

Law of Real Estate Financing and Development

REAL 204/804

LGST 204/804

Fall 2005

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The Teaching Assistants for this class are Lisa Pilnik and Matt Bush. Office hours for class questions and projects are tentatively scheduled for Monday 10:30-12, Tuesday 3:30-5, Wednesday 3-4:30, and Thursday 2:30-4. If you are unable to go to office hours during the stated time please contact Lisa at lpilnik@law.upenn.edu or Matt at mbush@law.upenn.edu. I am generally in my office on Tuesday mornings from 10-12.

Texts: 1) George Lefcoe, Real Estate Transactions, 4th ed.; 2) Bulk pack, Wharton Reprographics; 3) Talamo, The Real Estate Dictionary, fourth edition.

Course description: This course examines the **legal** issues of real estate financing with an emphasis on commercial transactions. The main topics covered are acquisition, construction and permanent financing, development and management aspects. Grades in this class are based on two in-class examinations (first one worth 25%, second one worth 35%), one group problem (worth 30%) and class participation (10%). All exams are closed book. *There will be no final exam.* **IF YOU DECIDE TO DROP THE CLASS YOU MUST DO SO BEFORE THE FIRST EXAM** --no exceptions!

To receive a passing grade in the course, you must average a passing score on the two exams.

Please note my exam policy: you must take the exam with your class on the date indicated on this syllabus. Absent emergency circumstances there will be NO MAKE UPS. Job interviews **do not** as qualify as an emergency.

There are two guest lectures scheduled as noted on this syllabus. Your attendance is **mandatory**. Please do not schedule interviews, etc. on these days.

Assignments: Read and be prepared to discuss the assigned pages in the texts by the date indicated. Class attendance and participation is expected.

I. Acquisition of the Asset

September 7—Introduction

Bulk Pack #1

September 12—Choice of Entity

Bulk Pack #2; Lefcoe pp. 631-646; OPTIONAL Bulk Pack #2A

September 14—Brokers

Bulk Pack #3; Lefcoe pp. 25-41, 46-49, 51-54, OPTIONAL 54-58

September 19—Land Use and Zoning

Bulk Pack #4, 5; Lefcoe pp. 715-720, 729-737, 739-759

September 21—Public/Private Partnerships

Bulk Pack #11; Lefcoe pp. 773-774; 783-791; 796-803; OPTIONAL 774-783

September 26—Contract of Sale

Bulk Pack #6; Lefcoe pp. 75-87, 111-115

September 28— Title Insurance

Bulk Pack #7; Lefcoe 115-119, 275-278, OPTIONAL 282-295

October 3-Contract of Sale, cont'd

Bulk Pack #8, 9; Lefcoe pp. 96-109, 122-127

October 5-Remedies for Breach of Contract of Sale

Bulk Pack #10; Lefcoe 133-145; 148-154

October 10— Review

October 12— **IN CLASS EXAM**

I realize that Yom Kippur begins at sundown today. If you are in the afternoon class and want to take your exam in the morning please see me to arrange this.

II. Financing the Asset

October 17— Fall Break – No Class

October 19—Mortgage financing

Bulk pack #12; Lefcoe pp. 161-166, 179-183, 197-209; OPTIONAL: pp. 157-161

October 24—Mortgage financing, cont'd

Bulk Pack #13, #14, Lefcoe pp. 211-224

October 26—Construction Finance

Bulk pack #15; Lefcoe pp. 503-521, 524-526

October 31—Construction Finance cont'd—mechanic's liens

Bulk pack #16; Lefcoe pp. 563-583

November 2—Pre-foreclosure/foreclosure

Bulk pack #17; Lefcoe pp. 389-400, 405-419, 432-435, 455-458

OPTIONAL (for California) 437-448

November 7- Financing Alternatives

Lefcoe pp. 496-500, 653-656; 667-669, 671-674; OPTIONAL Bulk Pack #18

III. Managing the Asset

November 9-Guest Speaker TBA

November 14 -Securitization of Real Estate

Bulk pack #19, 20, 21; Lefcoe pp. 646-650

GROUP PROJECT DUE TODAY

November 16—Leasing Introduction

Bulk Pack #22, 23

November 21- Commercial Leasing

Lefcoe pp. 685-707; Bulk Pack #24; skim 677-685; OPTIONAL Bulk pack #25

November 23—No Class

November 28— Coops & Condos

Bulk Pack #26

November 30— Tax

Lefcoe pp. 605-616, 621- 628; OPTIONAL Bulk pack # 27

December 5— Review

December 7— **IN CLASS EXAM**

Description of projects

One group project will be due during the semester. I will assign groups of six students for the project. Each project will require the group to analyze a legal problem in commercial real estate and submit their solution by the date specified. Grading is done on a group basis unless it is clear to me that one (or more) members of the group contributed nothing to the project. In that case I will assign grades on an individual basis. Please take advantage of office hours while doing these projects.