GENERAL FACULTY MEETING
Wednesday, January 11, 1989
4:30 p.m., 102 BUS
AGENDA

1. Minutes from the October 3, 1988, Faculty Meeting

2. Dean's Report

3. Committee Reports
   Graduate Committee - R. Lutz
   New course - REE 5001 (Attachment 1)

   MBA Committee - A. Heggestad

   Undergraduate Committee - Jack Faricy

   Information Resources - G. Koehler

4. Announcements

AGM:sh

cc: Steve Beeland
    Tom Boyden
    Larry Humes
NEW COURSE TRANSMITTAL FORM
(See Reverse for Instruction)

Form UCC 1 Rev.80
Attachment 1

Institution: UF
Campus: Gainesville
FICE: 1530

Department: Finance, Insurance and Real Estate
Discipline: Real Estate
Course Title: Case Studies in Valuation Analysis and Report Writing
Credit Type: Semester
Total Credit Hours: 3
Lecture Credit Hrs.: 3
Lab Credit Hrs.: 
Other Hrs.: 
Lab indicator (C or L): 

Recommended CNS Prefix 5001
Alpha
First Taxonomy Number

Catalog Course Description: Analysis of various property types and appraisal situations. Case studies are used to illustrate and teach the application of appraisal methodology to typical appraisal assignments.

State the pre and corequisites in terms of content (see reverse):
Prerequisites A working knowledge of appraisal, theory and methodology.
Corequisites none

Intended Students (check all that apply):
Undergraduate Major
Undergraduate Non-Majors
Adv. Undergrad. & Graduates
Graduate Students Only

Level (see reverse):
Introductory
Advanced
Other (specify)

List major topics here and attach a one-page outline of the proposed course; Market analysis, highest and best use sales comparison analysis, cost and depreciation analysis, income capitalization, discounted cash flow analysis.

List any other course(s) in the University catalog dealing with similar subject matter:
REE 4100R-Real Estate Valuation; REE 6305R-Seminar in Real Estate Valuation.

List the department chairperson (by name and dept.) with whom you have cleared any question of possible duplication or infringement by this course. Each such chairperson must either sign the outline requested below to indicate no concern over possible duplication or infringement, or make comments. Any lack of comments or signatures must be explained.
No duplication or infringement are believed to exist.

List teaching materials, textbook(s), and instructor (include status on Graduate Faculty if applicable):
see attached.

State the quarter in which the course will be first offered: Fall 1989

Signature of Department Chairperson Date

Signature of Graduate Dean (if applicable) Date

Effective Date

Last date for inclusion in catalog copy:

Chairman, UCC/Liaison Officer Date

FOR FACULTY DISCIPLINE TASK FORCE AND SYSTEM STAFF USE ONLY:

Approved Prefix and Number Rec. # HEGIS USOE

Generic Course Title
Century Title
Remarks:
Reviewed by: Discipline Task Force Representative Date

Input Into Data Base by Date
REE 5001
CASE STUDIES IN VALUATION ANALYSIS
AND REPORT WRITING

OBJECTIVE: To provide students (primarily those who are in our appraisal track masters program) with an opportunity to apply general theory and procedures to specific appraisal situations and different property types. Students are required to critique professionally written appraisal reports, analyze assigned properties, and prepare written analyses for different property types.

INSTRUCTORS: Real Estate Faculty

CREDITS: 3

SEMESTER: Spring

BACKGROUND: Real estate students learn appraisal theory and procedures in REE 4100 (Real Estate Valuation). They also prepare a narrative appraisal report for one property in that course -- usually a single-family residence or a small apartment property. They do not have an opportunity to analyze other property types -- such as office buildings, apartments, hotels, warehouses, retirement facilities, and others. REE 6305 (Seminar Real Estate Valuation) deals with advanced theory through literature review and research. REE 5001 would be an intermediate course providing much of the knowledge and the applications necessary for immediate productivity as an appraisal professional.

COURSE MATERIALS: Primarily case studies and property type-specific materials developed by the American Institute of Real Estate Appraisers. The material is voluminous and therefore not included here. However, an outline of topics and assignments follows

REFERENCES: There is no single text for the course. The following books and journals serve as references for the course:

The Appraisal Journal
The Journal of Real Estate Research
The Real Estate Appraiser and Analyst
AREUEA Journal
Outline and Assignments

Week 1: Review of appraisal theory and procedures: sales comparison analysis, income capitalization, and cost-less-depreciation. Types of reports; typical problems with reports; critique of a professional report.

Assignment: Course material and appraisal handout.

