University of North Carolina at Charlotte
MBAD 6159; MSRE 6159; GEOG 6103; ARCH 4068/5068; MUDD 6050
Real Estate Development-Fall Semester 2012
Monday 5:30-8:20 p.m. CCB #502

Instructor:
Dustin C. Read, PhD/JD
Office Hours: Mon. 3:00-5:00
Office: CCB #722
Office Phone: (704) 687-7571
Email: dcread@uncc.edu

Course Description:
This course offers an introduction to the real estate development process. Course material and case studies concentrate on the identification and evaluation of critical issues influencing the economic viability of commercial real estate projects. Topics covered by the course include: market and site feasibility, financial feasibility, planning, acquisition, construction, and operation of commercial real estate projects. Skills acquired over the course of the semester will be used to complete a hypothetical commercial real estate development project.

Course Objectives:
This course is designed to provide students with an understanding of the major elements of the real estate development process and how they can be integrated to create successful projects.

Course Material:
REQUIRED:

Course Structure:
Class sessions will include both lecture and case study presentations with substantial participation expected from the students. The reading assignments from the texts are designed to support the lecture material and should therefore be completed before attending class. Outside reading and materials from other sources may also be assigned periodically. Students are responsible for knowing 1) the material presented and discussed in class, and 2) the material in the assigned text chapters and outside readings.

Code of Conduct:
Regular attendance, promptness, and appropriate classroom decorum are expected. Excessive absenteeism, frequent tardiness, or disruptive classroom behavior may result in a substantial
grade reduction at the discretion of the Instructor. Excessive absenteeism is defined as more than two absences. Policies and procedures related to academic dishonesty can be found in your copy of UNCC’s Academic Integrity Code.

**Grading & Exams:**
Final grades will be based on a student’s performance on two exams, class participation, and a final project that can be completed individually or working in conjunction with another student. Deliverables for the final project will be discussed on the first day of class. Points for class participation will be awarded for completing homework projects and coming to class prepared to discuss material covered in both case studies and assigned readings.

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<tbody>
<tr>
<td>Exam 1</td>
<td>25%</td>
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<td>Exam 2</td>
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<td>Final Project</td>
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<td>Class Participation</td>
<td>20%</td>
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<td><strong>Total:</strong></td>
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**Weighted Total Points**

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<tr>
<th>Weighted Total Points</th>
<th>Grade</th>
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<tr>
<td>90-100</td>
<td>A</td>
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<td>80-89</td>
<td>B</td>
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<td>70-79</td>
<td>C</td>
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<td>Below 70</td>
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**Diversity:**
The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.
**Course Outline:**
The course outline is subject to change at the Instructor’s discretion, but the following represents the dates of anticipated readings, assignments, exams, and presentations.

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<tr>
<th>Class</th>
<th>Topic</th>
<th>Readings &amp; Assignments</th>
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| August 20\textsuperscript{th} | Introduction to the Real Estate Development Process | *Readings: MBEW Chapters 1-3*  
*Assignment:* Identify three sites in Mecklenburg County that you believe have the potential for future development. Based on a preliminary analysis of these sites, complete a one paragraph write-up for each explaining why it is appropriate for the specific type of development project you have been assigned. |
| August 27\textsuperscript{th} | Land Acquisition, Entitlements, and Due Diligence | *Readings: “A Primer on Real Estate Options” (Gosfield 2000).*  
*Assignment:* Identify the zoning category for each of the sites you have selected and determine if it will accommodate the development you have in mind. Summarize any use restrictions, setback requirements, height limitations, floor area ratios, open space requirements, parking requirements, and any other regulatory factors that may influence development. Assess the feasibility of rezoning the site in the future, if necessary, based on the public sector’s plans for the area and potential sources of political opposition. |
| September 3\textsuperscript{rd} | Labor Day-No Class                              |                                                                                       |
| September 10\textsuperscript{th} | Site Analysis and Horizontal Improvements        | *Readings: Additional readings TBD*                                                    |
| September 17\textsuperscript{th} | Real Estate Financial Analysis Fundamentals      | *Readings: MBEW Chapters 7-9; “Nine Abuses Common in Pro Forma Cash Flow Projects” (Martin, 1988); “Where the Overall Cap Rate Meets the Discount Rate” (Sevelka, 2004).*  
*Assignment:* Complete the assigned financial analysis case study and come prepared to discuss it in class. |
| September 24\textsuperscript{th} | Financial Analysis of Development Projects       | *Readings: MBEW Chapters 7-9*                                                        |
| October 1\textsuperscript{st} | Capital Market Research and Exam Review          | *Readings: MBEW Chapters 7-9*                                                        |
| October 8\textsuperscript{th} | Fall Recess-No Class                             | Assignment: Study for midterm exam.                                                    |
| October 15\textsuperscript{th} | Midterm Exam                                    |                                                                                       |
| October 22\textsuperscript{nd} | Market Research Fundamentals                    | *Readings: MBEW Chapters 10-12; Additional readings TBD*  
*Assignment:* Prepare a one page memo articulating |
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>October 29th</td>
<td>Sources of Market Research Data and Data Analysis Techniques</td>
<td>MBEW Chapters 16-18; Additional readings TBD.</td>
<td>Prepare a one page memo summarizing the current state of the submarket where your project is located, including an analysis of rental rates, occupancy rates, net absorption, new construction, and concessions. Using the research techniques presented in class, estimate future market conditions that are anticipated to influence the success of your proposed project as key market indicators change over time.</td>
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<td>November 5th</td>
<td>Working with Contractors and Designers</td>
<td>MBEW Chapters 19-20. Additional reading TBD.</td>
<td>Prepare a preliminary construction budget for your proposed development project and incorporate it into your financial model along with the information obtained throughout the market research process. Provide an initial assessment of your project’s financial viability based on the results.</td>
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<td>November 12th</td>
<td>Marketing, Leasing, and Management</td>
<td>MBEW Chapters 21-22. Additional readings TBD.</td>
<td>Prepare a one page memo outlining the steps you plan to take to market and lease your proposed project, including a discussion of preleasing activities, targeted tenants, and the retention of leasing and management professionals.</td>
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<td>November 19th</td>
<td>Sustainable Real Estate Development Principles and Practices</td>
<td>“The Importance of Greening Your Commercial Lease” (Oberle and Sloboda 2011); “The Value Proposition of Sustainability” (Tresslar 2011).</td>
<td>Prepare a one page memorandum describing any sustainable design features you plan to incorporate into your project and the economic benefits you anticipate receiving from doing so.</td>
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<td>November 26th</td>
<td>Public-Private Partnerships</td>
<td>MBEW Chapters 13-15; Additional readings TBD</td>
<td>Prepare for the Final Exam</td>
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<td>December 3rd</td>
<td>Final Exam</td>
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<td>December 10th</td>
<td>Final Presentations</td>
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