Course Description
This course introduces students to the key concepts, actors, processes and techniques of real estate development. 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. Case studies are used throughout the course to provide concrete examples of the topics discussed. Guest speakers from the local real estate community have also been invited to join the class most weeks to share their insights and experiences.

Learning Outcomes
A student who successfully completes this class will be:

- Able to understand the elements 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);
- Capable of interpreting and applying approaches and tools of economic modelling and financial analysis;
- Familiar with a variety of development types and techniques (e.g. mixed use, infill, etc.);
- 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 between 4.40pm and 6.30pm. Most sessions will be divided into two sections. The first will be used to bring in guest speakers from the real estate industry to share case studies of development projects with which they have been involved as well as their insights on elements of the development process. The second will involve a debriefing on and discussion of the concepts shared by the guest speakers. Attendance at every session is expected unless prior arrangements have been made with the instructor. Students should read all required readings and come to class prepared to discuss that week’s topics with the instructor and to ask questions of the guest speakers.

Required Texts
There is one required textbook for this course. This text can be purchased from the PSU Bookstore, directly from the Urban Land Institute (ULI) online bookstore, or from an alternate online vendor (e.g., Amazon). Students should have the book by Week 2. Additional readings, videos, and case study materials are available through D2L and/or the PSU Library website. Direct links have been set up on the D2L page for this course.

Assessment

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

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<tr>
<th>Assessment</th>
<th>Weight</th>
<th>Due Date</th>
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| Case Study – Written Report         | 50%    | Friday, March 22 at 11:59pm via D2L (Report)  
Saturday, March 23 at 11:59pm via D2L (Critique)  
Saturday, March 23 at 11:59pm via D2L (Feedback) |
| Case Study – Verbal Report          | 20%    | Tuesday, March 12 in Class  
Thursday, March 14 in Class  
Tuesday, March 19 during Finals |
| Pro Forma Building Assignment       | 20%    | Sunday, February 24th at 11:59pm via D2L |
| Terms and Concepts Quizzes (2)      | 10%    | Quiz 1 – Sunday, February 10th at 11:59pm via D2L  
Quiz 2 – Sunday, March 10th at 11:59pm via D2L |

Case Study. Students will complete a case study of a significant development project from the Portland metropolitan area. This case study is designed to provide students with an opportunity to consider the points made in readings and lectures against a specific reference, to stimulate discussion of alternative approaches to the resolution of specific development problems, and refine the ability to evaluate and concisely describe development issues. Working in teams of no more than three, students will select a real estate development to study from the list of Portland area developments at the end of this syllabus. Through Internet research, public document review, site visits, interviews with key actors, and supplemental research, students will develop a case study that will describe the development and how the different actors and phases of the development process are integrated.

Each group of students will submit a properly referenced report of up to 7,500 words complete with any necessary tables, charts, maps, or other graphics detailing the findings of the case study and will present this report to the class in a presentation of no more than 25 minutes (including question and answer). Reports are due after the last set of presentations at 11:59pm on March 22 via D2L. Presentations will be held in Week 10 and during the Finals Week session – Tuesday, March 12 and Thursday, March 14 in class and Tuesday, March 19 (exam time slot is 5:30-7:20; if all students are available, we will meet in regular 4:40-6:30 time slot).

Students will only need to submit a digital version (PDF) of the report via D2L. Students will also individually complete a critique of the project (using the team report as evidence) and a brief reflection on the team and the process, including clearly indicating the components of the report for which they were responsible.

As a guide, at minimum the following points must be covered in the case study report:

1. Developer Profile
2. Project Initiation
3. Site Selection, Acquisition & Control
4. Market Analysis
5. Development Program
6. Economic Analysis & Profitability
7. Public Approvals
8. Design Development & Floor Plans
9. Public/Private Agreements (if any)
10. Project Financing
11. Construction Plan & Capital Budget
12. Marketing & Sales/Leasing
13. Market Capture & Absorption Time
14. Management Plan & Operations Budget
15. Socioeconomic Analysis

All work done for the course must be your own. The work must be original and prepared for this class. Plagiarism is unacceptable. Copying the work of another and not citing it; lifting text from the Internet; or even presenting ideas that are not your own without proper attribution are all examples of plagiarism. Submitting work for this class that
has been done for another class also counts as plagiarism, it is called “plagiarizing oneself.” **Plagiarism will result in a zero on the assignment and could result in higher university level sanctions.**

**Access and Inclusion for Students with Disabilities**

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.

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.

**Sexual Assault and Harassment**

Portland State is committed to fostering a safe, productive learning environment. Title IX and our school policy prohibit discrimination on the basis of sex, which regards sexual misconduct – including harassment, domestic and dating violence, sexual assault, and stalking. We expect a culture of professionalism and mutual respect in our department and class. Please be aware that as a faculty member, I have the responsibility to report any instances of sexual harassment, sexual violence, and/or other forms of prohibited discrimination to PSU's Title IX Coordinator, the Office of Equity and Compliance or the Dean of Student Life and cannot keep information confidential.

You may report any incident of discrimination or discriminatory harassment, including sexual harassment, to either the Office of Equity and Compliance (https://www.pdx.edu/diversity/office-of-equity-compliance) or the Office of the Dean of Student Life (https://www.pdx.edu/dos/student-conduct-at-psu). If you would rather share information about sexual harassment or sexual violence to a confidential employee who does not have this reporting responsibility, you can contact a confidential advocate at +1-503-725-5672 or by scheduling on-line (psuwrc.youcanbook.me) or another confidential employee found on the sexual misconduct resource webpage. For more information about your obligations and resources for sex/gender discrimination and sexual violence (Title IX), please complete the required student module Creating a Safe Campus in your D2L.