Week 2: Market analysis -- nation, region, city, neighborhood. Purpose of analysis; typical problems; application to various property types. Critique of sections from professional reports. Begin highest and best use analysis.

Assignment: Read course material; review appropriate sections in texts. Write sections for assigned property. Analyze case-problem.

Week 3: Continue highest and best use analysis: purpose of analysis; how H&BU analysis is used in the appraisal process.

Assignment: Read course material; review appropriate sections in assigned texts; critique sections of professional reports. Write H&BU sections for assigned property. Analyze case-problems.

Week 4: Critique highest and best use analyses. Determinants of H&BU for various property types.

Assignment: Write a second H&BU section for a different property type.

Week 5: Review procedures for sales comparison analysis. Types of properties for which useful. Critique sections from professional appraisal reports.

Assignment: Analyze case. Begin analysis for assigned property.

Week 6: Continue sales comparison analysis. Techniques for making adjustments for differences in financing, market conditions, location, and physical characteristics.

Assignment: Read assigned course section. Review text references and articles. Work case-problems. Continue analysis for assigned property.
Week 7: Begin income capitalization analysis. Review theory and techniques.

**Assignment:** Read assigned course section. Review text references and articles. Work case-problems. Begin income analysis for assigned property.

Week 8: Mid-term exam

Week 9: Income capitalization continued. Determinants of income and expenses for various property types. Typical ranges of income and expense sources. Examples of faulty appraisal analyses.

**Assignment:** Continue writing section for assigned property. Continue assigned readings.

Week 10: Capitalization rates continued: overall rates, land rates, building rates, property rates, and reversion rates.

**Assignment:** Word case-problems. Finish assigned readings. Finish writing section for assigned property.

Week 11: Income capitalization continued. estimating overall cap rates: market extraction, simple mortgage-equity, extended mortgage-equity, Ellwood, and other methods.

**Assignment:** AIREA course section. Text references and articles. Case-problem. Continue income capitalization analysis for assigned property.

Week 12: Market extraction: deriving income, expenses, and capitalization rates from market transactions. Extracting rates of return on total investment, equity, and debt.

**Assignment:** Work case-problems. Derive rates of return for assigned property.


**Assignment:** Text references and articles. Case-problems. Prepare a DCF analysis for assigned property.

Week 14: Special situations and property types: limited market situations; leaseholds and leased fees, condemnation appraisal, air rights, subsurface rights, and other partial interests.

**Assignment:** Assigned text references and course material.
Week 15: Reconciliation; certification of value, assumptions and limiting conditions; contents of report.

Assignment: Assigned text references; evaluation of several professional reports. Writing of appropriate sections for project assignment.

Week 16: Review; critique of assigned projects. Professional standards and enforcement. Recent controversies about the appraisal profession; recent and proposed legislation at federal and state levels.

Assignment: None

Week 17. Final exam
GENERAL FACULTY MEETING
January 11, 1989

MINUTES

The meeting was called to order by Dean Merten at 4:35 p.m.

1. Minutes
   After some discussion, the minutes for the October 3, 1988, Faculty Meeting were approved as distributed.

2. Dean's Report
   Dean Merten informed the faculty of several personnel additions to the College beginning in January. He introduced Steve Beeland, Associate Director of Development and Alumni Affairs. Mr. Beeland will be working with Tom Boyd at the Foundation. Jack Kramer introduced the four new Accounting faculty members; Steve Asare, Jeff Yost, Karl Hackenbrack and Barbara Scofield. He also introduced Alan Ford (University of Kansas), who is serving as a Visiting Professor and Mary Ann Mowen, Visiting Associate Professor (Oklahoma State University), who is joining them on sabbatical.

Dean Merten informed the faculty on several items related to College course offerings (these were of a "housekeeping" nature rather than requiring faculty action).

   1) Because of the establishment of the DIS department, additional variable credit courses (in areas such as independent study, supervised research, dissertation research) are being established. Variable credit courses in DIS currently can be offered only under the MAN prefix.

   2) GEB 4941 is the course number formerly used for internships. The College will now have a separate internship course designation for each academic unit.

   3) There will be adjustments of some course numberings to comply with SUS numbering standards.

Dean Merten elaborated on several issues contained in the Research Committee Report which had been presented at the October Faculty Meeting.

   1) The Committee recommended that the College insure that faculty hiring and promotion be driven by research. Within the last
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year, the College Promotion and Tenure Committee has revised the College's guidelines to clearly specify that one of the two required areas of excellence for tenure must be research and for consideration of promotion to full professor, the candidate must have maintained an active research profile at the associate professor level. The Department should specify what the research activity was during the candidate's appointment as associate professor.

