

RE591 Real Estate Development
 Professor Crocker H. Liu
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Fall 2007
 BAC575
 Office Hours:
 5-6 p.m. MW

Real Estate Development

Course Objective: This course is designed to provide an overview of the real estate development process with an emphasis on analysis, risk management, and decision-making relative to changing economic, environmental, institutional, regulatory, and social contexts. Topics discussed include but are not limited to market analysis, site acquisition, due diligence, zoning, entitlements, approvals, site planning, building design, construction, financing, leasing, and ongoing management and disposition. We will also have a couple of guest lecturers who are leaders in the real estate industry to enhance the learning process.

Texts	<p>Required: John McMahan (M), 2007, Professional Property Development, 1st ed, McGraw-Hill William J. Poorvu and Jeffrey Cruikshank (PC), 1999, The Real Estate Game: The Intelligent Guide To Decisionmaking And Investment, Free Press D. Macaulay (DM1), 1983, Underground, Houghton Mifflin/Walter Lorraine Books D. Macaulay (DM2), 2000, Building Big, Houghton Mifflin/Walter Lorraine Books Brueggeman and Fisher (BF), Real Estate Finance and Investments, 13th ed., Irwin</p> <p>Recommended: F. Ching & C. Adams, 2000, Building Construction Illustrated, 3rd ed, Wiley F. Ching & S. Winkel, 2006, Building Codes Illustrated: A Guide to Understanding the 2006 International Building Code, 2nd edition, Wiley F. Ching, 1996, A Visual Dictionary of Architecture, Wiley</p>
Class Packet	Lecture notes are available at the Memorial Union Copy Center (basement)
Reading Packet	Readings are available for download on my website for this course. The password will be given on the first day of class.

Grading: Grading is based on the class curve rather than the total number of points

Each Case (4 Cases)	15% (60% Total)
Midterm Exam	15%
Final Exam	25%

Each of the cases is an **INDIVIDUAL** case study. Students must turn in assignments on the date due by the beginning of class. No late submissions are allowed. Grading is based on the class curve. This means that if you score 60 out of 100 points and yours is the top grade in the class, you receive an A on that case or exam.

Topic Schedule 8/20/2007 – 10/26/2007

Week	Date	Topic	Assigned readings/Assignment
1	8/23	Overview of the Development Process, Land Acquisition, and Site Improvements	<p>PC Ch1: The Game PC Ch2: Using Numbers in Real Estate PC Ch3: From Concept to Commitment M Ch1: The Inalienable Right M Ch2: Changing Ground Rules for Property Ownership M Ch3: The Restructuring of the Industry</p> <p>Sperber, Bob, Aug 2005, Thinking of getting into the development game? <i>Professional Builder</i> 70(8): 74-78.</p> <p>Sheridan, Mike, January 2007, Regional Spotlight: Arizona, <i>Urban Land</i> pp. 164-186</p>
2	8/30	Market and Feasibility Analysis	<p>M Ch4: Economics of Real Estate at the Global Level M Ch5: Economics of Real Estate at the National Level M Ch6: Economics of Real Estate at the Local Level M Ch7: Economics of the Individual Parcel</p> <p>Case 1: Productivity Analysis</p>
3	9/06	Market and Feasibility Analysis (continued)	<p>M Ch8: Analyzing Residential Market Demand M Ch9: Analyzing Retail Market Demand M Ch10: Analyzing Office Market Demand M Ch11: Analyzing Industrial Market Demand M Ch12: Analyzing Lodging Market Demand M Ch13: Analyzing Mixed Use Market Demand PC Appendix A: Note on Property Types</p> <p>ULI, Sept 2006, Williams Gateway Area Mesa, Arizona: Strategies for an Urban Gateway</p> <p>Elliott D. Pollack, Sept 2005, Copper Square Office Market Competitive Analysis, Downtown Phoenix Partnership</p> <p>Case 2: Demand and Supply Analysis</p>
4	9/13	Development Financing	<p>PC Ch4: From Commitment to Closing PC Ch5: Syndications and REITs PC Appendix B: CRE Due-Diligence Checklist M Ch14: Mortgage Financing M Ch15: Equity Investment BF Ch16: Financing Project Development BF Ch 17: Financing Land Development Projects BF Ch18: JVs, Syndications and Partnerships</p>

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4	9/13	Development Financing (continued)	<p>Comptroller of the Currency, March 1998, Commercial Real Estate and Construction Lending</p> <p>Winter and Company, Commercial Underwriting Checklists and Forms (www.winter-co.com)</p> <p>American Home Bank and Home Equity Builders International, Examples of Draw Schedules for a Single Family Home</p> <p>Case 3: Financing and Investment Potential</p>
5	9/20 1 st Half	Obtaining Entitlements	<p>Rebecca Anderson Fischer, The View from the Top: The Master Developer of a Mixed Use Project, Sherman & Howard L.L.C.</p> <p>Eric Holsapple, et al, 2002, Property Rights Litigation: Challenges, Risks and Financial Settlement in the Case of the Thompson Valley Towne Center, <i>Journal of Real Estate Practice and Education</i> 5(1): 77-83.</p> <p>Christopher R. Cheleden, Entitled or Entangled, www.pillsburywinthrop.com</p> <p>Patrick O'Toole, June 2003, Use entitlement contingencies in contracts, <i>Professional Builder</i> 68(6):32</p> <p>Ken Ryan, May 2007, The Entitlement Process: Ten Tips for Approval, <i>Multi-Housing News</i> 42(5): 50</p> <p>Andrew N Jacobson, November 2001, A narrative real estate acquisition due diligence checklist, <i>The Practical Real Estate Lawyer</i> 17(6): 7-18</p> <p>Boston Redevelopment Authority, 2006, Development Review Guidelines</p>
5	9/20 2 nd Half	Midterm Exam	You may bring in 2 pages of formulas ONLY!!! This includes explanation of formulas.

