

UNIVERSITY of
HOUSTON

C. T. BAUER COLLEGE of BUSINESS

v.6 KR-JW October 21, 2016

Mastery of Real Estate Capstone
FINA 4397, Section: TBD
Course Days: Wednesday, 6:00 – 9:00 PM
Location: TBD

Instructors:

Keith Richards,

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General Info:

Course Description

As “Capstone” this course organizes the knowledge and skills learned in the core courses’ and refines it into practice based professional application. It also examines current industry dynamics and identifies leading edge innovations in the profession. The course utilizes case studies, project field trips, development of business plans, and team case study projects. This course is sponsored by the Stanford Alexander Center for Excellence in Real Estate and the student’s results are published in a Journal and presented at symposium attended by leaders of the Houston real estate community.

Course Credits and Prerequisites

Three Credit (3) Course

Pre-Requisites:

FINA 4380 Real Estate Finance and Investment

Course Objectives: Students will be able to:

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- Coherently and professionally communicate ideas
- Apply economic concepts of supply and demand to markets for real estate projects
- Construct a financial analysis for a project and apply the appropriate measures to determine its feasibility and returns
- Explain to real estate professionals the meaning and reasoning for the selected returns for a project

- Measure vulnerabilities of a project through analysis and evaluation using sensitivity measures
- Understand and explain how design principles impact real estate value
- Analyze a project and make recommendations based on the benefits and risks associated with the fundamental real estate
- Present project information clearly and professionally so real estate executives and lenders can make an informed decision about a project
- Create a real estate project “Package” to present to an underwriter to obtain financing

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- Work as a leader or part of a team as needed to evaluate a project Innovative Real Estate
 - Understand and describe the fundamentals of multifamily real estate, including project feasibility and development as well as industry structure and competitive market place.
 - Understand and describe the operating dynamics affecting the multifamily real estate environment.
 - Through research and interviews identify new and unique business practices and projects innovated by real estate professionals in Houston’s multifamily real estate industry.
 - Prepare professional caliber reports and presentations on research results for presentation in industry professional programs and symposiums.

Text:

Capstone

Miles, M.E., Berens, G.L., Eppli, M.J. and Weiss, M.A. (2007) Real Estate Development: Principles and Process, 4th Edition. Urban Land Institute: Washington, DC. ISBN-13: 978-0-87420-971-6

And

Dennis, J., Porter, D.R., and Lassar, T.J. (2008) Urban Design and the Bottom Line: Optimizing the Return on Perception. Urban Land Institute: Washington, DC. ISBN: 978-0-87420-996-9

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Reference materials to be distributed to students

Attendance and Participation:

The class is structured to include

- 1) In class instruction and discussion,
- 2) Case Studies and team presentations of solutions
- 3) Consultation with real estate professionals and
- 4) Individual and team efforts in the production of a professional report and presentation

This structure requires students to fully participate in each component of the class

Attendance and in-person class participation are mandatory. Active class participation will increase your learning experience and will benefit others including the professor. If you miss more than two in-person classes, no credit will be awarded for in-class attendance or participation.

You are expected to come to class prepared to participate. This means that you have completed the assigned readings before class, plan to contribute, and will share your ideas when appropriate. You will participate in team exercises and class presentations which will be evaluated against standards of the real estate profession.

Class Decorum:

- Recommended dress code – business casual
- Class engagement – Students are expected to be fully engaged in the class presentations. Excessive or habitual use of cell phones or other electronic devices is NOT acceptable.
- Lively and passionate participation is encouraged.
- Prompt return to class after breaks is expected.
- Beverages or small snacks may be permitted in class to the extent that it is not a distraction to the class, subject to building rules. But, eating dinner in class is NOT permitted.

Blackboard: The University of Houston’s Blackboard system will be an important communication link for students in this class. Announcements are posted and reflect schedule changes, articles and other resources needed to fully understand the topics discussed.

Students should use the “Discussions” to post any class material questions. This process allows the entire class community to benefit from these information exchanges, and will limit repetitive questioning from individual sources. I will also post articles on occasion and start discussions about them. Participation in these discussions is a part of your participation grade discussed above.

Discussion Posts:

Critical thinking and writing are an important part of any graduate program. Businesses want individuals who can think and write well. To enhance your skills, you are required to post one to two pages (double spaced with one inch margins and no less than a 12 point font) as assigned below. The forum posts are required and due no later than the date listed in the schedule. The forum post must be completed and posted no later than 11:59 PM on the due date. All posts must be originally written for credit as listed below toward the final grade. Credit is only provided if a post is:

- Clearly written (spelling, grammar, and organization count);
- Links the class topic, guest lecture topic, case study, readings from the text or other sources, and/or the class discussion;
- The post should be reflective. Please explain what you learned or found most beneficial from the class – be constructive.

