

Columbia University
Graduate School of Architecture Planning and Preservation
Masters of Science in Real Estate Development Program

Workout & Restructuring

PLA 6385

Professor Stephen J. Pearlman

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(917) 767-1274

Wednesdays 11:00 am – 1pm

Fall A Sept. 7- Oct. 19

Teaching Assistant:

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Course Overview

This half-term course will introduce students to the legal and financial fundamentals of the workout and restructuring of real estate development and investment properties. It will explore exit strategies and workout issues from both a restructuring to and through liquidation or reorganization – including the merits of out-of-court settlements versus bankruptcy - as well as pre-packaged bankruptcy. The course will examine the relevant skill-sets and underlying framework of various restructuring and workout techniques, utilizing examples of actual workouts from 2008-2012 and the factors that contributed to this volatile time in the history of real estate investments. Given current projections of approximately \$1.2 trillion of loans maturing over the next four years, this curriculum will provide students with the foundation to deal with the potential workout and restructuring problems that may arise over this period of time.. .

Bibliography (In Formation)

Cases (Additional Case TBD) These will be done as a team assignment

John Hancock Tower and GarageCase. The Tuck School/Dartmouth University

Readings

Barth, James R., et. al. *The Rise and Fall of the U.S. Mortgage and Credit Markets: A Comprehensive Analysis of the Market Meltdown.* John Wiley & Sons, 2009 (PDF Posted)

Glaeser, Edward L. *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier.* New York: Penguin, 2011. Print.

Gramlich, Edward M. *Subprime Mortgages: America's Latest Boom and Bust.* Washington, D.C.: The Urban Institute, 2007. Print. (Available for Purchase from Urban Institute)

Lewis, Michael. *The Big Short: Inside the Doomsday Machine*. New York: W.W. Norton, 2010. Print.

Lowenstein, Roger. *When Genius Failed: The Rise and Fall of LongTerm Capital Management*

Sorkin, Andrew Ross. *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System from Crisis--and Themselves*. New York: Viking, 2009. Print.

Lewis , Michael. *Boomerang*. Norton Press

Reinhart and Ragoff. *This Time is Different*.

Websites

American Securitization Forum: <http://www.americansecuritization.com/>

Center for Responsible Lending: <http://www.responsiblelending.org/>

Harvard University Joint Center for Housing Studies: <http://www.ichs.harvard.edu/>

Inside Mortgage Finance: <http://www.imfpubs.com/>

Mortgage Bankers Association: <http://www.mbaa.org/>

National Association of Home Builders: <http://www.nahb.org/>

National Housing Conference: <http://www.housingpolicy.org/>

National Association of Realtors: <http://www.realtor.org/>

[Real Estate Roundtable: www. Rer.org](http://www.RealEstateRoundtable.org)

Course Requirements, Assignments and Grading

There will be a reading assignment, case and/or finance problem set assigned for each class. Active class participation based on the assignment will be expected.

The John Hancock Case must be submitted by October 7th.

There will also be an end of Term Paper which is due the last class (10/21). Submitted as a team assignment at or before the last class;

- 4 - 5 page analysis/projection of where real estate workout and restructuring opportunities may present themselves in the not too distant future;
- Utilize all the information discussed in class, readings, independent research and critical thinking based on current market conditions and data;
- Be sure to focus critical analysis on bubbles, strengths and vulnerabilities of locations and property types;
- Thoughts on foreign investment opportunities are welcome.

Grading will be based on the assignments and class participation.

Office Hours: By appointment: either immediately following class or at my office at other times

Workout & Restructuring

Schedule - 11am – 1pm

Wednesdays- September 7th- October 19th

Session	Date	Topic	Case/Reading
1	Sep 7	Introduction and definition of Workouts and Restructurings	Check Course Platform for Reading Assignments
2	Sep 14	Historical Perspective- Causes or Catalysts?	Check Course Platform for Reading Assignments
3	Sep 21	Legal and other Issues in Workout- Restructurings	Check Course Platform for Reading assignments
4	Sep 28	A Practical Look at a Real Deal. In-class discussion with workout entrepreneur	Guest: Michael Ashner, CEO Winthrop Realty Trust Check Course Platform for fact Sheet
5	Oct 5	Workout & Restructuring Case	John Hancock Tower & Garage Case
	Oct 12	No Class	
6	Oct 19	Wrap up and Final Discussion	Check Course Platform for Reading Assignments