



REAL*4830 Real Estate Development Project
Winter 2020
1.0 Credits

General Course Information

Instructor:	Rogier Holtermans
<i>Email</i>	rholter@uoguelph.ca
<i>Office Location</i>	MINS209
<i>Office Hours</i>	By appointment only
<i>Department/School</i>	Marketing and Consumer Studies
Class Schedule:	Tuesdays, 11:30 A.M. – 2:20 P.M., MCKN 232 Tuesdays and Thursdays, 4:00 P.M. – 5:20 P.M., ROZH 105
Pre-requisites:	15.00 credits including REAL*3810, REAL*4820
Restrictions:	MCS*3820, MCS*4810. This is a Priority Access Course. Some restrictions may apply during some time periods. Please contact the department for more information.

Course Description

This is a capstone course covering the real estate development process and bringing together concepts from all other Real Estate and Housing courses. It deals with the development, redevelopment and renewal of real estate and housing services. Students will complete a phased project that considers all aspects of development feasibility including market analysis, physical constraints, financial viability and government regulation.

Course Learning Outcomes

Upon successfully completing this course, you will:

1. Be able to integrate and apply the content learned in the real estate courses within the REH program.
2. Have developed an understanding of the context (financial, market, and governmental) within which real estate development and redevelopment decisions take place.
3. Be able to identify the commercial, residential, and governmental players in real estate development and their roles and interrelations.
4. Have developed an understanding of what is expected of a developer, emphasizing professionalism, creative thinking, and problem solving.
5. Have strengthened your professional communication skills, including business writing and idea pitching.

Summary of Course Content and Materials

The course represents two full classes: Real Estate Development and Project. Early in the semester, the course deals with the development, redevelopment, and renewal of real estate services, from the project idea to the property management stage. Aspects considered include site selection, design, market analysis, financial feasibility, construction, project management, and marketing. Developments are evaluated from economic, social, political, and environmental perspectives. During the latter part of the course, the students will complete a project that addresses an issue in the real estate sector, applying the sum of their knowledge garnered during their undergraduate studies in real estate and business.

The course will use a combination of lectures, site tours, guest lectures, and student group projects and presentations. To get full benefit from the course it is important that you read the assigned material, attend class, and participate fully in the discussions and assignments. The structure of this course requires significant individual study and preparation outside of class, and creative problem solving. Therefore, **thorough and consistent preparation and participation are necessary to succeed in this class.** The course has a **double weighting and you should be spending twice as much time on this course as the others you are taking.**

Week	Date	Class Material	Assigned	Assignment Due
1	1/7 & 1/9	Syllabus Review; RED Intro; Development Process; The Idea	Cricket Road Case	Form Teams
2	1/14 & 1/16	Market Analysis; Data Sources	H&BU HW	Team Contract (1/14)
3	1/21 & 1/23	Cricket Road Review; Leasing; Legally and Physically Feasible	Emerging Trends HW; Bayside Case; Zoning HW	Cricket Road Case (11:30 A.M. 1/21); H&BU HW (4:00 P.M. 1/23)
4	1/28 & 1/30	Financially Feasible	FDBD HW	Emerging Trends HW (11:30 A.M. 1/28); Zoning HW (4:00 P.M. 1/30)
5	2/4 & 2/6	Financing		FDBD HW (4:00 P.M. 2/6)
6	2/11 & 2/13	Financing; Bayside Review	Millegan Creek Case	Bayside Case (4:00 P.M. 2/13)
Reading Week: 2/18 And 2/20 (No Classes)				
7	2/25 & 2/27	Underwriting; Millegan Creek Review		Proposal due (11:59 P.M. 2/25); Millegan Creek Case (4:00 P.M. 2/27)
8	3/3 & 3/5	Group Meetings: Review Phase I		Phase I (11:59 P.M. 3/5)
9	3/10 & 3/12	Site Tour (tentative)		
10	3/17 & 3/19	Group Meetings: Review Spreadsheets		Spreadsheets (11:59 P.M. 3/17)
11	3/24 & 3/26	Group Meetings: Discuss Phase II issues		
12	3/31 & 4/2	Presentations 3/31 (and 4/2 If needed)		Phase II, Peer Evaluations, and final spreadsheets in Dropbox (4:00 P.M. 4/3)

Note: The schedule of learning activities may require modification from time to time. Any changes will be announced in class and/or on CourseLink.

