

PLAN 765

The Development Process

Fall 2007 - Spring 2008

Emil E. Malizia

Dept. of City & Regional Planning

UNC-CH

I. Office Hours by appointment

II. Course Prerequisite: PLAN 760 or permission of the instructor

III. Meeting Times: Monday, Wednesday 11:00 a.m. to 12:15 p.m.

Note: Class meets once weekly over the entire academic year

27 classes on Wednesday; 3 classes on Monday

1.5 credit hours each semester

IV. Course Description & Objectives:

The purpose of this course is to provide rigorous understanding of the real estate development process from both the entrepreneurial and public perspectives. The primary objective is to provide the skill sets students will need to pursue successful careers in development.

Understanding the development process will enable students completing this course to work successfully with all participants in development, especially other professionals (construction managers, PEs, architects, landscape architects, lenders, city managers and planners, etc.). The emphasis is on risk management (market, political, construction, financial, and operational risk) and the inherent uncertainties that arise in development.

To implement these objectives will require examining the real estate development process comprehensively while covering key development topics in depth. These topics include real estate market research, government and community relations, financial analysis, capital budgeting, and site selection. Other topics will analyze the development process from the market, institutional, physical or financial perspective.

Skills developed in real estate market analysis, government and community relations, capital budgeting and financial analysis will be applied next semester in PLAN 823 (1) - the workshop in real estate development, design and preservation. Students are expected to already have a working knowledge of DCF analysis. Other required real estate development courses in addition to the core curriculum round out the skill sets needed to complete the workshop successfully. Market research and government/community relations are covered in the fall semester; capital budgeting is covered in the spring. Financial analysis is covered in both semesters. The additional course topics are listed in the class schedule below.

Risk management, creative problem solving, and attention to detail are the hallmarks of able developers. Real estate developers and other development professionals as guest lecturers will

illustrate these competencies.

V. Method of Instruction:

The course is presented in a lecture-discussion format. Students are expected to attend class consistently and be prepared to participate in discussion. Students may also be asked to summarize the main points covered in the previous class by the instructor or a guest speaker. Assigned readings and short exercises will be designed to help students master the material. Students may be asked to lead a seminar session. A final exam is scheduled in the fall semester. Final projects will be negotiated on an individual basis and due at the end of the spring semester.

VI. Reading Assignments:

Course readings will either directly support lectures or provide useful reference material. Readings in the first category will be posted on Blackboard or handed out in hard copy. Reference material is on reserve in the Planning Library. Most readings are available in pdf format on CDs. Handouts will be provided in class to supplement topics under discussion and provide additional background information on the development process. Students interested in special topics should consult with the instructor about locating relevant materials.

VII. Grading:

In the fall semester, the final exam will count for 65% of the grade. In the spring semester, final projects will count for 50% of the grade. Class attendance, timely completion of assignments, and participation will count for the rest.

VIII. Class Schedule:

The dates in the following schedule are firm. Topics may change to accommodate guest lectures.

Week	Date	Topic	Session Information
Fall			
1	Aug. 22	Introductions Four dimensions of RED Course overview	Graaskamp reading Ciochetti, Malizia chapter
2	Aug. 29	The development process I Financial analysis: Back-of- the-envelope techniques	ULI property types JPV article on development ideas
3	Sept. 5	The development process II	
4	Sept. 12	Real Estate Market Analysis (REMA) I	PLAN 823 applications
5	Sept. 19	REMA II	Industrial appraisals
6	Sept. 24 Monday	Government relations I	PLAN 823 applications
6	Sept. 26	Government relations II	
7	Oct. 3	Financial analysis: Cost- driven/Market-driven analysis	
8	Oct. 10	No Class	Due: CD/MD case study

9	Oct. 15 Monday	REMA III	
10	Oct. 24	REMA IV	
11	Oct. 31	Architecture & design considerations	Guest lecture
12	Nov. 7	Development project & Site planning	Bolin Center case study
13	Nov. 14	Construction process	Guest lecture
14	Nov. 21	No Class	Enjoy the turkey
15	Nov. 28	Environmental considerations	Guest lecture
16	Dec. 5	Course review & preview	Feedback from the class
	Dec. 8 Sat. @Noon	Final Exam	
Spring			
1	Jan. 9	Green construction	Guest lecture
2	Jan. 16	Capital budgeting I	
3	Jan. 23	Capital budgeting II	
4	Jan. 30	Site selection Site control	
5	Feb. 6	Revenue-expense analysis	
6	Feb. 13	Leases	Terminology & case study
7	Feb. 20	Financial analysis: DCF analysis	Case studies
8	Feb. 27	Deal structuring	
9	March 5	Open	
	March 12	No Class	Spring Break
10	March 19	Economic location	Review PLAN 714 notes
11	March 26	Public-sector financing tools: HPTC, NMTC	
12	April 2	Real estate redevelopment	Guest lecture
13	April 9	Real estate development	Guest lecture
14	April 16	No class	
15	April 21 Monday	Course review & debrief	Feedback from the class
15	April 23	PL 823 redevelopment projects: Team summaries	
	May 7		Due: Final projects