

REAL ESTATE LAW
REAL/LGST 204
Fall Term, 2013

SYLLABUS

INSTRUCTORS: The instructor for this course is Stuart Ebby, 215-496-7017, sebbby@wharton.upenn.edu. The teaching assistant is Ms. Ruobing Chen, ruobing@law.upenn.edu. Ms. Chen will hold regular offices hours, the time and place of which will be announced at the first class. Mr. Ebby will be available to meet with students immediately before and after each class and by appointment.

TEXTS: (1) Lefcoe, George, Real Estate Transactions, 6th edition (LexisNexis, 2009), and (2) Supplemental Readings (“SR”), available on study.net. The following additional texts are suggested, but are not mandatory: Talamo, John, The Real Estate Dictionary, 6th edition (paperback, Financial Publications Co., 1999), and Bruce, Jon W., Real Estate Finance in a Nutshell, 6th edition (soft cover, Thomson West, 2009).

COURSE DESCRIPTION: The world of real estate transactions is one in which law and business often intersect. This course focuses on some of the legal principles a business person should understand when analyzing a real estate transaction. The emphasis is on commercial transactions, and specifically sales, development, financing, and leasing. Each class will consist of a lecture followed by class discussion.

GRADES: Grades will be calculated as follows: mid-term exam-25%; term paper-25% (8-10 pages, double spaced); final exam-40%; class participation-10%.

EXAM DATES: Students must take the exams with the class on the dates indicated in this syllabus. There will be NO MAKE UPS, except as otherwise required by University policy.

ASSIGNMENTS: Students should read and be prepared to discuss the assigned pages in the texts by the date indicated. Class attendance and participation is expected.

TERM PAPER: The papers are to be written individually (group work is not permissible). The papers must be uploaded to Canvas by 5:00 p.m. on the specified due date.

LAPTOPS: Use of laptop computers, iPads and similar devices with access to the internet is not permitted in class.

CALENDAR/SCHEDULE

August 28

INTRODUCTION TO BUYING AND SELLING REAL ESTATE: (a) marketing, contracting, and closing; (b) benefits and detriments of ownership; and (c) the negotiating process

READING: Lefcoe, 1-7, 17-28

September 2 NO CLASS - LABOR DAY

September 4

BROKERS I: (a) services performed by brokers, residential and commercial; (b) laws concerning licensing; and (c) engaging a broker: listing agreements and seller's and buyer's obligations for commissions

READING: Lefcoe, 29-47; SR #5

OPTIONAL: SR #54

September 9

BROKERS II: (a) legal obligations of brokers to sellers and buyers; (b) investment property sales/marketing as securities offerings

READING: Lefcoe, 47-61, SR #6, 7

September 11

CONTRACTS OF SALE I: Basic legal requirements

READING: Lefcoe, 63-90; 97-104; 141-146

September 16

CONTRACTS OF SALE II: From contract to closing

READING: Lefcoe, 105-139; 244-254

September 18

CONTRACTS OF SALE III: Termination; Default and Remedies

READING: Lefcoe, 153-166; SR #22, 23, 24

September 23

CLOSING; TITLE INSURANCE

READING: Lefcoe, 287-307, 324-325

September 25

**THE ROLE OF GOVERNMENT IN REAL ESTATE DEVELOPMENT I: LAND
USE PLANNING; ZONING AND SUBDIVISION**

READING: Lefcoe, 795-803, 815-842

OPTIONAL: SR #8, 10, 11, 16

September 30

**THE ROLE OF GOVERNMENT IN REAL ESTATE DEVELOPMENT II:
PUBLIC/PRIVATE PARTNERSHIPS**

READING: SR #13, 14, 15; Lefcoe, 855-871, 879-889

October 2

**THE ROLE OF GOVERNMENT IN REAL ESTATE DEVELOPMENT III:
ENVIRONMENTAL LAWS**

READING: Lefcoe, 842-854; SR #55, 56, 57

October 7

REVIEW

October 9

EXAM (in class)

October 14

MORTGAGE FINANCING I: First principles and basic terms

READING: Lefcoe, 90-97, 197-207, 209-222; SR #25, 26

OPTIONAL: Lefcoe, 167-176

October 16

MORTGAGE FINANCING II: (a) recourse and non-recourse financing; (b) additional issues for borrowers and lenders

READING: Lefcoe, 225-239, 400-407; SR #27, 28

October 21

MORTGAGE FINANCING III: Leases and rents as security

READING: Lefcoe, 409-426; SR #33

October 23

DEVELOPMENT AND CONSTRUCTION FINANCE I: The basics of development and construction financing

READING: Lefcoe, 495-523 (skip South Carolina Federal SB case), 582-585

OPTIONAL: SR #29

October 28

DEVELOPMENT AND CONSTRUCTION FINANCE II: Mechanics' liens and problems of lien priority

READING: SR #30; Lefcoe, 561-578

OPTIONAL: SR #31, 32

October 30

SECURITIZATION: Conversion of real estate mortgages to marketable securities

READING: SR #34; Lefcoe, 177-180, 683-688; 717-721

OPTIONAL: SR # 35, 36, 37, 38

November 4

PRE-FORECLOSURE; ALTERNATIVES TO FORECLOSURE: Workouts, deeds in lieu, and bankruptcy

READING: Lefcoe, 429-432, 481-494; SR #58

November 6

FORECLOSURE

READING: Lefcoe, 435-458

November 11

US HOME MORTGAGE CRISIS

READING: SR #39, 40, 41, 42 and 61; Lefcoe, 180-184

November 13

INTRODUCTION TO LEASING: Fundamentals of landlord-tenant law

READING: SR #43; Lefcoe, 749-752, 759-779

November 18

COMMERCIAL LEASE ISSUES I: Use restrictions; exclusives; radius restrictions; continuous use; and similar matters

READING: Lefcoe, 780-794; SR #46, 47

OPTIONAL: SR #48

November 20

COMMERCIAL LEASE ISSUES II: The lease as a financing device

READING: Lefcoe, 728-748, 752-759

November 25

IMPACT OF FEDERAL INCOME TAX

READING: Lefcoe, 623-644

November 26 (Tuesday) **TERM PAPER DUE**

November 27

OPTIONS, RIGHTS OF FIRST REFUSAL, AND RIGHTS OF FIRST OFFER

READING: SR #59, 60

December 2

SELECTING AN ENTITY

READING: Lefcoe, 661-689

OPTIONAL: SR #2, 3

December 4

CO-OPS AND CONDOMINIUMS

READING: SR #50, 51, 52, 53

December 9

REVIEW

FINAL EXAM - Time, date, place to be announced