

REAL ESTATE LAW
REAL/LGST 204
Spring Term, 2015

SECOND REVISED SYLLABUS

INSTRUCTORS: The professor for this course is Stuart Ebby, sebbby@law.upenn.edu, (215-496-7017). The teaching assistant is Erin Harvey, harveyer@law.upenn.edu. Ms. Harvey 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 Canvas. Prior editions of the Lefcoe book are not workable for this course. Students may find the following additional texts helpful, but they 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-33 1/3%; term paper-33 1/3% (8-10 pages, double spaced); final exam-33 1/3%.

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.

CALENDAR/SCHEDULE

January 14, 2015 (Wednesday)

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

January 19 NO CLASS - MARTIN LUTHER KING DAY

January 21

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 #1

January 26

BROKERS II: Legal obligations of brokers to sellers and buyers

READING: Lefcoe, 47-61, SR #2

January 28

CONTRACTS OF SALE I: Basic legal requirements

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

February 2

CONTRACTS OF SALE II: From contract to closing

READING: Lefcoe, 105-139

February 4

CONTRACTS OF SALE III: Termination; Default and Remedies

READING: Lefcoe, 153-166; SR #5, SR#6

February 9

THE RECORDING SYSTEM; TITLE INSURANCE

READING: Lefcoe, 244-254, 287-308, 324-325

February 11

MORTGAGE FINANCING I: First principles and basic terms

READING: Lefcoe, 90-97, 167-176, 197-203; SR #14; SR #15

February 16

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

READING: Lefcoe, 205-222

February 18

MORTGAGE FINANCING III: Due on sale; transfers subject to a mortgage; insurance

READING: Lefcoe, 225-239, 400-407

February 23

REVIEW

February 25

EXAM (in class)

March 2

MORTGAGE FINANCING IV: Leases and rents as security

READING: Lefcoe, 409-426; SR #17

March 4

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

READING: Lefcoe, 495-515; SR #18

March 9 NO CLASS - SPRING BREAK

March 11 NO CLASS - SPRING BREAK

March 16

GUEST LECTURE: THE DEVELOPER AS ENTREPRENEUR

Zachary Sheinberg, Esquire (The Witkoff Group, NYC)

READING: Lefcoe, 525-548

March 18

SECURITIZATION: Conversion of real estate mortgages to marketable securities

READING: SR #22; Lefcoe, 177-180, 683-688; 717-721

March 23

ALTERNATIVES TO FORECLOSURE: Workouts, short sales, deeds in lieu, and bankruptcy

READING: Lefcoe, 429-432, 481-494; SR #27

March 25

FORECLOSURE: Judicial and non-judicial foreclosure; priority of liens; and anti-deficiency laws

READING: Lefcoe, 435-458

March 30

INTRODUCTION TO LEASING: Fundamentals of landlord-tenant law

READING: Lefcoe, 749-774

April 1

COMMERCIAL LEASE ISSUES I: Use restrictions; exclusives; radius restrictions; continuous use; and percentage rent

READING: Lefcoe, 774-792

OPTIONAL: SR#30

April 6

COMMERCIAL LEASE ISSUES II: Ground leases; sale-leaseback; and other matters

READING: Lefcoe, 728-748

April 8

SELECTING AN ENTITY

READING: Lefcoe, 661-689

April 13

CO-OPS AND CONDOMINIUMS

READING: SR #34, SR #35, SR #36, SR #37

April 15

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

READING: Lefcoe, 795-803, 815-842

OPTIONAL: SR #7, SR #8

April 20

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

READING: SR #9; Lefcoe, 855-871, 879-889

OPTIONAL: SR#10

April 21 - **TERM PAPER DUE by 5:00 P.M.**

April 22

**GUEST LECTURE: CHALLENGES OF A TRANSIT ORIENTED URBAN
RENEWAL DEVELOPEMNT (A CASE STUDY)**

David Scolnic, Esquire (Hangley Aronchick Segal Pudlin & Schiller, Philadelphia)

READING: SR #10

April 27

REVIEW

April 29

IN-CLASS EXAM

Real Estate Law

REAL/LGST 204-401

Spring 2015

Stuart F. Ebby

Index to Supplemental Readings

1. Snipes v. Powell & Associates
2. Thomson v. McGinnis
3. Deliberately Omitted
4. Deliberately Omitted
5. Kuhn v. Spatial Design
6. Schwinder v. Austin Bank of Chicago
7. Young v. American Mini Theatres, Inc. (Optional)
8. Voyeur Dorm. L.C. v City of Tampa (Optional)
9. Takings Clause
10. Kelo v. City of New London
11. Deliberately Omitted
12. CERCLA Section 9607
13. Tanglewood East Homeowners v. Charles-Thomas, Inc.
14. The Language of Commercial Real Estate Finance
15. Specimen Mortgage Loan Commitment
16. Deliberately Omitted
17. Comerica v. Harris
18. TIAA v. Butler
19. Deliberately Omitted
20. Deliberately Omitted
21. Deliberately Omitted

22. When is a Real Estate Interest a Security?
23. Deliberately Omitted
24. Deliberately Omitted
25. Deliberately Omitted
26. Deliberately Omitted
27. NY Times Article re: Short Sale
28. Deliberately Omitted
29. Deliberately Omitted
30. Holy Property Ltd., L.P. v. Kenneth Cole Productions, Inc. (Optional)
31. Deliberately Omitted
32. Deliberately Omitted
33. Deliberately Omitted
34. Building on the Basics: Communal Arrangements for Home Ownership
35. Levandusky v. One Fifth Avenue
36. Jones v. O'Connell
37. Pekelnaya v. Allyn