

**University of Maryland
School of Architecture, Planning and Preservation
Programs in Real Estate Development**

**RDEV 270 Special Topics in Real Estate Development:
Tax and Accounting for Real Estate Developers
FALL 2017**

Course Objectives:

1. To acquaint students with an overview of the accounting and taxation of the real estate development industry
2. To develop a facility with the vocabulary and concepts of real estate accounting and taxation
3. To acquire the basic understanding of the accounting and tax concepts in the following areas: Acquisition, forms of ownership, development and construction costs, budgeting for capital and operating costs, sales and profit recognition, real estate leases and the taxation thereof, review of the basic accounting process and the users of information, financial statement review including notes, Auditor's reports.
4. To enhance each student's analytical capability
5. To inculcate habits of keeping current with academic and professional journal content related to the accounting and taxation of the real estate development industry
6. To use and develop critical business skills in oral and written communication, presentation skills, and effective business formats

Professor: Leslie A. Mostow, CPA CGMA
Contact: 301-332-0807 (Cell)
E-mail: lmostow@rhsmith.umd.edu (Preferred Contact Method)

Appointments: *Prearranged by appointment.*

Course Time: Tuesday Evenings: 7:00 – 9:40 pm

Classroom: ARC (Mezzanine) RM 1101

Textbooks: *Real Estate Accounting Made Easy* by Obioma Anthony Ebisike
ISBN: 978-0-470-60339-0

Principles of Real Estate Accounting and Taxation by Joel Rosenfeld
Second Edition ISBN: 978-1-62661-197-9

Reference Books: *Internal Revenue Pamphlets: Online (irs.gov)*
Wall Street Journal
Bisnow and Other Sources Documents as need

Calculator:

No specific calculator. Students who wish to purchase/use a calculator the following calculators are considered industry standards:

- Hewlett-Packard 12C or TI Business Calculators

Computer:

Ownership of or access to a personal computer is required. It is strongly recommended that the computer use a Microsoft based operating system such as: Windows 7 or Windows 8 or 10.

Student should also have access to “Microsoft Office” (see software section below) or at a minimum, access to the following “Office” program components: PowerPoint, Word, and Excel.

NOTE: Much of what is done in real estate development, particularly in financial projections, is performed using Excel. Non-Windows based operating systems running Excel are known to exhibit a variety of problems/glitches.

Software (Free!):

TERPware: (<https://terpware.umd.edu>) is the software download website for the University of Maryland, College Park. Various software products are available for download and use by UMD students, faculty, and staff through agreements managed by the Division of IT between the university and software companies.

Incoming students for the Fall 2017 semester can download software beginning 24-48 hours after they have registered for classes.

COURSE POLICIES

- I. **Attendance:** This is a graduate seminar course. It is *essential* to the class, the professor and other students that you be in class for each scheduled session ON TIME, the ENTIRE TIME. Class participation by all students is key to the learning experience. If you expect to miss a class because of a religious holiday, please contact me as soon as possible (the school policy for an excused absence can be found at testudo.umd.edu/soc/atedasse.html).
- II. **Cell Phones/ / Droid / etc.** Please turn off all devices when you come to class. Checking messages or other information during class on any electronic device is not permitted. **Cell phones are not permitted and must be put away.**
- III.
- IV. **Laptop computers, Tablets etc.** are not necessary and are **not permitted** except as a reasonable accommodation with proper documentation.
- V. **Off Site Visits.** None planned.

V. Grading: Grading will be on the curve distributed among the following areas:

Homework: Definitions, etc.	20%
Quizzes	20%
Mid Term	25%
Final Exams	35%

VI. LEARNING ASSESSMENT

A. Written Assignments (Dual Grading). Each assignment has two grades (dual grading): One for Content (50% of the points) and one for Business Writing (50%)
Papers will be reviewed in accordance with the following criteria.

- 1. Business Writing (50%)** You can elaborate below on the five measures or post more detail on ELMS.