Cases and Homework

There are four Homework assignments and three Cases during the first part of this course. All assignments are to be completed within your group. Specific instructions for each Case and Homework are available on CourseLink. All completed work must be submitted through the Dropbox on CourseLink, and each assignment is due at the beginning of class on its respective due date.

These assignments provide practice opportunities for the tools needed to complete the Project. While group work often leads to “specialization” of group members – some focusing on market analysis and others on financial analysis – it is suggested that the group members take turns with the different types of analysis in the assignments (i.e. – the person that completes the financial analysis on the Project should not be the person that completes all the financial analysis on the Homework). Financial skills are needed by everyone working in (most) real estate positions. Do not miss this opportunity to develop your marketable skills with these assignments. Furthermore, the Peer Evaluation requires each person to identify how much of the financial analysis each group member completed.

Project

This is a major research project designed to integrate material from upper year real estate courses in a cohesive manner. It is expected that you will include both library research and field research in the completion of this project. The project will take the form of your group convincing an investor to develop a property as you propose. Each group will develop their own concept of how to best (re)develop the site and propose their concept through an in-class presentation and a written document. Details about the subject property will be released on a to-be-determined date around the beginning of February.

URECC: The project will dovetail with the Undergraduate Real Estate Case Competition, sponsored by the RESA. Based on the work completed in the Proposal, Phase I report, and the Spreadsheet Analysis, the top team will be identified. This team will represent the University of Guelph at the 2020 URECC in Toronto on March 20. Participation in the competition for the URECC spots is optional, and your group will need to identify their interest in pursuing this early in the semester.

Groups: You will work in groups of 4-5 on this project, and on all assignments in this course. You have the right to fire a group member, based on a unanimous vote (see Method and Timing of Evaluation). You are responsible for managing the relationships in your group. Each person will complete a thorough peer review of their group members at the end of the semester. Your team must create a group contract early in the semester to highlight expectations of group members. Firing of a group member must be based on breaking the team rules laid out in the contract.

Proposal: The Proposal document should state what you anticipate building on the site (at least in terms of property type – condo, office, etc.), the current zoning, zoning changes required, what is allowed to be built given current or proposed zoning (size of building or number of units or both), number of parking spaces required and a full property description with maps. You should include an extensive bibliography of material you plan to read for the project as well as a list of contacts you expect to interview/contact for information.

Phase I: The Phase I Report will analyze the market potential for your proposed product in that market and on that site (and would include a revised project initiation document at the beginning). Your conclusion from Phase I will include how strong the market is for your product, how fast you

can sell/rent your product, and at what price – i.e. we think we can sell 50 units over a 12 month period at a price of \$250,000 per unit.

Spreadsheet Analysis: Between Phase I and Phase II you will develop a Spreadsheet Analysis to examine the financial feasibility of your development. This will include all financial projections regarding cost to construction, leasing and sale of units, and operation and/or reversion of the property.

Presentation: You will present your Project as an in-class 10 to 12-minute Presentation. The Presentation is directed toward the investor, and should sell them on why the company should pursue your proposed development. To successfully accomplish this, you will need to address the market, expected return and the related risk, and how the project fits into the developer's profile.

Phase II: This final, self-contained document will include financial feasibility of the development, financing options and an overall conclusion as to the feasibility of the development, as well as revised a Proposal and Phase I report. The Phase II report, due near the end of the semester, will include a revised version of the Proposal, Phase I, and Spreadsheet Analysis, as well as additional research sections.

Group Meetings: Groups will be graded on the content and quality of the group meetings with the professor (in Participation). Each group is expected to come prepared with information on the work that has been completed since the previous meeting, questions they have, and other related topics they wish to discuss. If you elect to pursue URECC, the amount of feedback and guidance you receive from the professor will be highly limited. If a group elects to not pursue URECC, or once a group has been eliminated from the competition, feedback from the professor will be available. Feedback from the professor on all aspects of the project will be made available as soon as a group is eliminated from the competition (or after the competition, for any URECC teams), at the latest one week prior to the Phase II deadline.

