

Real Estate Development & Finance

USP 323U-001 [CRN#13716]

College of Urban and Public Affairs

Portland State University

Adjunct Professor Andres Claux

Center for Real Estate

Dept. of Urban Studies & Planning

E-MAIL: aclaux@pdx.edu**COURSE SYLLABUS**

Fall Term 2023

Mondays & Wednesdays, 6:40 – 8:30 p.m.,

IN PERSON Only – Vanport Building Classroom #265

Description: The Real Estate Development and Finance course examines the creative and complex process of real estate development; what makes projects successful, and the role that developers have in constantly shaping our built environment in the interest of satisfying the needs of the community. The course will use a case study methodology to apply real-life examples of how ideas come to fruition, by overcoming different hurdles such as development economics, the regulatory environment, design, development, market forces, financial considerations, construction, and management of the project.

Students are expected to complete the readings for each class in advance and participate in the discussions through Canvas, these discussions will be graded. Guest lecturers from the development community may be invited for specific topics and students should be prepared to ask questions. Students will be asked to make regular oral presentations on the progress that they have made on their Urban Land Institute (ULI) case study.

Professor: Andres Claux has over 25 years of experience in different aspects of real estate development, including underwriting of deals, feasibility analysis, site selection, land development, architecture/engineering, construction, capital markets, investments, asset management, and portfolio management. His professional network expands to multiple US, Latin American, and European markets.

Among other responsibilities, Mr. Claux was formerly the Head of Real Estate Investments for an insurance company in Latin America, where he managed a portfolio worth \$300 million; he was the Director of Real Estate Asset Management in CrowdStreet, where he managed the life-cycle performance of 420+ deals in 40+ US states, a portfolio worth \$3 billion in assets under management (AUM), the portfolio included most asset classes and risk profiles; he was also the Operations and Development Manager of a real estate development firm, where he managed the company through the 2008 downturn. He is currently the Managing Partner of Blue Pacific Ventures, a firm that specializes in real estate consulting, and passive investments in real estate in the US (limited partner position); he is also an Asset Manager with National Equity Fund, an affordable housing tax credits syndication firm, where he oversees affordable housing projects in multiple states of the US.

Mr. Claux holds a Bachelor's Degree in Architecture from the University Ricardo Palma in Lima, Peru, and two Master's Degrees: an MBA from the Hochschule Esslingen in Germany, and a Master in Real Estate with a Concentration in Finance from Georgetown University.

Required Textbook:

- M.E. Miles, G. Berens, M.A. Weiss et. al., Real Estate Development: Principles and Process, 5th Edition, Urban Land Institute [2015].

Supplemental Materials:

- Emerging Trends in Real Estate United States and Canada 2022, Urban Land Institute;
- Development Case Studies published online by the Urban Land Institute;
- W. Brueggeman, J. Fisher, Real Estate Finance and Investments, 17th Edition, Mc Graw-Hill [2005; 2022];
- D. Geltner, N. Miller, et al., Commercial Real Estate Analysis and Investments, 3rd Edition, On Course Learning [2014];
- James A. LaGro Jr., Site Analysis – Informing Context-Sensitive and Sustainable Site Planning and Design, 3rd Edition, Wiley [2013].

Grading:

Readings / Quizzes / Canvas Participation / Smaller Assignments	35%
ULI Case Study	35%
Class Attendance and Participation	10%
Final Exam	20%

Grading Scale:

Students will be graded on a relative performance basis. I use the following scale:

A-Grade	A	94 to 100%	C-Grade	C+	78 to 79.9%
	A-	90 to 93.9%		C	72 to 77.9%
B-Grade	B+	88 to 89.9%		C-	70 to 71.9%
	B	82 to 87.9%	D-Grade	D+	68 to 69.9%
	B-	80 to 81.9%		D	62 to 67.9%
				D-	60 to 61.9%
			F-Grade	F	Below 60%

Rubric:

Readings / Quizzes / Canvas Participation / Smaller Assignments (35%): Reading material related to a discussion topic will be posted in Canvas or emailed to students one week before each class (when applicable); students should follow the instructions in the “Discussions” section in Canvas and participate in the corresponding comments threads. Students will be graded based on their summary/presentation of the topic, their participation in the discussion, and their written communication of the issues, analysis, and concepts of the topic at hand. There may also be a few short assignments and/or a few quizzes during the term, mostly about the application of concepts to real case scenarios. Attendance to class is mandatory and will be monitored and graded.