The Six Measures of Success in Business Writing are that your writing be:

- Concise (Short Sentences, Avoid compound sentences)
- Logical (points are logically connected and support a main point)
- Standard English Grammar [Grammar and spelling, sentences and paragraphs]
- Business Formal: No vernacular, no slang; nothing flowery; no contractions
- Business Style
 - 1 inch margins,
 - 12 pt. font of Arial, Calibri or Times New Roman)
- Organized with Introduction (or summary); Section and subsection headers

- 2. Course Content (50 %)**

- a. Depth of analysis (analytical/critical) (no simple summary)
- b. Synthesis of information
- c. Connection between assumptions; persuasive argument
- d. Demonstrates clear understanding of the material presented
- e. Details support content delivered.

Grading Conversion Scale:

A+	100% - 97%	A+
A	96% - 93%	A
A-	92% - 90%	A-
B+	89% - 87%	B+
B	86% - 83%	B
B-	82% - 80%	B-
C+	79% - 77%	C+
C	76% - 73%	C
C-	72% - 70%	C-

VII. Assignments:

A. Assignments will be made at least two weeks in advance, and will **always be posted on the ELMS (Canvas)** site for the class or listed on the Class Schedule section of the syllabus. You should check ELMS frequently for announcements of any changes in class, changes in the syllabus, and new readings posted. Before you start to do any reading or homework, check ELMS for the latest syllabus. An email notification will be sent for all updates and assignments.

B. Assignments must be submitted on paper in class on the date due, *at the beginning of class!!!* **No late submissions will be accepted Do not submit via email.** Maximum points possible from your homework assignments assume that you miss turning in a maximum of two weeks assignments. If you turn in all assignments you get the total of Home Work, but the over maximum points will not be included. Permission need not, and will not, be granted to miss class, except in accordance with the University's religious holiday observances policy.

C. Presentations, Projects and Exams. These must be turned in and/or presented on time on the date due. There is significant lead time (and choice of date for your Presentations) and late submission of these items, or submission by email, rather than in class is NOT accepted.

D. All written assignments must be **typed, proofread and formatted in a businesslike manner and printed on paper.** Your answers should progress logically from one thought or step to the next. They should be presented in the format required. Follow the directions; show all your work.

E. Reading and other assignments are subject to change. Any changes or additions will be announced no later than the class two weeks prior the date assignments are due.

F. GRADUATE STUDENT ASSIGNMENT. Graduate students have an additional assignment not listed on the Class Schedule. Multiple articles are listed in ELMS from the Real Estate Review. You may select any article for your review. Your review is to bring the article and the text together. Does the text cover the content in the article? What could the text or the article add to make each stronger for you the user of the text or you as the reader of the article.

IX. Class Participation and Business Conduct:

You are expected to have read the assigned material and be prepared to participate in class discussion each week. Business like conduct is expected at all times. If you expect to be (or are in fact are) LATE, do NOT enter the classroom in front of a guest lecturer. Making it to class on time (Plan to arrive by 6:45) is a business value and respectful of your professor and other classmates. Repeated late arrival will not be accepted and admission to the classroom will be limited. *Coming late to class is not only disruptive to the other members of the class, but is not a good representation of yourself, or the MRED program, to potential employers.* NEVER enter the class and walk across in front of a speaker!

X. Examinations:

- A. Exams will be taken in class as announced. Quizzes may be given anytime without prior announcement.
- B. Exams and quizzes may be a mix of essay questions, case studies, vocabulary definitions and multiple choice questions, as appropriate to show mastery of the material.

XI. Academic Integrity

A. The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. Along with certain rights, students have the responsibility to behave honorably in an academic environment. Academic dishonesty, including cheating, fabrication, facilitating academic dishonesty, and plagiarism, will not be tolerated. Plagiarism for those of you who have been out of school a while includes the use of the words, or ideas, of another person, without attribution.

B. The Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For group projects, if any, the boundaries for individual and group work will be provided prior to the beginning of the assignment. You should review carefully the information on the Code of Academic Integrity or the Student Honor Council at www.studenthonorcouncil.umd.edu/code.html.

C. Student Honor Pledge: Each assignment and exam is assumed to include the following pledge: "I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination."

D. Failure to Abide: If you are involved in obtaining unauthorized assistance, or plagiarism or any other activity that violates the academic integrity of your work or the work of others you may earn a Failing grade for the course, or be subject to dismissal from the Program.

