

Course:	USP 323U Real Estate Development and Finance
Term:	Fall 2024
Credit Value:	4
Days:	Tuesdays and Thursdays
Times:	2:00-3:50pm
Location:	Urban Center 270
Instructor:	Matthew Gebhardt
Office Hours:	By Appointment (https://calendar.app.google/6y8c6dtgFz7wZjoU8)
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Course Description

This course introduces students to the key concepts, actors, processes and techniques of real estate development and finance. In it, we will explore the different phases of development including market analysis, site acquisition, economic modelling, financing, concept design, approval, construction, marketing, leasing, management and disposition as well as how these phases interact to create a successful or unsuccessful project. We will also consider the history of real estate development and its legacy, current trends in development and future directions, and the role of the public sector and public-private partnerships in development.

Learning Outcomes

A student who successfully completes this class will be:

- Able to understand the constitutive parts of real estate development including the process, actors, and phases;
- Conversant with the common terminology and concepts of real estate development;
- Familiar with the different sectors of the real estate industry (i.e. residential, retail, office and industrial);
- Familiar with a variety of development types and techniques (e.g. mixed use, infill, etc.);
- Capable of understanding approaches and tools of economic modelling and financial analysis;
- Able to clearly and concisely analyse and describe an existing real estate development.

Teaching Methods

This course is taught through two weekly seminars scheduled for Tuesdays and Thursdays 2-3:50pm. This course utilizes a lecture/discussion format, that includes lectures, readings, in-class/take-home exercises, and cooperative learning activities that are grouped around different real estate development and finance topics. The primary assignment for the course is a case study response/project proposal in partnership with Urban Land Institute's (ULI) UrbanPlan. It is not possible to do well in this course if you do not attend regularly and read/watch assigned material. As this course requires a group project, successful students will collaborate with fellow students outside of class and regularly engage their colleagues in small group study. Upper-division students are expected to be self-directed learners able to summarize and synthesize lectures, readings, media, and guest presentations – including generating questions and findings for discussion with colleagues.

Required Texts

Texts for this course will include textbook excerpts, articles, websites, and real estate documents. All texts will be available via the Canvas site for the course, organized by topic area and week.

Assessment

This class will be assessed through a combination of a written and verbal presentation of a case study of an existing Portland area development, a proforma analysis assignment, and a mid-term examination on basic concepts, terminology, and techniques. The below table summarizes the assessments:

Assessment	Weight	Due Date
Proforma Analysis	20%	Sunday, October 28 th by 11:59pm via D2L
Part 1 -		
Part 2 -		
UrbanPlan Case Study Presentation	20%	Monday, December 9, 10:15am-12:05pm
UrbanPlan Case Study Proposal	40%	Wednesday, December 5 th by 11:59pm via D2L

Proforma Analysis

Add compelling description of assignment (if proforma is part of proposal, switch to activities)

Urban Plan Case Study Proposal

Add compelling description of assignment

Schedule

Week	Readings	Tuesdays 2-3:50pm	Thursdays 2-3:50pm
1	Miles et al.: Chapters 1, 4-6	October 1 Introduction to the class Real estate development trends and current issues History of real estate development – part I	October 3 History of real estate development – part II <ul style="list-style-type: none"> • Growth and change in North American cities • Evolution of real estate development industry • Government policy and real estate development • Legacy of development patterns and uneven development
2	Miles et al.: Chapters 3, 9	October 8 Real estate development process <ul style="list-style-type: none"> • Overview of real estate development • Developers and development teams • Project initiation • Site acquisition 	October 10 Public sector regulation and entitlement <ul style="list-style-type: none"> • Private property rights, public sector regulation, and entitlement • Plans and planning regulations • Development approval process • Zoning and land use review
3	Miles et al.: Chapters 9-11	October 15 Programming and design <ul style="list-style-type: none"> • Regulation and design • Building codes • Proformas and economic analysis 	October 17 Real estate finance concepts I <ul style="list-style-type: none"> • Concepts and measures • Net Operating Income (NOI) • Collateral • Loan to value/cost • Debt coverage ratios • Return on equity • Internal rate of return
4	Miles et al.: Chapters 10-11	October 22 Real estate finance concepts II <ul style="list-style-type: none"> • Leveraging • Space and capital markets • Cap rates • Appraisals 	October 24 Loan applications and underwriting <ul style="list-style-type: none"> • Sources and types of financing • Sources of equity • Narrative and proforma • Underwriting criteria • Construction loans • Permanent loans
5	Miles et al.: Chapters 2, 7-8	October 29 Programming, design, and engineering <ul style="list-style-type: none"> • Design team • Schematic design • Design development • Construction documents • AIA contract documents 	October 31 Contracting and construction <ul style="list-style-type: none"> • Contracting • Construction team • Subcontractors • Shop drawings • Alternative construction delivery methods • Construction paperwork

Week	Readings	Tuesdays 2-3:50pm	Thursdays 2-3:50pm
6	Miles et al.: Chapters 12-13	November 5 Property, asset, and portfolio management <ul style="list-style-type: none"> • Marketing and leasing • Tenant improvements • Property management issues • Asset management • Portfolio management 	November 7 No class – Supplemental Videos
7	Miles et al.: Chapters 14-16	November 12 Introduction to Urban Plan Case Studies	November 14 Urban Plan Volunteers
8	Miles et al.: Chapter 17	November 19 Mixed-financing and partnerships <ul style="list-style-type: none"> • Partnership agreements • Partnership types and ownership structures • Incentives, grants, and tax credits and abatements • Affordable housing 	November 21 Urban Plan Volunteers
9	Miles et al.: Chapter 18	November 26 Emerging issues in sustainable development <ul style="list-style-type: none"> • Green buildings and sustainable site design • Building and community resilience • Smart buildings and cities 	November 28 Supported Teamwork
10		December 3 Wrap Up	December 5 Supported Teamwork
Finals Week		December 9 (10:15am-12:05pm) Student presentations	