2) The Committee also recommended that criteria and job descriptions be specified for eminent scholars. In a recent memorandum to the faculty, it was specified that an eminent scholar must be an active research scholar and have a commitment to junior faculty and to Ph.D. students. The goal of the College is to ensure that our eminent scholar chairs be established with as much College discretion as possible.

He also announced that the College has recently received an Eminent Scholar Chair in Business Administration from John Higdon, of Higdon Grocery in Quincy, Florida:

3) The Dean referred to a memorandum to the academic unit heads which addressed the Research Committee's question of faculty teaching loads for those maintaining active research agendas. It states that, where a faculty member's scheduled teaching load is three sections in an academic year, unit heads should attempt to schedule these in one semester only, ensuring that this does not result in an excess of course sections in one term and a deficiency in another.

4) Regarding resource allocations, the Dean described the Behavioral Laboratories as having a high priority for the renovation project in Bryan Hall. Planning and architectural drawings will be done during 1989 and the renovations will begin in 1990.

5) It was recommended in the Research Report that the College create a College-wide speaker series. As a follow-up on that, the Emerson's have recently made a donation to the College, allowing the creation and endowment of such a series that will provide speakers who will impact the whole College.

6) With regard to the Ph.D. program expansion, the Dean indicated that it would be desirable to expand the program by approximately 30 students. Because additional State support is unlikely, the College will have to look to other means of financing the expenses including; 1) increasing the number of available fellowships from private sources, 2) obtaining funds from contracts and grants, and/or 3) reducing recruiting for faculty positions.
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7) The current purpose of research centers is to support research activities in interdisciplinary areas. Funds are initially allocated for the purpose of seed money, expecting that, in time, research centers will generate enough dollars to be self-supporting.

8) The College has established a policy with respect to progress toward promotion and tenure, for the review of assistant professors after their first, second and third years.

Dean Merten's recent memorandum describing the make-up of eminent scholar chair search committees and the criteria for selections was discussed. Dr. Cohen questioned the absence of an external scholar on some of the committees and the Dean explained that the addition of such a member to committees was a recommendation, rather than a requirement, from the President.

In a discussion of the criteria set for the Huber C. Hurst Eminent Scholar Chair, Dr. Milliman pointed out that Dean Merten's description of "legal scholarship" in his memo was too narrow and was meant to include "major contributions to legal scholarship and one of the functional areas of business or economics." The Dean agreed.

For a professorship available to be filled across multiple departments, the Dean will establish a search committee. However, if the available professorship is specified to a particular department, the Dean will take the department's recommendation.

Executive Education Programs will come primarily from the research activities of faculty and research centers. The Dean will send a memorandum establishing College policies for Executive Programs. The programs may be developed by academic units or within the research centers.

The Dean had to leave the meeting because of another commitment and Dean Snowball chaired the remainder of the meeting.

3. Committee Reports

Graduate Committee

Dr. Lutz discussed tuition waivers, saying that the College has managed to fill the voids created by the change in University policy and students are actually paying less than usual. It is recognized that the College needs better support for Ph.D. students.

Dr. Lutz proposed that the faculty approve the addition of the new course, REE 5001. The proposal was seconded and passed with a unanimous vote.

MBA Committee
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Dr. Heggestad reported that Sandy Kramer will be resigning as Director of the MBA program and a search is currently being conducted. The committee has met and discussed the criteria for that position. Nominations will close on February 15, 1989. It will be a renewable 3-year appointment, the committee would prefer the position to be filled by a tenured faculty member, and candidates will be sought from both outside and within the the College.

The committee has also been examining the number and nature of concentrations offered in the program. Among the considerations will be the impact of the concentrations on planning of student programs and the planning of course offerings by department.

Undergraduate Committee
Jack Faricy reported that the Committee had been reviewing the core and preprofessional courses in the undergraduate curriculum. A review of this nature is done about every 20 years and the Committee has spent extensive time on the project. The major areas yet to be completed concern the economics core courses. The Committee will be considering the establishment of a major in DIS, and a task force has also been established to look at the internship programs.

Information Resource Committee
Gary Koehler explained that the Committee has worked toward determining its objectives and tasks. They have looked into issues such as the impact of work stations on the faculty, an information resource plan, identifying student and faculty needs, computing alternatives, standardization throughout the college, networking, as well as all activities of the old "Library Committee". They are also communicating with Information Resources Committees at other universities.

The meeting was adjourned at 5:30 p.m.