

University of Maryland
School of Architecture, Planning, and Preservation
Colvin Institute of Real Estate Development

SYLLABUS: RDEV 270
Special Topics in Real Estate Development:
Tax and Accounting for Real Estate Developers

A preparatory course that provides both the language and practice of tax and accounting to prepare developers to work closely with accountants in structuring complex financings and sophisticated tax advantaged projects.

COURSE INFORMATION

Prerequisite: Permission of the department

Credits: 3

Course Date/Time: TBA

Classroom: Architecture Building; Room: TBA

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

Professors:

Contact Info:

Office Hours: By appointment before or after class
At Arch Building, Colvin Institute Office, Room 1121

Calculator: No specific calculator. Students who wish to purchase/use a calculator the calculators are considered industry standards: Hewlett-Packard 12C or TI Business Calculators

Computer: Ownership of or access to a personal computer is required.
Student should also have access to Microsoft Office

Software (Free!): TERPware: (<https://terpware.umd.edu/Windows>) 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 can download software beginning 24-48 hours after they have registered for classes.

Recommended Software Downloads available for PC:

- Office Professional Plus 2013 – Student or Office Professional Plus 2010 – Student
- Acrobat XI Professional
- Windows 7 Ultimate or Windows 8 – Professional – Student (If you are currently running earlier versions of Windows such as XP).
- Adobe Creative Suite

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 accounting process, the users of accounting information, financial statement content, uses and notes, auditor's reports.
4. To have basic understanding of 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, To enhance each student's analytical capability
5. To inculcate habits of keeping current relative to the accounting and taxation issues in the real estate development industry
6. To use and develop critical business skills in oral and written communication presentation skills, and effective business formats

COURSE POLICIES

1. Class Participation: This is an undergraduate seminar course. It is essential to the class, the professor and other students that you are in class for each scheduled session ON TIME, the ENTIRE TIME. Class participation by all students is key to the learning experience.
2. Excused Absences: Per University policy, an excused absence is an absence for which the student has the right to receive, and the instructor has the responsibility to provide, academic accommodation. The University has standard course related policies regarding attendance, absences, or missed assignments, and other matters that you should review carefully. The policies relevant to undergraduate course are found here: <http://www.ugst.umd.edu/courserelatedpolicies.html>

Documentation must be provided for all excused absences, and must be approved in advance, unless they meet the University criteria for an emergency. Informing your instructor that you will miss class for an excused documented reason does not change the due date of assignments. For religious observances, in class exercises or site visits that have academic credit (points) attached that will be missed, consult with the instructor early in the semester. For emergency excused absences where it was not possible to turn in the assignment prior to class, you must propose an accommodation in writing and a schedule for turning in your work by Friday of the same week it is due. Exceptions to that would be very rare, but if necessary email or have a representative email Professor.

Traffic and work are not emergencies and do not qualify for an excused absence.

3. Inclement Weather: Official closings/delays are announced on the campus web site: www.umd.edu and through local radio and TV stations. Any loss of class time resulting from delays or closing will be rescheduled.
4. Course Communications: You are responsible for providing a working email address that will be incorporated in a group email file to be used by the instructor. You should be sure that this is also the email address that you use to receive University email (make any change in www.testudo.umd.edu) -- as this is where the University and Program sends graduation and other announcements; if your Testudo/University email is not the one you check regularly, you will not receive emails through the system.

ELMS will be used in this course, so you will need to check the website regularly.

5. Cell phones/laptops/other electronic devices: Please silence and put away all cell phones when you come to class. The only electronic devices that may be used are laptops/iPads/the like that you are using for note-taking purposes only. If you are found to be using electronic devices for any purpose other than note-taking, you will be asked to deposit the device at the front of the classroom for the entire class.

Research shows that the human brain better retains information if you use a writing instrument (pen or pencil) and take notes on paper. We highly recommend this method, and use it ourselves.

We will not post to ELMS or distribute in any manner PowerPoints or other types of presentations used in lectures or guest lectures. Pay attention, and take notes.