XII. Students with Disabilities:

Students who seek special accommodations due to disabilities please follow the procedures outlined by the Disability Support Service (DSS) and available on the web at: www.counseling.umd.edu/DSS/registration.html

Based on DDS provided information, Instructors will meet with the student and discuss appropriate arrangements including any modified testing procedures

XIII. Learning Assistance Service (LAS):

If you are experiencing difficulties in keeping up with the academic demands of this course, contact the Learning Assistance Service, 2202 Shoemaker Building, 301-314-7693. Their educational counselors can help with time management, reading, math, writing skills, note-taking and exam preparation skills. Of particular interest to graduate students is the opportunity to work individually with academic specialists, as well as attend any LAS workshops. LAS also have a specialized structured writing group for international graduate students. There are new web based self-instruction tools that have been collated by the Graduate School that take you directly to sites that can help with grammar and basic writing skills if needed. All services are free to UMD students.

PLEASE, IF YOU NEED HELP, ASK!

XIV. Course and MRED Program Communications:

A. Canvas (ELMS) is used in this course. You will need to check that website regularly (daily is recommended). Your official email address as registered through Testudo. All email communications will come through Canvas. You may modify that email address at any time.

B. It is recommended that you stay up to date with news and events at the School (and off campus) on the MRED bulletin board in the Studio lounge on the first floor, at www.arch.umd.edu/real_estate_development, OR the Boards outside the Library.

XV. Course Evaluations:

A. University Evaluations

You are responsible for submitting the formal University course evaluation for this course at CourseEvalUM in order to help faculty and administrators improve teaching and learning at Maryland

B. MRED Program Evaluations

You also will be asked to do a MRED Program evaluation for this course at one of the last sessions of the course (See the syllabus schedule). As a new program, the MRED program and its unique approach to real estate education is greatly assisted by your comprehensive responses, and particularly the open ended questions at the end of the Evaluation Form.

**COURSE SCHEDULE RDEV 270
Tuesday 7:00-9:40 PM**

#	DATE	TOPIC	ASSIGNMENT DUE Two weeks from class meeting
		RED = Real Estate Accounting Made Easy Black = Principles of Real Estate Accounting....	
1	Aug 29	Introduction Acquisition, Development & Construction Costs Forms of Ownership Chapter 1 Chapters 1-3	Study Questions 2,3,10,12,13,17 Write a paper on the forms of ownership and why you picked one as the best. Contrasting the types
2	Sept 5	The Acquisition Process Chapters 2,3 & 7 Chapter 13	Chpt. 2, Write a paper on the elements of a contract. Chpt. 3, Write a paper on Capitalized Cost. Define Chpt. 7, Write a paper on the Basis of Property.
3	Sept 12	Sale of Real Estate Chapters 4,9 & 10 Chapter 10	Chpt. 4, Write a paper on Sect.1031. Chpt. 9, Write a paper Dealer v. Investor. Chpt. 10, Write a paper on the process of Percentage of Completion.
4	Sept 19	Accounting in Business Chapters 11 – 14 Chapter 11,14	Chpt. 11, Question 11. Chpt. 12, Question 3. Chpt. 13, Question 17 Chpt. 14, Question 8

5	Sept 26	The Budget Process Chapter 8	What types of Budgets are there? Write a paper reviewing and contrast the types of budgets.
6	Oct 3	Understanding Financial Statements Auditor's Reports It is all in the Foot Notes Chapters 15 – 17, Chapter 16	Chpt. 15, Write a paper on the two methods of accounting. Chpt. 16, Question 6 and Write a paper each component. Chpt. 17, Questions 1 & 2.
7	Oct 10	MID TERM EXAM	
8	Oct 17	Troubled Properties Chapter 8	Chpt. 8, Questions 2,3,6,9 &12,
9	Oct 24	Leases Chapter 5 Chapter 4 New rules– research update Chapter 7	Leases Chapter 5 Research New rules– update Chapter 7
10	Oct 31	Measures of Real Estate Profitability Chapter 19 Chapter 15	Chpt. 19, Questions 6,7,10,13,16 and 17.
11	Nov 7	Develop Financial Statements	Write a paper Assigned Case in detail.
12	Nov 14	Develop Financial Statements	Write a paper Assigned Case in detail.

13	Nov 21	Real Estate Investment Trusts – Chapter 3 overview Chapter 4, P.44-45	Review Selected REIT
14	Nov 28	Updates / Final Review	
15	Dec 5	Final Day	