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.

By the end of the course, you should know:
Components of a business plan
Data types and sources to consider
Market trends and property specific analysis
Distinction between an “indicator” and a “driver”
Sensitivity vs. What if analysis (and issues in implementation)
How to do regression analysis
Understand the difference between statistical significance and operational significance and, most importantly, how constructive skepticism and continual curiosity lead to the kinds of useful insights that are good enough to include in a business plan.

Many students find this course challenging because, while many of its ideas were explored individually in pre-requisite courses, good market analysis requires a student to put it all together. Combining ideas may uncover points of confusion which seemed to be well-understood initially. This course may also be challenging because one way to respond to question in a conceptual class is to offer a list of additional concepts which should be considered. In this class, each item on such a list should be matched with a data source so that the analysis can determine if it is important or unimportant in a particular situation; and even the best data has flaws. The course emphasizes the operational implications of market analysis from a user’s perspective.

Other notes will be posted from time to time on Courselink

Grading: Midterm (October 18) 30 %
Case Reports and Assignments 30 %
(Approximately October 11, November 8;
on-line case discussion* ends: November 18)
Final Exam (Thurs. Dec. 6; 11:30-1:30) 40 %

*The on-line case discussion will be graded in several ways. First, by participation online. Second, by the quality of your participation (as indicated by the introduction of new material such as facts, links or reports, by making constructive comments, by avoiding superficial responses to the comments of others and by the number of other users who use what you introduce). Third and most importantly, based on an individually-written summary of the key issues and different positions, to be submitted in mid-November.

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

Sept 6  Introduction (SB Ch. 1)
   11  Project Planning (see Notes on Business Plans and on Financial Statements)
   13  Basics I: Market Analysis (SB Ch. 2 and 3)
   18  Residential Property (SB Ch. 4)
   20  Multi-Residential Properties (SB Ch. 4)
   25  Forecasting I: Price Functions (see Notes on Hedonic Price Functions)
   27  Forecasting II: Advanced Price Functions

October 2  Forecasting III: Uses, Abuses and Fixes
   6  Guest Speaker
   9  Forecasting IV: Sensitivity Analysis and What if Analysis
   11  Case II: “Hedonic valuation of schooling in the UK: The case of Hertford Town”, *Journal of Real Estate Practice and Education*, 2008 (will be provided)
   16  Planning Process and the Role of Government (Ontario Municipal Board)
   18  Midterm Test
   23  Office and Industrial Property (SB Ch. 6)
   25  Guest Speaker: Ricky Hernden and Roelof Van Dijk (CB Richard Ellis)
   30  Review of Test

November 1  Mixed Use Development (SB Ch. 8)
   6  Trend Analysis and Extrapolation
   8  Case II: Bullard Houses (will be provided)
   13  Guest Speaker: Andrew Arklie (Skyline REIT)
   15  Property Taxes and Municipal Finances
   20  Risk Management I: Puzzles
   22  Risk Management II: Some Solutions
   27  “The Ultimate Lecture” (your choice)
Miscellaneous

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.

Relatedly, tests, assignments 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 posted on Courselink concerning Explaining and Writing.

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; doc, 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.doc” is likely to be used by many people).

If you are forced to miss the midterm test, please bring me a doctor’s note or other evidence within one week. If accepted, the weight for that test will be divided between the other graded items. To the best of your ability, I expect you to tell me of a situation as soon as possible.

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.

All students are expected to abide by the University’s academic regulations in the completion of their academic work, as set out in the undergraduate calendar (see [http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/index.shtml](http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/index.shtml)). Plagiarism is a serious academic offence. Mostly, I trust you to act ethically because there are many reasons for you to do your own work. A test is not only 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 specific project or test or exercise on which you are being graded. 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. The University’s Policy on Plagiarism is outlined at [http://www.academicintegrity.uoguelph.ca/](http://www.academicintegrity.uoguelph.ca/), along with possible punishments for violations.
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:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>A+</td>
<td>90-100%</td>
<td>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.</td>
</tr>
<tr>
<td>A</td>
<td>85-89</td>
<td>A: 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.</td>
</tr>
<tr>
<td>A-</td>
<td>80-84</td>
<td>A-: 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.</td>
</tr>
<tr>
<td>B+</td>
<td>77-79</td>
<td>B+: A more than adequate 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.</td>
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<tr>
<td>B</td>
<td>73-76</td>
<td>B: 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.</td>
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<tr>
<td>B-</td>
<td>70-72</td>
<td>B-: 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.</td>
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<tr>
<td>C+</td>
<td>67-69</td>
<td>C+: A more than adequate 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.</td>
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<tr>
<td>C</td>
<td>63-66</td>
<td>C: 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.</td>
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<tr>
<td>C-</td>
<td>60-62</td>
<td>C-: 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.</td>
</tr>
<tr>
<td>D+</td>
<td>57-59</td>
<td>D+: 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.</td>
</tr>
<tr>
<td>D</td>
<td>53-56</td>
<td>D: 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.</td>
</tr>
<tr>
<td>D-</td>
<td>50-52</td>
<td>D-: 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.</td>
</tr>
<tr>
<td>F</td>
<td>0-49</td>
<td>F: An inadequate performance.</td>
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http://www.uoguelph.ca/undergrad_calendar/index.shtml