

University of Pennsylvania

The Wharton School

8 September 2010

REAL 821, REAL 321, & ARCH 768

REAL ESTATE DEVELOPMENT – FALL 2010

COURSE DESCRIPTION

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Course Objectives

- Immersion into the range of real estate development “products”
- Learn how to successfully manage the development process
- Become a decision-maker by learning how to gather, analyze, and draw conclusions for all types of real estate investments
- Understand current development trends and how they affect real estate now and in the future
- Preparation for a job in real estate development or for interfacing with developers

Course Topics

Below are lists of topics that will come up over the course of the semester. Some will be covered in detail. If there is a particular subject that interests the class, we may place more emphasis on it or if the class identifies a topic that is not on this list, we can try to work it in.

Development types:	site development, “ground-up” and rehab development, redevelopment and master development
Products:	office, R&D, retail, entertainment, industrial, hospitality/resorts, single, multi-family and affordable residential, health care/senior, mixed-use, and land
Development process:	market analysis, site acquisition, due diligence, development strategy, zoning, entitlements, approvals, site planning, building design, pre-construction, construction, equity financing, debt financing, marketing, sales & leasing, management and disposition

Specialty topics:	sustainability, urban, suburban infill, brownfields, infrastructure, new urbanism, town centers, transit oriented development(TOD), green design, public/private partnerships, incentives, tax increment financing(TIF's) or payment in lieu of taxes, bonds, SID's, condo and homeowners associations, work-outs, international
Dev. Companies:	development company types, financial strategies, financial sources/partnerships, managing a development company, development company jobs, consultants and lawyers selection/management, public/government relations.
Consultant Roles:	market analyst, architect, lawyer, financial analyst, surveyor, civil, environmental, geotech engineers, MEP engineers, traffic, historic preservation/cultural resources, contractor, cm, client rep, advertising, public relations, govt. relations, mortgage brokers, accountants, real estate brokers, title company, insurance brokers.

Course Structure

The structure is as follows:

Learn about the development products and processes by reading, listening and participating in class and with guest lecturers who are practitioners in various aspects of the development industry;

Research and analyze real time data to identify past trends, the current state of the business and future growth of the industry by land use;

Visit under construction and finished developments to reinforce classroom discussion;

Most importantly, you are going to do the work of the developer in the form of weekly 'projects', where you will learn how to gather the appropriate information, analyze and propose strategies, assemble a coherent argument and present it for evaluation and discourse.

Projects

Each class week there will be one Group assignment to be presented in class the following week in the form of projected presentation, handouts and/or boards. In addition to digital presentations, each group needs to hand in a printed version at the end of their presentation at either 8 ½ x 11 or 11 x 17 sizes.

Groups will be made up of three to five people led by a single Project Manager (PM). The PM will divide the work as well as oversee the production and completion of the presentation. The PM will rotate each week.

Immediately following the presentations, all groups will receive feedback and ranked in order of quality. Projects will be judged on the following criteria:

- 1) Thoroughness of research
- 2) Strength of analysis
- 3) Feasibility of proposed strategy
- 4) Command of weekly assignment and clarity of prose
- 5) Salesmanship during presentation
- 6) Project Management/Leadership

Neatness, organization, clarity, grammar, punctuation, spelling, and conciseness will matter and can also make a difference in your grade.

Your grade for the course will be based in large part on the strength of your projects (75%). The projects for which you are the PM will be heavily weighted in your grade. The remaining 25% will be based on class participation.

Fieldwork

There will be two types of fieldwork. The first will be independent or small group fieldwork, where you will go by yourself to evaluate a site or building or gather information. The second type will be where the entire class visits under construction development sites or finished developments. The specific sites and dates are to be determined.

Case Studies

This course will make use of the case method, to help with decision-making skills. The readings will include case studies of projects, which we will discuss in class. You may be called upon to begin a case or to answer questions pertaining to the case at any time. If you are unprepared to discuss a case, you should let me know before the session begins. Being unprepared will adversely affect your class participation grade. Long-windedness and low-value-add comments (a.k.a. BS) will be viewed as worse than not speaking at all. Please bring your name tents to each class. Cases will be available at least one week before class.

Guest Speakers

A wide range of guest “expert” speakers including Developers, Lawyers, Consultants and Brokers involved in the development industry will speak with the class. These folks are taking their valuable time to speak with you. The expectation is simply that you listen to his or her talk or presentation and prepare questions for the discussion during or after the talk as appropriate, though each student may not get a chance to get his or her question answered. Full list and contact information will be provided.

Grading

Class Participation	25%
Projects	75%

Exams

There are no exams. There is no final exam.

Attendance

You are expected to prepare thoroughly for and attend each class and actively participate. *Punctuality is required.* If you arrive late without my approval, you will be directed to take seats at the front and center of the classroom. If you need to leave before the end of class, please let me know before class. Be sure and sign the attendance sheets – if you do not sign in, you will be counted as absent.

Class Website

Address is <http://webcafe.wharton.upenn.edu>. James and I will post any upcoming updates and important information here. Do not count on receiving an e-mail announcing class or assignment changes. Please make it a habit to check the website every day or 2. We will generally post presentations and guest speaker bios for upcoming classes to make note taking more convenient. Projects and readings will also be posted if available in electronic form.

Readings

The primary textbooks are Professional Real Estate Development by Peiser and Real Estate Finance and Investments by Linneman. They will be used for specific review and for general background information. Where we do not follow it specifically, it does cover the areas we'll discuss. Other readings will be assigned and provided at least one week before they are covered in class.

Prerequisites

Students are responsible for material covered in Real Estate Investments (REAL 721) and Real Estate Law (REAL 804). The class will be taught assuming you have mastered these topics.

Fun & Worthwhile.

Real estate is a fun business and we will endeavor to enjoy ourselves. The fun will come from hard work, intense interaction, and the satisfaction of attaining the next level of learning. It is important that you leave this class feeling that it was well worth the effort and the investment of your valuable time. It is critical that you and your classmates provide great leadership to the real estate industry.