All students are required to respond to **at least two response posts** from other classmates for each assignment to earn full credit. (Remember, it is a discussion.)

Please adhere to the guidelines. Late postings receive no credit – no exceptions.

Case Studies:

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Case Studies: Case studies are used to convey the course concepts and reinforce the principles. The cases will vary in their degree of complexity. Case assignments are graded as discussed below. As required, case assignments may be for a group or as an individual assignment. In order to receive full credit for the case assignments, please follow the directions for each case when assigned. All work must be originally produced for this course either by the group or individually.

Design Work: Design Work projects and presentations are a critical component to the course. It provides real-world experience commonly found in the market. This is the type of work employers demand. It will offer you the opportunity to deepen your understanding of subject, the business, and develop necessary skills for practice.

Pop-quizzes: Periodically, pop-quizzes are given in the beginning of class. Since class participation is required, quizzes cannot be made up. If you are absent from class, no credit will be given for the quiz.

Projects:

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Assignments & Assessments:

Papers and presentations are a critical component of this course. They provide a simulated, real-world experience commonly found in the job market. This is the type of work employer's demand. It will offer you the opportunity to deepen your understanding of the subject, the business, and develop skills necessary to be successful in your future career.

Individual Presentations and Papers

Each student will be required to give three individual presentations and papers that will jointly cover a specific topic. Each presentation should be 10 to 15 minutes in length and with an accompanying power point presentation. Each paper should be 2-3 pages in length and follow the style guide below. The topics covered will be:

1. Market Dynamics – Exploring the factors putting pressure (positive or negative) on the retail real estate industry. Each student will explore one dynamic factor and give their opinion as to how it will impact the market.

2. Market Analysis – A study of historic market performance and a forecast of what the future holds for the retail real estate market, given the dynamics studied above. Each student will give their own opinion, forecasting the future of retail real estate.
3. Case Study – Examination of a particular retail real estate project that takes an innovative approach to development in response to the market dynamics previously discussed. Each student will examine on project and give their opinion as to why the project should be considered as being innovative.

Classroom Discussion

A discussion will follow each round of individual presentations. The purpose of these discussions will be to drive the material presented in the group presentations and papers by coming to a consensus as to what should be included. Ex. Selecting the key market dynamics to focus on and selecting the projects to be awarded as being the innovation award winners.

Group Presentations and Papers

There will be three group presentations and papers in which students will collaborate in combining their individual work onto a highly informative and engaging presentation following the list of topics and requirements below:

1. Market Presentation (20-25 minutes) and paper (10-12 pages) – Students will jointly cover the market dynamics and market analysis previously covered individually, thus coming to a consensus on the findings and forecast that would provide a professional with timely and informative information on retail real estate.
2. Innovation presentation (15 – 20 minutes) and paper (5-6 pages) – Students will jointly present their recommended selection of projects to receive the Innovation Awards by delivering case studies on their selected projects.
3. Final Presentation to Panel (30 – 35 minutes) and paper (15 – 18 pages) – Students will deliver a final, high-level professional presentation and written report to a panel of select industry leaders, combining all of the students' findings into a concise, highly informative package that an industry leader could use in guiding the decision making of their firm.

Note that the Final Paper and Presentation will be delivered to an audience of industry professionals at a luncheon symposium near the end of the semester and participation in this symposium is both recommended and required.

Style Guide: Please prepare all writing assignment in a word processing program. Before posting to forums or other electronic mediums, prepare the draft with a word processing program (double spaced, 12 point font with one inch margins). All documents must comply with formatting in accordance with MLA or APA guidelines presented in the respective style guide. Feel free to use either style guide. It is good practice to stick to one guide through the semester.

When preparing financials, please use Microsoft Excel or another spreadsheet program. Spreadsheets can be inserted into word processing documents for submission. Also see <http://office.microsoft.com/en-us/word-help/link-or-embed-an-excel-worksheet-HA010120810.aspx> for additional assistance.

All submissions should be free of spelling and grammar errors, well organized, and easy to follow.

Grading:

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Grading:

The course assignments and participation points are as follows:

In-class Attendance and Participation	30 points (graded/credit)
Design Work and Presentations	10 points (graded/credit)
Case Studies	50 points (graded/credit)
I	15 points (graded/credit)
II	35 points (graded/credit)
Mid-Term Exam	10 points (graded/credit)
Total points	100 points

Assignment of Grades:

Grades in this course will be based upon the total number of points you earn during the semester. The following distribution for the assignment of grades is strictly enforced.

