

Syllabus
Business Finance 4413
Planning and Development

Course Number: BUSFIN 4413: Planning and Development

Instructor: Brent Miller

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Office hours: By appointment

Semester: Spring 2019

Class: MW 8:00 am-9:20 am

Location: Gerlach 265

Textbook: Real Estate Development: Principles and Process, 5th Edition, by Miles, Netherton and Schmitz.

Course Description – Planning and Development is an introductory course into the business of real estate development. In the course, students will learn the basic principles and processes of real estate development and planning. We will explore different types of real estate development and the many roles played in the development process. Students will have the opportunity to work collaboratively as a team on several group projects.

Course Objectives - My objective is that we will cover real estate development from five aspects –

1. The real estate development **process** from idea inception to disposition.
2. The **economics** of real estate development.
3. The **types** of real estate developers and different opportunities in the development value chain.
4. The different **classes** of real estate and the material differences that impact the development process.
5. The **careers** available in real estate development.

Grades –

Mid-term Exam	30%
Final Exam	30%
Group Projects	25%
Assignments/ Participation	15%

Attendance in class is expected and will be considered as part of the Participation grade. Please inform me of anticipated absences. Beyond your presence in class, the

participation grade will be determined by your contribution in class discussions and group projects. You are expected to attend class having read any reading assigned for that day. I encourage you to ask questions and participate in discussions. All assignments are due at the start of the class on the date indicated. Assignments turned in late will automatically lose 10%. Anything more than 48 hours past due will automatically receive a 0%.

Academic Misconduct – It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. According to University rules, Instructors shall report all instances of alleged academic misconduct. For additional information, see the Code of Student Conduct.

Disability Services – STUDENTS WITH DISABILITIES THAT HAVE BEEN CERTIFIED BY THE OFFICE FOR DISABILITY SERVICES WILL BE APPROPRIATELY ACCOMMODATED AND SHOULD INFORM THE INSTRUCTOR AS SOON AS POSSIBLE OF THEIR NEEDS. THE OFFICE FOR DISABILITY SERVICES IS LOCATED AT 150 POMERENE HALL, 1760 NEIL AVENUE; TELEPHONE 614-292-3307, TDD 292-0901; [HTTP://WWW.ODS.OHIO-STATE.EDU/](http://www.ods.ohio-state.edu/).

Course Outline – This schedule is subject to change and modification.

Date	Class Session	Description	Notes
1/7/19	1	Course Introduction – Part 1	
1/9/19	2	Basics of CRE Development - Part 2	Announcement of Development Teams CRE Development Business Role of the Developer Risk and Return Real Estate Cycle 2008 Recession How do you survive a recession? Where are we currently in the cycle? Introduction to leverage FHR Case Study Reading: Chapter 1, Chapter 3 (pp29-42), Chapter 6 (114-117)
1/14/19	3	Basics of CRE Development - Part 2 (Continued)	

1/16/19	4	Basics of CRE Development Part 3	Deal Size and Risk Real Estate Development Value Chain Introduction to Types of CRE Developers
1/21/19		No Class - Martin Luther King Day	
1/23/19	5	Basics of CRE Development Part 4	Qualified Site Identification High Level Financial Analysis Reading: Chapter 9 (pp 175-178)
1/28/19	6	Basics of CRE Development Part 5	Common Conversions High Level Financial Analysis – Other Reading: Chapter 9 (pp178-181)
1/30/19	7	Basics of CRE Development Part 5 (Continued)	<u>GROUP ASSIGNMENT 1</u> <u>Due 2/6/19</u>
2/4/19	8	Predevelopment and Market Segmentation Part 6	Predevelopment Team and Roles Determining Where to Build Market Segmentation Qualifying Markets Market Segmentation Tools Reading: Chapter 9 (181-186), Chapter 12 (225-234)
2/6/19	9	Predevelopment and Market Segmentation Part 6 (Continued)	<u>Group Assignment 1 Due</u>
2/11/19	10	Contracts / Negotiation Strategies Part 7	Contracts - General Team Challenge Negotiation Strategies Reading: Chapter 14
2/13/19	11	Group Negotiation Project	<u>GROUP ASSIGNMENT #2</u> <u>In-class Group Assignment</u> <u>You MUST be in class for credit</u>
2/18/19	12	Contracts / Negotiation Strategies Part 7 (Continued)	

			Standard CRE Contract Standard CRE Lease Agreement Mid Term Exam Review
2/20/19	13	Mid Term Exam	
2/25/19	14	Due Diligence Part 8	Cultural Resources Management Investigation Soils Condition Report Phase I ESA Phase II ESA Title Survey Miscellaneous Reading: Chapter 12 (pp234-245), Chapter 13
2/27/19	15	Development Case Study - Charleston Discussion and Explanation	
3/4/19	16	Financial Modeling and Project Capital Part 9	<u>GROUP ASSIGNMENT #3</u> <u>Due (3/20/19)</u> Detailed Unit matrix Proforma P&L Construction Budget Debt underwriting considerations Equity underwriting considerations IRR and return calculations Reading: Chapter 11
3/6/19	17	Financial Modeling and Project Capital Part 9 (Continued)	
3/11/19	██████████	Spring Break	
3/13/19	██████████	Spring Break	
3/18/19	18	CRE Closing Part 10	Closing Process Key issues for Buyer Key issues for Seller
3/20/19	19	Construction Part 11	Land Development Vertical Construction Risk Identification and Protections <u>Group Assignment #3 Due</u> Reading: Chapter 15
3/25/19	20	Construction Part 11 (Continued) / Group	

		Assignment #3 Results and Discussion	
3/27/19	21	Case Study Discussion and Explanation	GROUP ASSIGNMENT #4
4/1/19	22	Property Management / Sales and Brokerage Part 12	Reading: Chapter 16 and 17
4/3/19	23	Exit Strategies Part 13	Long term hold strategies Merchant builder strategies Intermediate hold strategies Conditions impacting selecting a strategy Group Assignment #4 Due Reading: Chapter 10 (pp197-203)
4/8/19	24	Exam	
4/10/19	25	Exit Strategies Part 13 (Continued)	
4/15/19	26	Walkability and Land Planning	Guest Speaker Reading: Chapter 7
4/17/19	27	Strategies for Starting Your Development Company	Guest Speaker