Course Description

The course provides students with the analytical and computer skills necessary to evaluate the financial feasibility of complex value added real estate development projects, including land development, commercial and housing development. Accounting and taxation issues influencing the financial viability of real estate development projects will also be considered.

Course Objectives and Learning Goals:

- Understand the complexities of valuing and analyzing the financial aspects for various types of development projects, including land
- Develop the computer and software skills needed to analyze development projects
- Understand the role and structure of the real estate capital markets in financing real estate development projects, and develop an in-depth knowledge of deal structuring and debt underwriting for development projects
• Understand the accounting and taxation issues for real estate development projects

• Identify and pinpoint risk exposures during the development process as a problem to be solved with a risk management solution.

**Recommended Material:**


**Course Structure:**

Class sessions will be primarily composed of lectures with substantial participation and discussion expected from the students. Outside speakers, group activities, case studies and exercises will be utilized to reinforce and apply key concepts. Assessments will be designed in such a way as to measure student knowledge of content.

**Codes of Conduct:**

Regular attendance, promptness, and appropriate classroom decorum are expected. Excessive absenteeism, frequent tardiness or disruptive classroom behavior may result in a substantial grade penalty at the discretion of the Professor. Excessive absenteeism is defined as more than two class absences. Standards of academic integrity will be enforced in this course. All UNC Charlotte students have the responsibility to be familiar with and to observe the requirements of The UNC Charlotte Code of Student Academic Integrity. This Code forbids cheating, fabrication or falsification of information, multiple submission of academic work, plagiarism, abuse of academic materials (such as Library books on reserve), and complicity in academic dishonesty (helping others to violate the Code). If you do not have a copy of the Code, you can obtain one from the Dean of Students Office or access it online at [http://www.legal.uncc.edu/policies/ps-105.html](http://www.legal.uncc.edu/policies/ps-105.html).

**Statement on Diversity:**

*The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.*
Disabilities

If you have a disability that qualifies you for academic accommodations, please provide a letter of accommodation from Disability Services (phone 704-687-4355, 230 Fretwell Building) in the beginning of the semester.

Grading and Exams:

Final grades will be based on your performance on class attendance, outside assignments, and three exams. Note the dates for exams on the course outline. All exams are required and any absences must be excused prior to the exam date. Make-up exams will be scheduled for excused absences only. Students with unexcused absences that miss an exam will receive a score of zero.

Grades will be determined according to the weights given below:

- Attendance 25%
- Outside Assignments 75%
- Total 100%

Assignments that are handed in late will be penalized 50% of the possible points for each day they are late.

<table>
<thead>
<tr>
<th>Weighted percentage</th>
<th>Grade</th>
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<tbody>
<tr>
<td>90%-100%</td>
<td>A</td>
</tr>
<tr>
<td>80%-89%</td>
<td>B</td>
</tr>
<tr>
<td>70%-79%</td>
<td>C</td>
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<tr>
<td>Below 70%</td>
<td>U</td>
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</tbody>
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Course Outline

Amount of material covered may be subject to change depending on the progress of the course.

Week Topic Covered
1/14 Review of Basic Real Estate Finance Concepts (Ott)
   Modeling Concepts, Best Practices, and Basic Formulas (Coblentz)

1/21 Basic Overview of Private Equity Markets (Ott)
   Valuation Model for a Stabilized Property (Coblentz)

1/28 Investment Analysis: Real Estate Development Projects (Ott)
   Valuation Model for a Basic Development Project (Coblentz)

2/4 Investment Analysis for Value-Added Properties (Ott)
   Valuation Model for a Value Added Investment (Coblentz)

2/11 Valuation Model for a Value Added Investment (cont.) (Coblentz)

2/18 Private Equity, Joint Ventures and Deal Structuring (Ott)
   Legal Aspects of Real Estate Deals (Guest Speaker)

2/25 Valuation Model with a Joint Venture Structure (Coblentz)

3/4  Spring Recess- No Class

3/11 Residential Development Overview (Ott)
   Valuation Model for a Residential Development Project (Coblentz)

3/18 Valuation Model for a Residential Development Project (cont.) (Coblentz)

3/25 Real Estate Investment Risk (Coblentz)
   Determining Risk: Sensitizing a Prior Case
   Traditional Waterfall Structure

4/1 Modeling an In-Depth Development Case (Coblentz)
   Modeling Shortcuts and Formulas

4/8 Modeling an In-Depth Development Case (continued) (Coblentz)

4/15 Theory of the Valuation of Land Using Real Options Methodology (Ott)
   Land Development and Valuation Model Examples (Guest Speaker)

4/22 Bare Bones Template for Stabilized Case (Coblentz)
   Interpretations and Key Assumptions

4/29 Bare Bones Template for Stabilized Case (Coblentz)
   Interpretations and Key Assumptions

5/6 TBD