

COURSE SYLLABUS  
**THE BUSINESS OF DEVELOPMENT**  
SUMMER 2018  
**COURSE NUMBER (PLAN6793-1)**  
**NUMBER CREDITS (1.5 CREDITS)**

Wednesday, 9am-11am,

**Instructor:** Shai Shamir  
Email: [SS2602@Columbia.edu](mailto:SS2602@Columbia.edu)

**Class assistant:**

Jonathan Dubin  
Email: [Jhd2143@Columbia.edu](mailto:Jhd2143@Columbia.edu)

**I. COURSE DESCRIPTION**

This practical course provides an overview of the development world from the point of view of a real estate developer. The students will learn the fundamentals and principals of the development theory using basic analytical tools and how to develop a successful business plan.

The course objective is to provide core body of knowledge about the real estate development process and the relationship between design, construction and development. The course is the first step in understanding how to identify financial opportunities, risks and deal with challenges.

The course covers both commercial and residential development and includes relevant case studies.

**II. COURSE REQUIREMENTS AND ASSIGNMENTS**

Students will be expected to complete weekly homework assignments, participate in class and prepare a final presentation.

### III. COURSE GRADING CRITERIA

Course grading criteria are as follows:

- Completion of readings, questions, and in-class assignments: 20%
- Attendance and in-class participation: 15%
- Homework assignments 30%
- Final exam or paper: 35%

Only exceptional performers will receive a High Pass. Those who fall short on more than one major assignment will receive a Low Pass.

### IV. READINGS

Students will be expected to complete readings in advance of class. With the exception of those from the required textbook, these will be posted at least one week in advance on Courseworks.

Professional Real Estate Development. The ULI Guide to the Business.  
By Richard B Peiser & David Hamilton; 2012 Urban Land Institute 3rd Ed

#### Additional Resources

- Peter Linneman; Real Estate Finance and Investments, Risks and Opportunities. 2011
- Poorvu and Cruikshank, The Real Estate Game: Intelligent Guide to Decision Making and Investment, The Free Press, 1999
- Mike E. Miles, Richard L. Haney, Gayle Berens. Real Estate Development: Principles and Process. 2007 Urban Land Institute. Fourth Edition.
- [Richard H. Penner](#), [Lawrence Adams](#), [Stephani K A Robson](#) Hotel Design, Planning, and Development. Second Edition. 2012
- Edward Allen, Joseph Iano. Fundamentals of Building Construction. Fourth Edition. 2004
- Urban Land Institute Case Studies

#### Websites

- [www.uli.org](http://www.uli.org) - Urban Land Institute, a nonprofit education and research institute. A valuable real estate information including: research, publications and events.
- [www.globest.com](http://www.globest.com) - National and Regional Commercial Real Estate News
- [rew-online.com](http://rew-online.com) – real estate news
- [www.millersamuel.com](http://www.millersamuel.com) – A Quarterly and annual real estate market reports
- [TheRealDeal.com](http://TheRealDeal.com) – A magazine that provides news on the real estate market in New York City and beyond.

## V. COURSE OUTLINE

### Class 1 (May 30<sup>th</sup>) : Introduction/Overview/Process

- What is a Developer: Risk/Reward
- The Roles of the Developer
- The Development Process model
- Creating the Development Team
- Sources and Uses and The Project Total Development Costs
- How to get started: Back of the Envelop Deal Analysis
- Initial Case Study - Basic Project

### Class 2 (June 6<sup>th</sup>): The Project Concept, Density and Constraints

- Real estate cycles: Time is money.
- What is zoning?
- Getting the Most Out of a Site and Value Adding
- Site planning, programming and initial design
- The Acquisition Process
- Case Study

### Class 3 (June 13<sup>th</sup>): Commercial Development – Hotels

- How to evaluate a property?
- Hospitality Basics
- The Different Hotel Segments
- Food and Beverage (F&B) and Lifestyle Hotels
- The Hotel P&L and Profitability
- Hotels underwriting
- Case Study

Class 4 (June 20<sup>th</sup>): Residential development, market research and the debt side

- Leverage and the importance of leverage
- Condo/ Coop Development
- Income Producing Development
- Pro forma / P&L and CapEx
- Property Management and Asset Management
- Annual Budgets and Operations
- Transition from a Development Project to an Operating Asset
- Case Study

Class 5 (July 11<sup>th</sup>): The Business of Development / The Equity Side

- Equity and waterfall
- Case study
- Creating a Winning Concept
- How to make money in real estate?
- The Capital Structure
- Use and Risks of Leverage
- Different Debt structures
- Forms of Ownership and Partnerships
- Different Equity Structures

Class 6 (July 18<sup>th</sup>): Creating a Business Plan:

- Different Real Estate Ventures
- How to Create and Present a Successful Business Plan
- From Initial Concept to a Full Presentation
- Case study
- Final Project