6. Copyright Notice: Class lectures and other materials are copyrighted and may not be reproduced for anything other than personal use without written permission from the instructor. The policies relevant to undergraduate course are found here: <http://www.ugst.umd.edu/documents/CourseRelatedPolicies.pdf>
7. Computers: Ground Floor PC Computer Lab and upstairs lab on the South Side of the Mezzanine are open to you 24/7 for working with installed programs. Homework may be printed there prior to the start of class (although equipment and paperless situations arise; best to bring your homework preprinted).
8. Academic Integrity: 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.

Academic dishonesty is a corrosive force in the academic life of a university. It jeopardizes the Apathy or acquiescence in the presence of academic dishonesty is not a neutral act.

Histories of institutions demonstrate that a laissez-faire response will reinforce, perpetuate, and enlarge the scope of such misconduct. Institutional reputations for academic dishonesty are regrettable aspects of modern education. These reputations become self-fulfilling and grow, unless vigorously challenged by students and faculty alike.

All members of the University community-students, faculty, and staff-share the responsibility and authority to challenge and make known acts of apparent academic dishonesty.

Any of the following acts, when committed by a student, shall constitute academic dishonesty:

- CHEATING: intentionally using or attempting to use unauthorized materials, information, or study aids in any academic exercise.
- FABRICATION: intentional and unauthorized falsification or invention of any information or citation in an academic exercise.
- FACILITATING ACADEMIC DISHONESTY: intentionally or knowingly helping or attempting to help another to violate any provision of this Code.
- PLAGIARISM: intentionally or knowingly representing the words or ideas of another as one's own in any academic exercise.

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. You should review carefully the information on the Code of Academic Integrity or the Student Honor Council at <http://shc.umd.edu/SHC/HonorPledgeUse.aspx>.

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."

FAILURE TO ABIDE: If you are involved any 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.

9. Students with Disabilities: If you are a student that requires special accommodations during the semester, you should make an appointment to meet with the Professor as soon as possible if you to address any accommodations you may need. For more information about the disabilities and accommodations, go to <http://www.ugst.umd.edu/documents/CourseRelatedPolicies.pdf>. Students with disabilities can register with the University Disability Support Services at www.counseling.umd.edu/DSS/.

10. Course 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. Please make a note now of the dates and the link at which you can access the submission system (www.courseevalum.umd.edu).

Students who have completed all of their course evaluations the previous semester (i.e., left none "Pending" in their Evaluations Dashboard) will retain access to the results from the university-wide student set the following semester to help guide their course selection. Students waiving or failing to complete one or all of their course evaluations will not fulfill the necessary requirements for access to any of the results. To retain this access, you must submit all of your evaluations each semester. More information is at <http://www.ugst.umd.edu/documents/CourseRelatedPolicies.pdf>

11. 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 has 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.

COURSE REQUIREMENTS

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

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

Each written assignment (weekly assignments, in-class assignments, and the final critical book review) will be graded utilizing a dual grading system, with 50% of the points for the given assignment based on content and 50% based on business writing.

Content criteria (50% of points):

- a) Depth of analysis
- b) Synthesis of information
- c) Connection between assumptions; persuasive argument
- d) Demonstration of clear understanding of the material presented
- e) Details that support the content

Business writing criteria (50% of points):

- a) Concise (short sentences, avoid compound sentences)

- b) Logical (points are logically connected and support a main point)
- c) Standard English grammar and structure
- d) Business formal (no vernacular, no slang, nothing flowery, no contractions)
- e) Business style (1 inch margins, 12 pt font in Arial, Calibri, Verdana, or Times New Roman)
- f) Organized with introduction (or summary), and section and subsection headers.

2. Assignments: Assignments will be made at least two weeks in advance, and will **always be posted on the ELMS (Canvas)**. 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.

Assignments must be submitted in class on the date due, at the beginning of class. No late submissions will be accepted. 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 learning and class participation, 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.

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.