PSU's Student Code of Conduct (https://www.pdx.edu/dos/psu-student-code-conduct) makes it clear that violence and harassment based on sex and gender are strictly prohibited and offenses are subject to the full realm of sanctions. If you or someone you know has been harassed or assaulted, you can find resources on PSU’s Enrollment Management & Student Affairs: Sexual Prevention & Response website at http://www.pdx.edu/sexual-assault.
**Other Campus Resources**

The PSU Food Pantry offers supplemental food items to currently enrolled PSU students. The pantry is located in SMSU 325. For more information, you can email foodhelp@pdx.edu. For more information on food and wellness assistance for students visit: [https://www.pdx.edu/student-access-center/](https://www.pdx.edu/student-access-center/).

The Office of Diversity & Multicultural Student Services (Smith Memorial Union 425) provides structured, academic support service, advising, referrals, and advocacy for first-generation college students, low-income and others facing special challenges. Visit [http://www.pdx.edu/dmss/](http://www.pdx.edu/dmss/) for info.

Services are available for students with children, including childcare subsidies and family events, a lending library and clothing closet, lactation spaces, and a Family Resource Room. More information can be found at: [https://www.pdx.edu/students-with-children/our-services](https://www.pdx.edu/students-with-children/our-services).

The Learning Center (Millar Library 245) mission is to foster the learning process by empowering PSU students to accomplish their academic and personal goals. In addition to helping with current coursework, academic support services can assist in developing effective learning strategies. See [http://www.pdx.edu/tutoring/](http://www.pdx.edu/tutoring/) for more info.

The Writing Center (Cramer 188) will help you with all varieties of projects, including class assignments, resumes, application essays, presentations, and creative writing. It aims to help writers at any stage of the writing process, from brainstorming to the final draft. You can schedule an appointment online: [http://www.writingcenter.pdx.edu/](http://www.writingcenter.pdx.edu/). Their website also contains resource pages that suggest ideas and strategies for completing writing projects.

Student Legal Services provides legal advice and assistance on a range of areas of law including family, landlord-tenant, and immigration. More information can be found at: [https://www.pdx.edu/sls](https://www.pdx.edu/sls).
<table>
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<tr>
<th>Week</th>
<th>Readings</th>
<th>Tuesdays 4.40pm-6.30pm</th>
<th>Thursdays 4.40pm-6.30pm</th>
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| 1    | Miles et al.: Chapters 1, 4-6 | **Jan 8**  
Introduction to the class  
Real estate development trends and current issues  
- Back-to-the-city movement and gentrification  
- Walkability and public transit  
- Resource constraints and sustainable development  
- Financial crisis, foreclosures, credit crunch and changing preferences  
- Changing suburbia, exurbs  
- Employment and population growth and migration | **Jan 10**  
History of real estate development  
- 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 2-3, 9-10 | **Jan 15**  
Real estate development process  
- Overview of real estate development  
- Developers  
- Development as a linear or iterative process  
- What defines success?  
- Project examples | **Jan 17**  
Real estate finance concepts I  
- Concepts and measures  
- Net Operating Income (NOI)  
- Collateral  
- Loan to value/cost  
- Debt coverage ratios  
- Return on equity  
- Internal rate of return |
| 3    | Miles et al.: Chapters 10-11 | **Jan 22**  
Real estate finance concepts II  
- Leveraging  
- Space and capital markets  
- Cap rates  
- Appraisals | **Jan 24**  
Economic modelling and analysis  
- Pro forma analysis  
- Costs  
- Sources  
- Draws  
- Interest  
- Back-of-the-envelope |
| 4    | Miles et al.: Chapters 10-11 | **Jan 29**  
Real estate development finance III  
- Sources and types of financing  
- Sources of equity  
- Securities | **Jan 31**  
Loan applications and underwriting  
- Narrative and proforma  
- Underwriting criteria  
- Construction loans  
- Permanent loans |
| 5    | Miles et al.: Chapters 12-13  
*Quiz 1 Due Sunday,* | **Feb 5**  
Market research and analysis  
- Data collection and validation  
- Data sources  
- Market segmentation | **Feb 7**  
Refining the development  
- Feasibility studies  
- Understanding the development environment |
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<tr>
<th>Date</th>
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<th>Chapters/Assignments</th>
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| February 10th at 11:59pm via D2L | Research analysis and conclusions  
Psychoanalytics | Risk assessment |
| Feb 12     | Public sector regulation and entitlement  
Entitlements  
Zoning and land use review  
Regulation and design | Feb 14  
Programming, design, and engineering  
Design team  
Programming  
Schematic design  
Design development  
Construction documents  
AIA contract documents |
| Feb 19     | Public sector regulation and entitlement  
Private property rights and public sector regulation  
Plans and planning regulations  
Development approval process | Feb 21  
Contracting and construction  
Contracting  
Construction team  
Subcontractors  
Shop drawings  
Alternative construction delivery methods  
Construction paperwork |
| Feb 26     | Property, asset, and portfolio management  
Marketing and leasing  
Tenant improvements  
Property management issues  
Asset management | Feb 28  
Mixed-financing and partnerships  
Partnership agreements and considerations  
Ownership structures |
| Mar 5      | Affordable Housing and Retail Space  
Funding programs (e.g., Low Income Housing Tax Credits, vouchers)  
Affordability  
Challenges | Mar 7  
Innovative and emerging development concepts  
Crowd funding  
Co-housing  
Co-working spaces |
| Mar 12     | Student presentations | Mar 14  
Student presentations |
| Mar 19     | Student presentations | Finals |