A	93-100	C+	77-79
A-	90-92	C	73-76
B+	87-89	C-	70-72
B	83-86	D	60-69
B-	80-82	F	0-59

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The course assignments and participation points are as follows:

- In-class attendance and discussion 10 points
 - Individual Presentations and papers
 - Market Dynamics 15 points
 - Market Analysis 15 points
 - Case Study 15 points
 - Group Presentations and papers
 - Market 15 points
 - Case Studies 15 points
 - Final 15 points
- Total 100 points**

The total points earned will translate into one of the following letter grades for the course:

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93 – 100 = A	77 – 79 = C+
90 – 92 = A-	73 – 76 = C
87 – 89 = B+	70 – 72 = C-
83 – 86 = B	60 – 69 = D
80 – 82 = B-	

Schedule

Schedule—case studies and quizzes will be announced during the course.

<u>Week</u>	<u>Topic</u>	<u>Discussion</u> (Lead by)	<u>Assignment Due</u> (Due before class)
Jan 17		First Day of Classes, Spring Semester	
1 Jan 18	Introduction	<ul style="list-style-type: none"> • Introduction (All Professors) • Guest Lecture on RE sub-market focus 	
2 Jan 25	Market Research	<ul style="list-style-type: none"> • Retail Market Research (Guest Speaker, TBD) • Research, writing & Presentation Standards (Richards) 	<ul style="list-style-type: none"> • Review 2015 & 2016 Journals • Book reading • Review reference materials and resources available to conduct academic research and preparing professional reports
3 Jan 31	Financial Markets & Structure	<ul style="list-style-type: none"> • Financial Markets & Structure (Brinsden) 	<ul style="list-style-type: none"> • Book Reading • Design Analysis
4 Feb 1	Financial Analysis	<ul style="list-style-type: none"> • Financial Analysis (Brinsden) 	<ul style="list-style-type: none"> • Book Reading • Design Analysis
5 Feb 8	Value by Design	<ul style="list-style-type: none"> • Value by Design (Howell) 	<ul style="list-style-type: none"> • Book Reading • Design Analysis
6 Feb 15	Market Dynamics Presentation	<ul style="list-style-type: none"> • Market Dynamics (Richards & Students) • Innovation Finalists Chosen (Richards & Students) 	<ul style="list-style-type: none"> • Individual Presentations & Papers
7 Feb 22	Market Analysis Presentation	<ul style="list-style-type: none"> • Market Analysis (Richards & Students) 	<ul style="list-style-type: none"> • Individual Presentations & Papers
8 March 1	Full Market Presentation	<ul style="list-style-type: none"> • Market Update Presentation (Richards & Students) • Innovation Interviews (Finalists) 	<ul style="list-style-type: none"> • Group Presentation & Paper
9 March 8	Innovation	<ul style="list-style-type: none"> • Innovation Case Studies (Richards & Students) 	<ul style="list-style-type: none"> • Individual Presentations & Papers
March 13-18		<ul style="list-style-type: none"> • Spring Holiday 	<ul style="list-style-type: none"> •
10 March 22	Innovation	<ul style="list-style-type: none"> • Full Innovation Presentation to Panel (Richards & Students) 	<ul style="list-style-type: none"> • Group Presentation & Paper (Final presentation and paper in place of Final Exam)
11 March 29	Capstone Case Studies	<ul style="list-style-type: none"> • Brinsden and Howell 	<ul style="list-style-type: none"> •
12 April 5	Capstone Case Studies	<ul style="list-style-type: none"> • Brinsden and Howell 	<ul style="list-style-type: none"> •
13 April 12	Capstone Case Studies	<ul style="list-style-type: none"> • Brinsden and Howell 	<ul style="list-style-type: none"> •
14 April 19	Capstone Case Studies	<ul style="list-style-type: none"> • Brinsden and Howell 	<ul style="list-style-type: none"> •
15 April 26	Capstone Case Studies	<ul style="list-style-type: none"> • Brinsden and Howell 	<ul style="list-style-type: none"> •

PeopleSoft: The University of Houston's PeopleSoft system will be an important communication link for this class. I endeavor to use this system to send class-wide and individual e-mails. Please be sure your e-mail address is updated.

Code of Conduct: A student admitted to the University of Houston accepts the responsibility to conform to all University of Houston rules and regulations. Proven failure to meet this obligation will justify appropriate disciplinary action including, but not limited to, expulsion, suspension, disciplinary probation, reprimand or warning. Although the University will make every reasonable effort to make the rules and regulations available, students are responsible for becoming familiar with them.

Academic Honesty: The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy, such as plagiarism or cheating, will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.

Students are expected to produce original work in the course. Previous course-work from other classes cannot be submitted for credit in this course for any class assignment or project. At the instructor's discretion, work will be submitted to Turn It In.

Accommodations for Students with Disabilities: The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.