work. Please note that such issues are a special problem with group work and that **each** member of your group is responsible for **all** of your group’s work. The University’s Policy on Plagiarism and possible punishments for violations is outlined at <http://www.academicintegrity.uoguelph.ca/>.

In this course, I may use Turnitin, integrated with the CourseLink Dropbox tool. A major benefit to you of using Turnitin is that you will be able to educate and empower yourselves in preventing academic misconduct. In this course, you may screen your own assignments through Turnitin as many times as you wish before the due date. You will be able to see and print reports that show you exactly where you have properly and improperly referenced the outside sources and materials in your assignment.

Mostly, I trust you to act ethically because there are many reasons for you to do your own work. A test is not just used to judge how well you can repeat what was told to you. The most important reason to do your own work is that no project that you will see in the real world will look exactly like the test or exercise that you are being graded on. The most interesting projects

in the real world will involve things that are too new to be included in any textbook. The best students take advantage of these guided opportunities to go beyond what is taught in class. For these reasons, the process by which you arrive at an answer (and your explanation) is at least as important to you as the answer itself. Finally, I note that many of the problems with academic integrity result from poor time management or from carelessness; since potential employers are also concerned about these habits, any concerns about academic integrity are not isolated to the university.

University Grading Scheme:

Note: As per University Calendar academic credit for being unable to meet assignment due dates, case participation, or for being unable to attend any quiz, midterm or final exam will only be granted for medical, psychological or compassionate reasons. In all cases, appropriate documentation as outlined in the University Calendar is required. Work Arrangements, vacation or personal arrangements, sleeping in or not following the WebAdvisor calendar are not valid reasons.

This course follows the University grading scheme outlined in the University Calendar:

A+	90-100%	Excellent: An outstanding performance in which the student demonstrates a superior grasp of the subject matter, and an ability to go beyond the given material in a critical and constructive manner. The student demonstrates a high degree of creative and/or logical thinking, a superior ability to organize, to analyze, and to integrate ideas, and a thorough familiarity with the appropriate literature and techniques.
A	85-89	
A-	80-84	
B+	77-79	Good: A more than adequate performance in which the student demonstrates a thorough grasp of the subject matter, and an ability to organize and examine the material in a critical and constructive manner. The student demonstrates a good understanding of the relevant issues and a familiarity with the appropriate literature and techniques.
B	73-76	
B-	70-72	
C+	67-69	Acceptable: An adequate performance in which the student demonstrates a generally adequate grasp of the subject matter and a moderate ability to examine the material in a critical and constructive manner. The student displays an adequate understanding of the relevant issues, and a general familiarity with the appropriate literature and techniques.
C	63-66	
C-	60-62	
D+	57-59	Minimally acceptable: A barely adequate performance in which the student demonstrates a familiarity with the subject matter, but whose attempts to examine the material in a critical and constructive manner are only partially successful. The student displays some understanding of the relevant issues, and some familiarity with the appropriate literature and techniques.
D	53-56	
D-	50-52	
F	0-49	Fail: An inadequate performance.

http://www.uoguelph.ca/undergrad_calendar/index.shtml