

The University of Calgary
Faculty of Environmental Design
EVDS 622 - Fall 2013
Time: Friday 9:30-12:20
Classroom: PF 2165

Course Title: Real Estate Development and Finance
Instructors: Dr. Richard M. Levy

Course Calendar Description

Focuses on the principles of real estate development and finance. This course will provide hands-on experience through real-world simulations and case studies. Goal is for students to gain a basic understanding of the planning process in real estate development, including private public partnerships, and development impacts. Introduces fundamental tools for conducting an economic and fiscal analysis of real estate proposals. Students will have an opportunity to develop a pro forma as part of a risk assessment. Other topics include the use of GIS for location studies and market assessment.

Introduction

The course provides an introduction to real estate with a focus on economics, law, finance, urban design, development, marketing and planning. The course will begin by considering market dynamics with an emphasis on modeling urban growth. Specific attention will focus on techniques for estimating the supply and demand for residential, commercial and industrial development. GIS and statistical modeling will be used as tools for modeling the behavior of the real estate market. Discussion will also include highest and best use. Finance is a critical factor in the success of any real estate development project. Students will have an opportunity in this course to develop a pro forma for specific development project. In the process of developing financial projections for a proposed project students will be introduced to the fundamentals of financial analysis including debt financing, taxation and risk management. Marketing is important to any successful real estate venture. Students will learn how-to use demographic and economic data to gauge the potential success of a development projects. This course will also examine the real estate development from a legal perspective. Focus of this discussion will include: land acquisition, contracts, ownership, tenancy, tax treatment and the disposition of real property. Discussions will also consider the nature of development approval and zoning appeals. A goal of this course is to introduce planners and architects to the importance of physical design to the success of a real estate venture. Topics will include space planning, commercial buildings, retail, adaptive reuse, industrial, mixed-use, new communities and single and multi family development.

Format: Lectures, studios, student presentations, invited guest lecturers.

Course Topics

- Urban Economics and Land Use Modeling
- History of urban development
- Urban land use modeling
- Real Estate Law
- Negotiations and Due-diligence
- Highest and Best Use

- Methods of Appraisal
- Real Estate Finance
- Risk Management through the Development Process
- Marketing and the Real Estate Market
- Real estate Services
- Urban Development process
- Impact Assessment
- Public-Private Partnerships
- Working with Interest Groups – A Stakeholder Perspective
- Development Finance Stages and Methods
- Urban Design and Real Estate Development

Students should have a basic understanding of EXCEL for this course. If you have any questions about this course please contact the instructor at rmlevy@ucalgary.ca

Required Readings (See Schedule)

Suggested Readings in Urban Planning

Babcock, Richard F. (1977) The Zoning Game Madison, Wisconsin: The University of Wisconsin Press.

A Community Guide to the Planning Process, 4th Edition, City of Calgary, FCC, 2008.

<http://www.calgarycommunities.com/FCCServices/GuidetothePlanningProcessForWeb2010.pdf>

Drummond, William and Steven P. French, The Future of GIS in Planning, Converging Technologies and Divergent Interests, APA Journal; Spring 2008 74:2, pp 161-174.

<http://proquest.umi.com.ezproxy.lib.ucalgary.ca/pqdweb?index=0&did=1542879691&SrchMode=1&sid=9&Fmt=6&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1324745709&clientId=12303>

<http://ezproxy.lib.ucalgary.ca:2048/login?url=http://proquest.umi.com.ezproxy.lib.ucalgary.ca/pqdweb?did=1542879691&sid=9&Fmt=6&clientId=12303&RQT=309&VName=PQD>

Forester, John, Planning in the Face of Power, Berkeley, Ca.: The University of California Press, 1989.

Suggested Readings in Urban Design

Appleyard "Styles and Methods of Structuring a City" in Humanscape: Environment for People, North Scituate, MA: Duxbury Press, 1978, pp. 70-81.