All written assignments must be **typed, proofread and formatted in a businesslike manner**. 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.

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.

3. Off-site visit: None
4. News and current events: We encourage each student to subscribe to either the Washington or Baltimore Business Journal (student rates are available). These should also be available in the ARC Library.
5. 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.

The new undergraduate course policies concern (1) the conduct of undergraduate courses and student grievance procedure, and (2) students' excused absences from class. **Please refer to the course-related policies for undergraduates here:** <http://www.ugst.umd.edu/courserelatedpolicies.html>.

6. **Examinations:** Exams will be taken in class as announced. Exams may be a mix of essay questions, case studies, vocabulary definitions and multiple choice questions, as appropriate to show mastery of the material.

COURSE SCHEDULE

Week 1

Topic: Introduction to Acquisition, Development & Construction Costs; Forms of Ownership

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 1-3

2) Principles of Real Estate Accounting, Chapter 1

Assignments Due: 1) Study Questions (2, 3, 10, 12, 13, 17) from the textbook

2) Write a paper on the forms of ownership and why you picked one as the best

Week 2

Topic: The Acquisition Process

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 13

2) Principles of Real Estate Accounting, Chapter 2, 3, & 7

Assignments Due: 1) Chpt. 2, Write a paper on the elements of a contract

2) Chpt. 3, Write a paper on Capitalized Cost

3) Chpt. 7, Write a paper on the Basis of Property

Week 3

Topic: Sale of Real Estate

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 10

2) Principles of Real Estate Accounting, Chapter 4, 9, & 10

Assignments Due: 1) Chpt. 4, Write a paper on Sect.1031

2) Chpt. 9, Write a paper Dealer v. Investor

3) Chpt. 10, Write a paper on the process of Percentage of Completion

Week 4

Topic: Accounting in Business

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 11,14

2) Principles of Real Estate Accounting, Chapter 11-14

Assignments Due: Principles of Real Estate Accounting: Chpt. 11-Question 11, Chpt. 12-Question 3, Chpt. 13-Question 17, Chpt. 14-Question 8

Week 5

Topic: The Budget Process

Reading Due: Real Estate Accounting Made Easy, Chapter 8

Assignments Due: What types of Budgets are there? Write a paper reviewing and contrast the types of budgets.

Week 6

Topic: Understanding Financial Statements

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 16

2) Principles of Real Estate Accounting, Chapter 15-17

Assignments Due: 1) Chpt. 15, Write a paper on the two methods of accounting

2) Chpt. 16, Question 6 and Write a paper each component

3) Chpt. 17, Questions 1 & 2

Week 7

Topic: Mid Term Exam

Reading Due: None

Assignments Due: None

Week 8

Topic: Troubled Properties

Reading Due: Principles of Real Estate Accounting, Chapter 8

Assignments Due: Chpt. 8- Questions 2,3,6,9 & 12

Week 9

Topic: Leases; New Rules – Research Update

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 4 & 7

2) Principles of Real Estate Accounting, Chapter 5

Assignments Due: 1) Chapter 5 - Leases

2) Chapter 7 - Research New rules– update

Week 10

Topic: Measures of Real Estate

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 15

2) Principles of Real Estate Accounting, Chapter 19

Assignments Due: 1) Chpt.19 – Questions 6,7,10,13,16 & 17

Week 11

Topic: Develop Financial Statements

Reading Due: None

Assignments Due: Write a paper on Assigned Case in detail

Week 12

Topic: Develop Financial Statements

Reading Due: None

Assignments Due: Write a paper on Assigned Case in detail

Week 13

Topic: Real Estate Investment Trusts

Reading Due: 1) Real Estate Accounting Made Easy, Chapter 4, Pg. 44-45

2) Principles of Real Estate Accounting, Chapter 3

Assignments Due: Review Selected REIT

Week 14

Topic: Updates / Final Review

Reading Due: None

Assignments Due: None

Week 15

Topic: Final Exam

Reading Due: None

Assignments Due: None