

Columbia University
Graduate School of Architecture Planning and Preservation
Masters of Science in Real Estate Development Program

REAL ESTATE MANAGERIAL FINANCE & ACCOUNTING

PLA 6781

Professor Stephen J. Pearlman

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(917) 767-1274

Wednesdays 11:00 am – 1pm

Summer A- May 30- June 27

Room 115 Avery Hall

Teaching Assistant:

Course Overview

This half-term introductory course is designed to enable students to develop a basic level of knowledge in the managing of businesses including financial accounting fundamentals and real estate corporate finance as studied in the overall topic of Corporate Finance. Topics include corporate finance analysis and how it works for real estate investment entities, financial planning procedures, present value and security valuation, capital budgeting, optimal capital structure and approaches to the raising of different forms of equity and debt capital. The course will also cover securities markets, factors and models explaining investment return and market efficiency.

Required Textbook:

Corporate Finance (11th Edition), Authors: Stephen A. Ross, Randolph W. Westerfield, Jeffrey Jaffee and Bradford D. Jordan, ISBN: 978-07-786175-9

Publisher: McGraw Hill

In addition to readings from the Textbook, slides and supplemental materials will be posted on Courseworks. In addition to the lectures, Courseworks is the central location for information concerning the course and you are expected to check regularly for updated information and announcements.

Calculators and Computers:

All students are expected to own a financial calculator and a computer with Microsoft Excel and Word Programs. The HP 12 C financial calculator is a good choice.

Course Administration and Grading

There will be an end of term paper which will be due the last class. Depending on the final size of the class the final project may be a team project. Your grade will be based on your performance on the final project, class participation and attendance as well as any homework assignments included.

Office Hours: By appointment: either immediately prior to or following class.

Real Estate Managerial Finance & Accounting

Schedule - 11am – 1pm

Wednesdays- May 30- June 27th

Session	Date	Topic	Chapters/Reading
1	May 30	Introduction to Finance & Accounting, Capital Markets, Financial Statement Analysis and Ratio Analysis	Chapters 1, 2& 3 Homework: Chap 2: 7, 24-26; Chap 3: Mini Case-1&2
2	June 6	Regulatory environment. Cash Flow and statement analysis. Role of the Financial Markets	Chapters 5, 8 & 9 Homework: Chap 5: 6,11 &25; Chap 8: 2 & 27
3	June 13	Sources and Forms of Long-term financing, "Macro" coverage of capital markets, Risk and Return	Chapters 13, 15,& 20
4	June 14(Make-up class) 2pm-4pm	Overview of REOCs and REITS, WACC, Interest /Yield curves	Continued Homework: Page 429 -Mini Case
5	June 20	Financial Structure Decisions. Dividend Policy, Tax Accounting	Chapters 21, 22, 23 & 24 Homework: Chap 15: 7
6	June 27	RE Markets Framework, Leasing and Leverage Concepts	Continued
Final Project	Due June 27	Will be handed in at final class	