

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

<b>Type of Transaction</b>	<b>A. Appraisal?</b>	<b>B. Board of Regents Approval?</b>	<b>C. Coordinating Board Approval?</b>	<b>D. Environmental Review?</b>	<b>E. Fire and Life Safety Review?</b>	<b>F. Office of General Counsel - Real Estate Office Approval?</b>	<b>G. Survey?</b>	<b>H. Title Commitment and Title Policy?</b>
<b>Purchase by UT</b>	Yes.  For purchases requiring Coordinating Board approval, a total of 2 appraisals are required if the purchase price is \$300,000 or more. Appraisals must be dated no more than one year prior to the date the project application is submitted to the Coordinating Board.	Yes, unless the property is within a master plan previously approved by the Board <u>and</u> has an acquisition cost of \$1 million or less.	Yes, unless the acquisition is: 1. approved by the Legislature; or 2. a lease-purchase of clinical or research facilities; or 3. a lease-purchase of unimproved real property; or 4. a lease-purchase of improved real property that is not intended to be included in E&G inventory <u>and</u> that is valued at \$300,000 or less; or 5. for UT Austin and is financed more than 50% with PUF bonds or AUF. <b>Note:</b> A "lease-purchase" differs from a lease that contains an <b>option to purchase</b> ; please consult the Real Estate Office.	Yes.	Yes, unless there are no buildings being purchased for campus purposes.	Yes.  <b>Note:</b> 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.
<b>Sale by UT</b>	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 <sup>rd</sup> 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).
<b>Lease to UT (UT as tenant)</b>	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 exceed \$1 million.	No, unless the lease is a lease-purchase of <b>improved</b> real property that is intended to be included in E&G inventory <u>and/or</u> has a value of more than \$300,000 (clinical or research facilities are exempt from the requirement for Coordinating Board approval, however). <b>Note:</b> A "lease-purchase" should not be confused with a lease that contains an <b>option to purchase</b> ; please consult the Real Estate Office.	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. <b>Note:</b> The fire and life safety review is <b>not</b> the same as the <b>accessibility review</b> 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 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.
<b>Lease from UT (UT as landlord)</b>	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 exceed \$1 million or are below market. Submit descriptions of process used to select 3 <sup>rd</sup> 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 does not exceed \$1 million.  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).
<b>Easement to UT</b>	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.
<b>Easement from UT</b>	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).
<b>Gift to UT</b>	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, unless the property is improved, intended to be added to E&G inventory, and valued in excess of \$300,000.  Gifts of clinical or research facilities, however, are exempt from this requirement for Coordinating Board approval.	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.