

Faculty of Environmental Design

Course Title: Real Estate Development and Finance

Course Number: EVDS 622

Instructor: Dr. Richard M. Levy, RPP, MCIP, rmlevy@ucalgary.ca

Session: Winter 2016

Time: Mon. Wed. 11:-12:20

Location: PF 3160

Office Hours: Mon., Wed. 1:00-2:00, PF 4182

Introduction

Course Calendar Description

Focuses on the principles of real estate development and finance. Provides 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.

Objectives

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. 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.

Teaching Approach

In this course each topic area is presented through an introductory lecture by the course instructor. Labs, discussions, videos and student presentations will be an important part of the course. Groups projects will be presented to the class for discussion. The final Group projects will be submitted in written format at the end of term.

Course Topics

- Urban Economics and Land Use Modeling
- History of urban development
- 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
- Public-Private Partnerships
- Working with Interest Groups – A Stakeholder Perspective
- Development Finance Stages and Methods
- Urban Design and Real Estate Development
- Design and Construction

Content: Topic Areas & Detailed Class Schedule

Week	Date	Lecture
1	Monday, January 11, 2016	Introduction to Real Estate Development
1	Wednesday, January 13, 2016	Lecture History of Urban Development: Case Studies in Competitive Analysis
2	Monday, January 18, 2016	Lecture History of Urban Development: Case Studies in Competitive Analysis
2	Wednesday, January 20, 2016	Lab: EXCEL: Introduction to Spreadsheets
3	Monday, January 25, 2016	Introduction to Real Estate Finance Part 1A: Risk Analysis, Economic Models and Indicators Financial Analysis
3	Wednesday, January 27, 2016	Introduction to Real Estate Finance Part 1B: Types of Investments, Financial Ratios, Balance Sheets, Profit and Loss Statements
4	Monday, February 1, 2016	Introduction to Real Estate Finance Part 2A: Assessing Risk, NPV, Break Even Analysis, IRR
4	Wednesday, February 03, 2016	Introduction to Real Estate Finance Part 2B: Debt, Amortization, Depreciation, Taxation, Business Ownership, Sensitivity Analysis

5	Monday, February 8, 2016	Lab EXCEL: Pro formas, Financial Ratios
5	Wednesday, February 10, 2016	Exam 1
6	BLOCK WEEK	Block Week - Feb 14-19
7	Monday, February 22, 2016	Lab EXCEL: Pro formas Financial Ratios - Town House Case Study
7	Wednesday, February 24, 2016	Highest and Best Use, Appraisal Methods
8	Monday, February 29, 2016	Group Project Time: Financial Analysis
8	Wednesday, March 02, 2016	Marketing and the Real Estate Market
9	Monday, March 7, 2016	Architectural Design and Real Estate Development Part 1
9	Wednesday, March 9, 2016	Architectural Design and Real Estate Development Part 2
10	Monday, March 14, 2016	Group Project Time: Concept Design
10	Wednesday, March 16, 2016	Retail Development: Scale and Market Differentiation, Supply Chain, E-Commerce, Mall vs. Downtown, Main street vs. Walmart
11	Monday, March 21, 2016	Urban Law: Land Ownership, Property Rights, Leases, Land Registration
11	Wednesday, March 23, 2016	Urban Law: Zoning, Subdivision
12	Monday, March 28, 2016	Student Presentations
12	Wednesday, April 30, 2016	Student Presentations
13	Monday, April 4, 2016	Student Presentations
13	Wednesday, April 6, 2016	Student Presentations
14	Wednesday, April 11, 2016	Review
14	Monday, April 13, 2016	Exam 2

Means of Evaluation

The course evaluation will be based on the assignments completed during the term, which includes written assignments, presentation of work and two hourly exams.

- 1) First Hourly Exam– 25%
- 2) Second Hourly Exam – 25%
- 3) Proposal for a Development Project in Calgary 50%

Grading Scale

Grade	Grade Point Value	4-Point Range	Percent	Description
A+	4.00	4.00	95-100	Outstanding - evaluated by instructor
A	4.00	3.85-4.00	90-94.99	Excellent - superior performance showing comprehensive understanding of the subject matter
A-	3.70	3.50-3.84	85-89.99	Very good performance
B+	3.30	3.15-3.49	80-84.99	Good performance
B	3.00	2.85-3.14	75-79.99	Satisfactory performance
B-	2.70	2.50-2.84	70-74.99	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	2.15-2.49	65-69.99	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	60-64.99	
C-	1.70	1.50-1.84	55-59.99	
D+	1.30	1.15-1.49	50-54.99	
D	1.00	0.50-1.14	45-49.99	
F	0.00	0-0.49	0-44.99	

A student who receives a "C+" or lower in any one course will be required to withdraw regardless of their grade point average (GPA) unless the program recommends otherwise. If the program permits the student to retake a failed course, the second grade will replace the initial grade in the calculation of the GPA, and both grades will appear on the transcript.

Notes:

1. Written work, term assignments and other course related work may only be submitted by e-mail if prior permission to do so has been obtained from the course instructor. Submissions must come from an official University of Calgary (ucalgary) email account.
2. Academic Accommodations. Students who require an accommodation in relation to their coursework or to fulfil requirements for a graduate degree, based on a protected ground other than disability, should communicate this need, preferably in writing, to their instructor or the designated contact person in EVDS, Jennifer Taillefer (jtaillef@ucalgary.ca). Students who require an accommodation unrelated to their coursework or the requirements for a graduate degree, based on a protected ground other than disability, should communicate this need, preferably in writing, to the Vice-Provost (Student Experience). For additional information on support services and accommodations for students with disabilities, visit www.ucalgary.ca/access/

3. Plagiarism - Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Most commonly plagiarism exists when:(a) the work submitted or presented was done, in whole or in part, by an individual other than the one submitting or presenting the work (this includes having another impersonate the student or otherwise substituting the work of another for one's own in an examination or test),(b) parts of the work are taken from another source without reference to the original author,(c) the whole work (e.g., an essay) is copied from another source, and/or,(d) a student submits or presents work in one course which has also been submitted in another course(although it may be completely original with that student) without the knowledge of or prior agreement of the instructor involved. While it is recognized that scholarly work often involves reference to the ideas, data and conclusions of other scholars, intellectual honesty requires that such references be explicitly and clearly noted. Plagiarism is an extremely serious academic offence. It is recognized that clause (d) does not prevent a graduate student incorporating work previously done by him or her in a thesis. Any suspicion of plagiarism will be reported to the Dean, and dealt with as per the regulations in the University of Calgary Graduate Calendar.

Prerequisites

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 D2L)

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, Edurado 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.

Linneman, Peter, Real Estate Finance & Investments: Risks and Opportunities, Linneman Associates, 2nd Edition, 2008.

Schmitz, Adrienne, et.al, (2004) Multi-family 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