You are strongly encouraged to work throughout the semester on the Project (particularly in weeks where no class is scheduled) and to discuss any problems you are having with the professor well before the end of the semester. Part of your grade for the Phase I and II reports will be based on the quality of these team discussions with the professor. Do not wait to start compiling information and analysis for a section until just before that section is due – successful projects usually show students working ahead (collecting construction data during the Phase I writeup, etc.).

Submission Requirements: The Proposal should be as long as needed, but no less than two pages, double spaced, with regular margins. The Phase I report is expected to be between 15 and 25 pages, double spaced, with regular margins; the Phase II report should be between 25 and 35 pages (including the revised Phase I report). All page lengths are based on text only, excluding visuals. You may have some large tables and other data in appendices but generally maps, etc. should be embedded in the body of the report, labelled, sourced and referenced in the related text.

Strong reports share a few key characteristics:

1. They are well written and well edited.
2. They employ visuals in an extensive and effective manner that helps add clarity to a story and makes the proposed development see more realistic.
3. They are analytical and creative, effectively evaluating the data collected and finding a unique and effective development answer to the local market scenario. They tell a story in a cohesive and logical manner.
4. All sources of information are attributed and all tables and charts are carefully labelled.

The following table shows the components for each stage of the project. Do not include components that are not checked in earlier phases of the report (e.g. the cover letter should only be included with the final report).

Report component (in order of final table of contents)	Proposal	Phase I	Phase II
<i>Cover letter to property owner:</i> (NOT to me; write your report to this property owner – include your conclusions about the proposed development).			✓
<i>Executive summary:</i> 1-2 pages describing the property, proposed development, market situation and conclusions, financial feasibility, recommendation; should be sufficiently detailed for your client to get a full picture of the proposed development and should be a summary of your conclusions (NOT what you did).			✓
<i>Table of Contents</i>			✓
<i>Introduction:</i> Brief description of proposed development, Property description, maps, pictures, site constraints.	✓	✓	✓
<i>Zoning:</i> Current, proposed and likelihood of changes; what is allowed to be built (size, number of units, height etc.) given current or proposed zoning. Number of parking spaces required.	✓	✓	✓
<i>Economic analysis summary:</i> What is the economic outlook in general for the region and for the site's neighborhood and market?		✓	✓
<i>Market Analysis:</i> Demand and supply for the proposed use in the locale in general and specifically for your site.		✓	✓
<i>Conclusion about Market:</i> How fast can units be sold or leased, and at what price/rent.		✓	✓
<i>Proposed Development:</i> Size of building, design features, layout, expected cost; Google Sketch-up or other drawing of building.			✓
<i>Financial Feasibility:</i> Projected cashflows including all inflows and outflows for the development and stabilization or sales period, return analysis.			✓
<i>Sensitivity Analysis:</i> Examinations of other possible scenarios and how the proposed project would fare.			✓
<i>Conclusion:</i> Suggested land purchase price, with respect given to return and the investor's profile.			✓
<i>Bibliography:</i> Will get longer as report progresses.	✓	✓	✓

Course Assessment

All assignments are due in Dropbox on CourseLink. Work is not accepted after it has been discussed in class. I will evaluate the last submitted version of each assignment, so make sure to coordinate submission with your team. Performance will be evaluated based on the following:

	Weight	Description	Associated Learning Outcomes	Due Date
<i>Assessment 1:</i>	required	Group Contract	NA	<i>January 14</i>
<i>Assessment 2:</i>	10%	Homework	LO 1-3	<i>Ongoing</i>
<i>Assessment 3:</i>	10%	503 Cricket Road Case	LO 1-5	<i>January 21</i>

(continued on next page)

(continued from previous page)

	Weight	Description	Associated Learning Outcomes	Due Date
<i>Assessment 4:</i>	10%	Bayside Case	LO 1-5	<i>February 13</i>
<i>Assessment 5:</i>	10%	Millegan Creek Case	LO 1-5	<i>February 27</i>
<i>Assessment 6:</i>	5%	Peer Evaluation/Participation	NA	April 3
<i>Assessment 7:</i>	5%	Project: Proposal	LO 4	February 25
<i>Assessment 8:</i>	15%	Project: Phase I	LO 1-5	March 5
<i>Assessment 9:</i>	5%	Project: Spreadsheet Analysis	LO 1-5	March 17
<i>Assessment 10:</i>	10%	Project: Presentation	LO 5	March 31
<i>Assessment 11:</i>	20%	Project: Phase II	LO 1-5	April 3
Total	100%			

Groups

This course's workload is substantially group based, similar to the working world. You will form a group of 4 or 5 people in the first week of class, and these will be your teammates for all group graded assignments the entire term. If you have not selected your group after the first week, I will form groups for you.

