

BAUL500: Real Estate Markets
Program: Full-time MBA
Course Outline

Instructor Biography – Michael Mortensen, MA MCIP/RPP

Michael is an urban planning and development expert with a 20+ year career in the private sector and in public service. He has worked on complex mixed-use developments in Vancouver and Toronto, and in London and Edinburgh in the UK and he is currently the director of Liveable City Planning Ltd. based in Vancouver BC.

Course Outline - (updated Jan 20, 2019)

COURSE GOALS

Students will use real world land economics and local case studies to learn standard financial analysis techniques for real estate investment and provide economic intuition for key drivers of profitability throughout the real estate investment process. Students will explore viability from site acquisition through urban planning and entitlements, marketing, construction, property management and disposition.

LEARNING OBJECTIVES

By the end of the course, students will be able to:

- Transform information and assumptions about a real estate investment into a *pro forma* investment package.
- Recognize the impact of outcomes throughout the real estate development process on investment profitability
- Discuss the merits and flaws of different project ideas at a professional level
- Defend a proposed real estate development project

ASSESSMENT SUMMARY

<i>Regular problem sets</i>	20%
<i>Final Exam</i>	35%
<i>Group Project</i>	35 %
<i>Class Participation</i>	10%

BAUL500: Real Estate Markets
Program: Full-time MBA
Course Outline

COURSE INFORMATION

Division: SBE

Instructor: Michael Mortensen

Email: michael.mortensen@sauder.ubc.ca

Phone: (778) 899-7943

Office hours: after class

Section number: 001

Course duration: March 4 – April 4

Pre-requisites: None

Course website: canvas.ubc.ca

Term/period: 4

Teaching Assistant:

Email:

Phone:

Office hours:

Class meeting times: Mon/Wed 08:00-10:00

Classroom location: HA133

Tutorials / labs:

BRIEF COURSE DESCRIPTION

This course will start with standard *pro forma* financial analysis of real estate investment projects. We will then discuss the underlying economics of each phase of the investment process: site acquisition, government entitlements, leasing, architecture and engineering, financing, construction, asset management, and disposition. There will likely be at least one guest lecture by a local developer.

COURSE MATERIALS & REQUIREMENTS

Reading Materials:

Brueggeman Fisher “Real Estate Finance and Investment” I will work with the 14th Edition. 15th Edition fine, too. “BF”

Real Estate Finance in a Canadian Context (Connect) “REFCC”

Other Learning Resources: Readings posted to Canvas,

Technology Requirements: Laptops closed by default except during learning exercises.

Activity Fees: None

BAUL500: Real Estate Markets
Program: Full-time MBA
Course Outline

ASSESSMENT

Homework will be graded with heavy weight on completion. The purpose of these regular assignments is to ensure that you are engaging with economic and financial concepts. Course projects should convince an investment committee interested in a debt position in your project that your proposal is feasible and likely to be profitable. The final exam will look very much like homework assignments.

Assessment activities

Problem sets due before each class, starting with the second

Class Project: identify a real estate parcel that can be profitably redeveloped. Provide an investment package with a *pro forma* analysis and project description. Discuss conformity with existing land use regulations; if non-conforming, why do you think you can obtain approvals? Who will be the tenants or purchaser? Provide a sketch of the project, including site and floor plans. Provide rationalization for all financial assumptions. Presented in class last day of class. Grades will be determined mostly by the quality of your presentation, but please send an excel spreadsheet and pdf project description (fine if all embedded in your presentation slides).

Final Exam: During exam week

BAUL500: Real Estate Markets
Program: Full-time MBA
Course Outline

SCHEDULE

TENTATIVE AND SUBJECT TO CHANGE. Key readings will be BF Chapters 9,10,11 and 14.

Current articles on local development issues will also form part of the reading.

CLASS	TOPICS	ACTIVITIES / READINGS
Mar 4	Pro Forma 1	BF Chapter 9
Mar 6	Pro Forma 2	BF Chapter 10
Mar 11	Pro Forma 3	BF Chapter 11
Mar 13	Zoning + CAC's + Urban Economics	TBA
Mar 18	Property Law	REFCC 4
Mar 20	Leasing and Asset Disposition	BF Chapter 14
Mar 25	Marketing	TBA
Mar 27	Site acquisition and redevelopment, Construction	TBA
Apr 1	Risk	TBA
Apr 3	Presentations	N/A
April 8 – 12	Exam Week: No classes	N/A

TEACHING & LEARNING ACTIVITIES

You will develop skills by performing financial analysis of projects, and exploring how different assumptions about outcomes in different phases of the investment process affect value. You will also learn some fundamentals of urban and housing economics and the management and mitigation of risk.

BAUL500: Real Estate Markets
Program: Full-time MBA
Course Outline

COURSE AND INSTITUTIONAL POLICIES

Attendance: Per RHL policy on Professionalism, Attendance and Behaviour, students are expected to attend 100% of their scheduled classes. Students missing more than 20% of scheduled classes for reasons other than illness will be withdrawn from the course. Withdrawals, depending on timing, could result in a “W” or an “F” standing on a student’s transcript. Students must notify their instructors at the earliest opportunity if they are expected to miss a class due to illness. A medical note from a licensed, local doctor is required if more than 20% of scheduled classes for a course are missed due to illness. Students are required to notify the Student Experience Manager if they are absent from two or more classes due to illness.

Tardiness: As per RHL policy on Professionalism, Attendance and Behaviour, students are expected to arrive for classes and activities on time and fully prepared. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving halfway through a scheduled class, or later, will be treated as absent for that class.

Electronic Devices: As per RHL policy on Professionalism, Attendance and Behaviour, laptops and other electronic devices (cellphones, tablets, personal technology, etc.) are not permitted in class unless required by the instructor for specific in-class activities or exercises. Cellphones and other personal electronic devices must be turned off during class and placed away from the desktop. Students who fail to abide by the RHL “lids down” policy will be asked to leave the room for the remainder of the class. Research has shown that multi-tasking on laptops in class has negative implications for the learning environment, including reducing student academic performance and the performance of those sitting around them.

ACADEMIC INTEGRITY

All UBC students are expected to behave as honest and responsible members of an academic community. Failure to follow appropriate policies, principles, rules and guidelines with respect to academic honesty at UBC may result in disciplinary action.

It is the student’s responsibility to review and uphold applicable standards of academic honesty. Instances of academic misconduct, such as cheating, plagiarism, resubmitting the same assignment, impersonating a candidate, or falsifying documents, will be strongly dealt with according to UBC’s procedures for Academic Misconduct. In addition to UBC’s Academic Misconduct procedures, students are responsible for reviewing and abiding by RHL’s policy on Academic Integrity.

LATE ASSIGNMENTS

Late submissions will not be accepted and will receive a zero.

OTHER INFORMATION