ULI Case Study (35%): Students will form teams of five people and work on the ULI Case Study. Through this experiential case study, students will develop a real-life understanding of the various stakeholders in the development process and the challenge of reconciling the stakeholders’ often-competing agendas to create a well-designed, sustainable, project. Here’s how:

- Student teams (five students per team) form “development firms” tasked with responding to a request for proposals for the development of a disinvested neighborhood in a fictional city. Each member of the team is assigned a role: financial analyst, marketing director, city liaison, neighborhood liaison, or site planner.
- Each team collaborates on the proposal, working through challenging financial, social, political, and design issues; developing a pro forma; and building real models to bring redevelopment vision to life.
- Students are visited twice by industry professionals who serve as “facilitators” to guide students in the critical assessment of their vision, site plans, and financials.
- The teams use their final site plan and pro forma to pitch to a “City Council” volunteer industry-professionals, and one team wins the contract!

Students will be individually graded based on the quality of their project, their analysis and argumentation, their recommendations, and their presentations.

Class Attendance and Participation (10%): Attendance to class and participation in class discussions are mandatory and will be monitored and graded.

Final exam (20%): Open book exam, will focus on the application of concepts learned during the lectures, presentations, and the material in Mile’s textbook.

Class Plan:

Week	Dates	Topics
Week 1	Sep. 27	<u>Lecture 1:</u> Introduction to Real Estate Development Urban Plan - ULI Case Study Outline
Week 2	Oct 2 (NO Class) Oct 4	<u>Lecture 1:</u> No Class Meeting <u>Lecture 2:</u> History of Real Estate Development in the U.S. Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded) Miles Textbook Chapters 1 to 6
Week 3	Oct 9 Oct 11	<u>ULI Case Study Session:</u> Introduction to UrbanPlan / Personal Priorities & City Goals – Lessons 1 and 2 <u>ULI Case Study Session:</u> Who Lives in a Community? Team Roles Deep Dive – Lessons 3 and 4. Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded)
Week 4	Oct 16 Oct 18	<u>Lecture 1:</u> Public Interest <u>Lecture 2:</u> Idea Inception Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded)

		Miles Textbook Chapters 7 to 9
Week 5	Oct 23 Oct 25	<u>ULI Case Study Session:</u> Financial Model – Lesson 5. <u>ULI Case Study Session:</u> Vision Statement & Build. – Lesson 6. Students complete their first UP scenario Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded)
Week 6	Oct 30 Nov 1	<u>Lecture 1:</u> Research and Analysis <u>Lecture 2:</u> Research and Analysis – Feasibility Study Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded) Miles Textbook Chapters 9, 12, 13, 18
Week 7	Nov 6 Nov 8	<u>ULI Case Study Session:</u> Rethink & Revise/Target Tenant List/EcoDistrict – Lessons 7 and 8. <u>ULI Case Study Session:</u> First Facilitation – Lesson 9 Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded)
Week 8	Nov 13 Nov 15	<u>Lecture 1:</u> Real Estate Finance Review the “Discussions” section in Canvas for reading material and discussion when applicable. (Graded) Miles Textbook Chapters 11, 12, 14, and 15 <u>ULI Case Study Session:</u> Second Facilitation – Lesson 12
Week 9	Nov 20 Nov 22 (NO Class)	<u>Lecture 1:</u> Contract Negotiation - Construction <u>ULI Case Study (over the week):</u> Revise & Finalize – Lesson 10, 11, 13 Prepare for City Council Presentation & Package – Lesson 13
Week 10	Nov 27 Nov 29	<u>ULI Case Study Session:</u> City Council 1 <u>Lecture 1:</u> City Council 2
Week 11	Dec 4	<u>Final Exam</u>

STUDENT RESOURCES AND POLICIES OVERVIEW

ATTENDANCE POLICY

You are expected to attend class regularly, and in person. Attendance will be monitored and graded. Veterans must comply with attendance standards set by the VA. Athletes must provide their list of class conflicts before their first absence.

ACADEMIC MISCONDUCT

Students are expected to be ethical not only in the classroom, but also out of the classroom. It is in all students' interest to avoid committing acts of academic dishonesty and to discourage others from committing such acts. Academic dishonesty includes, but is not limited to, the following examples: engages in any form of academic deceit; refers to materials or sources or uses devices not authorized by the instructor for use during any quiz or assignment; provides inappropriate aid to another person in connection with any quiz or assignment; engages in Plagiarism.

Any academic misconduct, including, but not limited to, plagiarism, cheating, fabrication, aiding and abetting academic misconduct, falsification of records and documents, communication with fellow students during examination and quizzes and/or using the work of another student will immediately result in a failing grade for the course. Furthermore, students are not allowed to discuss the content of any test, quiz, or homework with anyone. Additional sanctions by The School of Business may also be imposed if it deems necessary.

Plagiarism is the act of claiming someone's work as your own through copying it without giving the creator of the work credit. Plagiarism can also include using another person's theories, ideas, or phrases without proper attribution. The simplest way to avoid plagiarizing is to always cite the sources from which you gather information or develop arguments – just cite anything you use from someone else (it actually makes your work stronger!). Plagiarism is a serious issue and is a violation of the PSU Student Conduct of Code. University policy requires instructors to report all instances of plagiarism and penalize the perpetrator(s) according to guidelines set. Please use the resources provided by the [PSU library](#) if you have any questions on how to cite.

