

Required Elements in Real Estate Transactions of The University of Texas System

Type of Transaction	A. Appraisal?	B. Board of Regents Approval?	C. Coordinating Board Review?	D. Environmental Review?	E. Fire and Life Safety Review?	F. Office of General Counsel - Real Estate Office Approval?	G. Survey?	H. Title Commitment and Title Policy?
Purchase by UT	Yes. For purchases subject to Coordinating Board review, a total of 2 appraisals are required if the purchase price is \$1 million or more. Appraisals must be dated no more than one year prior to the date the project application is submitted to the Coordinating Board for review. The most recent appraisal of the local property tax appraisal district may be used for one for the two appraisals.	Yes, unless the property is within a master plan previously approved by the Board and has an acquisition cost of \$1 million or less.	Yes. Review (but not approval) is required for: Improved property purchases intended for E&G inventory with a purchase price of more than \$1 million; Projects for E&G space financed by tuition revenue bonds under TEC §61,0572 and §61.058	Yes.	Yes, unless there are no buildings being purchased for campus purposes.	Yes. Note: State law requires that a "Landowner's Bill of Rights" be sent to a seller before making a final offer to a seller and before representing to a seller that UT possesses eminent domain authority. The Real Estate Office sends out the notice on request from an institution.	Yes.	Yes.
Sale by UT	Yes, unless the property value is \$1 million or less, in which event other evidence may suffice; consult the Real Estate Office. The appraisal must be dated no earlier than 12 months prior to the BOR meeting.	Yes, if the selling price exceeds \$1 million or is below market. Submit descriptions of process used to select 3 rd party, rationale for process selected, and process used to set price.	No	No. (There may, however, be circumstances in which establishing the environmental status of the property prior to sale is important; please consult with the Real Estate Office.)	No.	Yes.	Yes, if the land sold is a portion of the land originally acquired by UT. (Also, obtain a copy if the purchaser requires a survey.)	No (but obtain a copy if the purchaser requires a title commitment and policy).
Lease to UT (UT as tenant)	Recommended; other credible evidence of value may substitute—please consult the Real Estate Office.	Yes, if rentals and other lease charges over the life of the lease (including any possible extensions) exceed \$1 million.	No	Yes, unless the lease is: 1. a lease of improvements only; or 2. for less than 5 years and does not contemplate construction or other activities that disturb the soil.	Yes, unless there are no buildings being leased for campus purposes. Note: The fire and life safety review is not the same as the accessibility review that is required by statute for leases of space. Please consult the Office of General Counsel.	Yes, as to legal review, unless UT standard lease form is used with no changes. Yes, as to business review, if the lease: 1. rentals and other lease charges over the life of the lease (including any possible extensions) exceed \$1 million; or 2. is a lease of land, with or without improvements; or 3. is a lease-purchase or contains an option or right to purchase.	No, if the lease is only for space in a building. For all other leases, please consult the Real Estate Office.	Generally, no, if the lease is for space in a building. For leases with major tenant finish out costs paid by UT and for all other leases, please consult the Real Estate Office.
Lease from UT (UT as landlord)	Yes, unless the value of the lease is \$1 million or less, in which event other evidence of value may suffice—consult the Real Estate Office. The appraisal must be dated no earlier than 12 months prior to the Board of Regents meeting.	Yes, if total rentals and lease charges over the life of the lease (including any possible extensions) exceed \$1 million or are below market. Submit descriptions of process used to select 3 rd party, rationale for process selected, and process used to set rental and charges.	No	No. (There may, however, be circumstances in which establishing the environmental status of the property prior to lease is important; please consult with the Real Estate Office.)	No. (There may, however, be circumstances in which establishing the fire and life safety status of the property prior to lease is important; please consult with the Real Estate Office.)	Yes, as to legal review in all cases. Yes, as to business review, unless the lease is for general office use in a building used for institutional purposes and rentals and other lease charges do not exceed \$1 million over the life of the lease (including any possible extensions). Additional requirements apply to privatized construction.	Yes, if the land being leased is only a portion of the land originally acquired by UT. (Also, obtain a copy if the tenant requires a survey.)	No (but obtain a copy if the tenant requires a title commitment and policy).
Easement to UT	Yes, if UT is paying in cash or in kind.	Yes, if the value of the easement exceeds \$1 million.	No	Yes, if construction or other activities that would disturb the soil are contemplated.	No, unless buildings to be used for campus purposes are located on the easement.	Yes.	Yes.	Yes.
Easement from UT	Recommended; other credible evidence of value may substitute—please consult the Real Estate Office.	Yes, if the value of the easement exceeds \$1 million or if the value received (may be in kind) is less than fair market value.	No	No. (There may be circumstances in which establishing the property's environmental status prior to granting the easement is important; please consult with the Real Estate Office.)	No.	Yes.	Strongly recommended; failure to specifically locate the easement can inhibit future use of UT property.	No (but obtain a copy if the easement holder requires a title commitment and policy).
Gift to UT	Yes. Other credible evidence of value may substitute—please consult the Real Estate Office.	No, unless the property is for campus use, is not within a Board-approved master plan, and has an acquisition cost of \$1 million or more. Bequests and endowments require approval by the VC for External Relations; current purpose gifts, by the Exec. Dir., Real Estate Office	No [May not review Any matter not specifically described in 19 TAC 17.10 and specifically many not review all gifts and grants of improved real property 19 TAC 17.11(9)]	Yes (trusts and estates: not required until the fiduciary gives notice of intent to transfer title).	No, unless the property contains buildings that are to be used for campus purposes.	Yes.	Yes.	Yes.