Attoe, Wayne and Logan, Donn, (1989) American Urban Architecture, Catalysts in the Design of Cities, Berkeley, California, University of California Press.

Bacon, E., Design of Cities, New York, New York: Penguin Press, 1969.

De Vasconcellos, Eduardo Alcantara, The Use of Streets: A reassessment and Tribute to Donald Appleyard, Journal of Urban Design, Vol. 9, No. 1, 3-22.

<http://www.tandfonline.com.ezproxy.lib.ucalgary.ca/doi/pdf/10.1080/1357480042000187686>

Ellis, Cliff, The New Urbanism: Critiques and Rebuttals, Journal of Urban Design, 7:3 261-291.

<http://www.tandfonline.com.ezproxy.lib.ucalgary.ca/doi/pdf/10.1080/1357480022000039330>

Lynch, K., (1982) The Image of the City, Cambridge, Massachusetts: The MIT Press.
Jacobs, Allan B. (1985) Looking at Cities, Cambridge, Massachusetts: The MIT Press.
Rowe, Peter, Design Thinking, Cambridge, Massachusetts: The MIT Press, 1987, ch. 1.
Whyte, William H., City, Rediscovering the Center, New York: New York, Anchor Books, Publishers, 1988.

References

Benson, Marjorie L. (Marjorie Lynne) (2008) Understanding property : A guide to Canada's property law 2nd ed.
Schmitz, Adrienne, et.al, (2004) Multifamily Housing Development Handbook, Washington, D.C: Urban Land Institute.
Appraisal Institute of Canada (2009) Commercial Property Analysis, Vancouver, BC: Sauder School of Business.

References on Statistics

Neter, John and William Wasserman, Fundamental Statistics for Business and Economics, Boston: Allyn and Bacon, Inc., 1969, Ch.4-5.

Software: EXCEL, PPT

Assignments:

- 1) Midterm – 30%
- 2) Proposal for a Development Project in Calgary 40%
- 3) Final Exam – 30%

Links:

Sales Statistics

<http://www.creb.com/public/seller-resources/district-statistics-archives.php>

CMHC

<http://www.cmhc.ca/>

Construction

http://www.cmhc.ca/en/inpr/bude/himu/bebu/bebu_001.cfm#CP_JUMP_57356

Current housing Research

http://www.cmhc-schl.gc.ca/en/corp/li/horetore/horetore_004.cfm

Forecasts

<http://www.cmhc.ca/en/hoficlincl/homain/foan/index.cfm>

Business News

<http://www.bloomberg.com/>

Grading Scale

| Letter Grade | 4-Point Scale | 4-Point Range | Percent | Description |
|---------------------|----------------------|----------------------|----------------|---|
| A+ | 4.00 | 4.00 | 92.5-100 | Outstanding - evaluated by instructor |
| A | 4.00 | 3.85-4.00 | 85-92.49 | Excellent - superior performance showing comprehensive understanding of the subject matter |
| A- | 3.70 | 3.50-3.84 | 80-84.99 | Very good performance |
| B+ | 3.30 | 3.15-3.49 | 76-79.99 | Good performance |
| B | 3.00 | 2.85-3.14 | 73-75.99 | Satisfactory performance |
| B- | 2.70 | 2.50-2.84 | 70-72.99 | Minimum pass for students in the Faculty of Graduate Studies |
| C+ | 2.30 | 2.15-2.49 | 66-69.99 | All final grades below B- are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. |
| C | 2.00 | 1.85-2.14 | 63-65.99 | |
| C- | 1.70 | 1.50-1.84 | 60-62.99 | |
| D+ | 1.30 | 1.15-1.49 | 56-59.99 | |
| D | 1.00 | 0.50-1.14 | 50-55.99 | |
| F | 0.00 | 0-0.49 | 0-49.99 | |

Note: A student who receives a B- or lower in two or more courses will be required to withdraw regardless of their grade point average unless the program recommends. Late assignments will have their grade reduced by .4 for every two days late.