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Week	Date	Topic	Assigned readings/Assignment
6	9/27	Building Design and Construction	<p>Macaulay, 1983, <i>Underground</i> (entire book) Macaulay, 2000, <i>Building Big</i> (skyscraper section) PC Ch6: Development M Ch17: Planning and Designing M Ch18: Construction</p> <p>George Moschis, Danny Bellenger and Carolyn F. Curasi, 2005, Marketing Retirement Communities to Older Consumers, <i>Journal of Real Estate Practice and Education</i> 8(1): 99-113</p> <p>Alfred G Kyle, 2006 (March (I), May (II), July (III), Commercial Real Estate Construction Lending (With Forms) (Part 1-3), <i>The Practical Real Estate Lawyer</i> 22(2-4)</p> <p>David A Schmudde, September 2004, What You Should Know About Construction Financing, <i>The Practical Real Estate Lawyer</i> 20(5): 51-62</p> <p>David A Weissmann, November 2006, Construction Lending: From The Ground Up (With Form), <i>The Practical Real Estate Lawyer</i> 22(6): 19-40</p>
7	10/4	Marketing and Leasing	<p>M Ch19: Marketing</p> <p>Emil Malizia, 1990, A Note on Real Estate Market Research, <i>Journal of Real Estate Research</i> 5(3): 393-401</p> <p>Robert D. Duncan, September 1989, Income Property: Maximizing Returns, <i>Mortgage Banking</i> 49(12): 65-70.</p> <p>Toni Blake & Anne Sadovsky, Nov 2002, Sale of the Sensory, <i>Journal of Property Management</i> 67(6): 64-67</p> <p>Ellen Romano, Mar/Apr 1995, Opportunity in Diversity, <i>Journal of Property Management</i> 60(2): 30-35</p> <p>Packaged Facts, May 2006, Baby Boomer: Attitudes, Markets, and Opportunities, MarketResearch.com</p> <p>John Crowley, May/Jun 1997, Lease Renewal Strategies in a Rising Market, <i>Journal of Property Management</i> 62(3): 32-35.</p>

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7	10/4	Marketing and Leasing (continued)	<p>Maria Siakavellas, May 2002, Owners, Managers Fine Tune M-H Leasing Strategies, Multi-Housing News</p> <p>Jerry Yudelson, April 2005, Economics of Green Buildings: Six Good Ideas for Marketing Green Buildings, pp. 30-36.</p> <p>Case 4: Marketing Opportunities</p>
8	10/11	Property Operations and Performance	<p>M Ch16: Measuring Real Estate Returns</p> <p>M Ch20: Property Management</p> <p>PC Ch7: Operations</p>
9	10/18	Sale or Disposition	<p>PC Ch8: The Harvest</p> <p>PC Ch9: Back to the Game</p> <p>Stephen A Wayner, April 2007, Swap, Hold, or Fold?, <i>Accounting Today</i> pg. 12-15</p> <p>Kevin L Shepherd, Sep 2001, The top 10 "gotchas" in comprehensive contracts of sale (with forms), <i>The Practical Real Estate Lawyer</i> 17(5): 17-28</p> <p>Edwin Howe Jr., Summer 2001, Getting Ready to Sell a Property, <i>Real Estate Issues</i>, pp. 59-62.</p> <p>Robert W Wood, March 19, 2007, Structured Installment Sales as a Backup to §1031 Exchange, <i>Tax Management Memorandum</i> 48(6): 91-98.</p> <p>Alexis Aiken, J.D., Summer 2006, Evaluating Tenant-In-Common Interests in Real Estate, <i>Real Estate Issues</i> pp. 15-24</p> <p>Christine Tour-Sarkissian, Section 1031 Exchanges and Tenancy in Common Interests</p> <p>Various Authors, Hot Sellers, <i>Builder</i> (Various Issues) http://www.builderonline.com</p>

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10	10/25 1 st Half	Adaptive Reuse	<p>Christine Rombouts, May/June 2007, Something Old, Something New, <i>Multifamily Trends</i> pp. 34-45.</p> <p>Ryan Fennell, 2003, Better Downtown Living Through Adaptive Reuse?: An Assessment of Housing Conversion-driven Redevelopment in the Historic Core, Los Angeles, <i>Planning Forum</i> 9: 4-27</p> <p>Charles Bartsch and Barbara Wells, June 2003, Financing Strategies for Brownfield Cleanup and Redevelopment, <i>Northeast-Midwest Institute</i></p> <p>http://www.azdeq.gov/environ/waste/cleanup/brownfields.html, Arizona Brownfields Assistance</p>
10	10/25 2 nd Half	Final Exam	You may bring in 2 pages of formulas ONLY!!! This includes explanation of formulas.