Team members are all expected to carry their weight throughout the term. A team may fire a member, but the decision must be unanimous within the team (excluding the person in question); you must present your case to me for firing before you do this. If you elect to fire a team member, you will not have that person replaced (unless you elect to add a different, fired team member). If YOU have been fired, you will need to find another team to hire you, or you will have to complete all of the work alone. **Put your group number on ALL submissions.**

Cases and Homework

Three Cases and four Homework assignments will be completed in your groups over the first part of the course. Thoughtfulness, accuracy, and writing quality will be considered in each assignment's evaluation.

Project

Guidelines for the term project are included in this outline. Please read these carefully before writing your report. You will want to start organizing the project early in the term.

Teaching and Learning Practices

This course is split into two parts, representing the content of the (2) 0.5-credit courses merged to form this 1.0-credit course (Real Estate Development, Capstone Project). The merging of the courses serves to ensure alignment of the content of the courses, and in no way indicates a decrease in the total workload.

The first portion of the course focuses on development and redevelopment concepts and approaches, and includes guest speakers and site visits. The latter part of the semester is dedicated to private group meetings with the professor in his office to advance Project work. The last portion of class is dedicated to student presentations. Students are expected to attend presentations, allowing everyone exposure to real life applications of development content.

Course Resources

This course uses a variety of materials and resources, including three Harvard Business Cases, to be purchased online. One of your primary resources will be the course website (<http://courselink.uoguelph.ca>). All announcements, required and recommended readings, assignments and updates will be posted here. Check this site often.

Harvard Business Cases – available for purchase online (<https://hbsp.harvard.edu/home/>):

1. [503 Cricket Road](#)
2. [Bayside](#)
3. [Millegan Creek Apartments](#)

Recommended text (available in the library):

1. [Real Estate Development: Principles and Process](#), Miles, M.E., Netherton, L.M., and Schmitz, A., Urban Land Institute.
2. [Real Estate Development and Investment: A Comprehensive Approach](#), Peca, S.P., Wiley.
3. [Professional Real Estate Development: The ULI Guide to the Business](#), Peiser, R. and Hamilton, D.; Urban Land Institute.

Course Policies

Grading Policies

Unless you have discussed an extension well ahead of the due date with the instructor, late penalties of 5% of the total grade earned per day (including weekends) will be assigned to any assessment (i.e. deducted from the total mark). Extensions will only be granted on the basis of valid medical or personal reasons, and need to be requested via email to the instructor as soon as possible. Late assignments will not be accepted once graded assignments have been returned officially to the class at large, unless circumstances permit and alternative arrangements have been made.

Students who find themselves unable to meet course requirements by the deadlines or the criteria expected because of medical or personal reasons, should review the regulations on academic consideration in the Academic Calendar and discuss their situation with the instructor, program counselor or other academic counselor as appropriate.

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml>

Missed Assignments:

A grade of zero will be assigned if you fail to submit an assignment, unless you are ill or have other compassionate reasons. Please read your Undergraduate Calendar for the regulations regarding illness and compassionate grounds. Please note, vacation travel, moving house, or outside work commitments will not be accepted as valid reasons for missing deadlines.

If you have religious observances which conflict with the course schedule or if you are registered with Student Accessibility Services, please contact the course instructor in order to make arrangements for your assessment if appropriate.

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for Academic Consideration:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-ac.shtml>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-amisconduct.shtml>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact Student Accessibility Services as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email sas@uoguelph.ca or see the website: <https://wellness.uoguelph.ca/accessibility/>

Course Evaluation Information

Please refer to the [Course and Instructor Evaluation Website](#)

Recording of Materials

Presentations which are made in relation to course work—including lectures—cannot be recorded or copied without the permission of the presenter, whether the instructor, a classmate or guest

lecturer. Material recorded with permission is restricted to use for that course unless further permission is granted.

Drop date

The last date to drop one-semester courses, without academic penalty, is April 3, 2020. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-drop.shtml>

Date Submitted to Chair:	
Chair Signature (Approval):	
Date Approved by Chair:	