DIVERSITY & INCLUSION

PSU values diversity and inclusion; we are committed to fostering mutual respect and full participation for all students. My goal is to create a learning environment that is equitable, useable, inclusive, and welcoming. If any aspects of instruction or course design result in barriers to your inclusion or learning, please notify me. The Disability Resource Center (DRC) provides reasonable accommodations for students who encounter barriers in the learning environment.

ACCOMMODATIONS

If you have, or think you may have, a disability that may affect your work in this class and feel you need accommodations, contact the Disability Resource Center to schedule an appointment and initiate a conversation about reasonable accommodations. The DRC is located in 116 Smith Memorial Student Union, 503-725-4150, drc@pdx.edu, <https://www.pdx.edu/drc>.

- If you already have accommodations, please contact me to make sure that I have received a faculty notification letter and discuss your accommodations.
- Students who need accommodations for tests and quizzes are expected to schedule their tests to overlap with the time the class is taking the test.
- Please be aware that the accessible tables or chairs in the room should remain available for students who find that standard classroom seating is not useable.
- For information about emergency preparedness, please go to the Fire and Life Safety webpage (<https://www.pdx.edu/environmental-health-safety/fire-and-life-safety>) for information.

TITLE IX

Portland State is committed to providing an environment free of all forms of prohibited discrimination and sexual harassment (sexual assault, domestic and dating violence, and gender or sex-based harassment and stalking). If you have experienced any form of gender or sex-based discrimination or sexual harassment, know that help and support are available. PSU has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and on-housing accommodations, helping with legal protective orders, and more. Information about PSU's support services on campus, including confidential services and reporting options, can be found on PSU's Sexual Misconduct Prevention and Response website at: <http://www.pdx.edu/sexual-assault/get-help> or you may call a confidential IPV Advocate at 503-725-5672. You may report any incident of discrimination or discriminatory harassment, including sexual harassment, to either the Office of Equity and Compliance or the Office of the Dean of Student Life.

SEXUAL HARASSMENT:

As faculty, one of our responsibilities is to help create a safe learning environment for students and for the campus as a whole. Please be aware that faculty have the responsibility to report any instances of sexual harassment, sexual violence and/or other forms of prohibited discrimination. If you would rather share information about sexual harassment to a confidential employee who does not have this reporting responsibility, you can find a list of those individuals here: <https://www.pdx.edu/sexual-assault/get-help>.

EMERGENCY PREPAREDNESS:

For information about emergency preparedness, please go to the Fire and Life Safety webpage(<https://www.pdx.edu/environmental-health-safety/fire-and-life-safety>) for information.

STUDENT HEALTH AND COUNSELING (SHAC):

The Center for Student Health and Counseling (SHAC) is a community-based health care organization that provides high quality, accessible mental health, physical health, dental, and testing services targeted to the needs of the PSU student population. To make an appointment with SHAC, please call SHAC at 503.725.2800 or go directly to the clinic (1880 SW 6th Ave. UCB, Suite 200). Email address: askshac@pdx.edu

BASIC NEEDS AT PORTLAND STATE:

It can be challenging to do your best in class if you have trouble meeting basic needs like safe shelter, sleep, and nutrition. Resource centers across campus are here to provide assistance, referrals, and support. Please contact anyone on this list for assistance:

Basic Needs Hub: basicneedshub@pdx.edu

Portland State Food Pantry: psufp.com; pantry@pdx.edu

C.A.R.E. Team: askdos@pdx.edu; (503) 725-4422

OTHER STUDENT RESOURCES:

- The Writing Center: <https://www.pdx.edu/writing-center/>
- Center for Student Health and Counseling: <https://www.pdx.edu/shac/>
- Diversity and Multicultural Student Services: <https://www.pdx.edu/dmss/>
- Financial Wellness Center: <https://www.pdx.edu/student-financial/financial-wellness-center>
- For information on food assistance and other resources: <https://www.pdx.edu/student-access-center/>

Technology Requirements

If you have technical questions/problems related to using Canvas or obtaining an Odin account, contact the OIT Help Desk at help@pdx.edu or by calling (503) 725-4357.

Submitting Work Online: For assignments that require uploading files to Canvas, it is the student's responsibility to verify that (1) assignments are submitted in Canvas prior to the deadline and (2) all submitted files are those that the student intends to be graded for the assignment. Submitting the "wrong" file by accident is not acceptable grounds for a deadline extension. Assignment grades will be based on the file submitted prior to the posted deadline. Files submitted in a format that cannot be accessed by the instructor cannot be graded and will therefore receive a 0. Acceptable file formats are MS Office formats (e.g. Word, Excel, Powerpoint) or PDF files. Individual assignment instructions may contain a required file format.