

**SYLLABUS – MBA PRINCIPLES OF REAL ESTATE (MBAX 6600)
SPRING SEMESTER 2015**

Monday

INSTRUCTOR: Linda P. Kaboth
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GF Real Estate Group

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OFFICE HOURS: Monday's 2:00 – 3:30 or by appointment

EXCEL INSTRS: Cooper Williams, Vice President, Essex Financial Group, (303) 843-4581,
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TEXT: No Text book will be assigned. Students will be required to research
fundamental real estate terms and concepts each week using whatever
sources are appropriate.

OTHER READING: Getting to Yes. Negotiating Agreement without Giving In; Roger Fisher
and William Ury

CASES/SPEAKERS: We will survey multiple facets of commercial real estate and have guest
speakers when possible to provide some real world insight into real estate
concepts and principles.

CLASS OVERVIEW: The course will introduce MBA students to real estate, with an emphasis
on the commercial sector. The lectures will use cases, assignments, group
projects and professional guest speakers to survey the following topics:

- 1. Careers in Real Estate**
- 2. Real Estate Asset Classes and Markets**
- 3. Maximizing return on investment**
- 4. Acquisition/Development process**
- 5. Pro Forma Modeling**
- 6. Financing/Capital Markets**
- 7. Operations**
- 8. Leasing**
- 9. Real Estate Law**
- 10. Dispositions**

Other key aspects to be surveyed will be the public sector's role, capital and financing requirements, and execution. Additionally, if requested by the class, Linda will make herself available either before or after class to discuss other aspects of real estate, business, careers, etc.

A. COURSE OBJECTIVES

- a. Understand the commercial real estate investment process from acquisition to disposition and what factors impact return on investment.
- b. Gain an understanding of the commercial real estate industry and career options
- c. Understand and be able to calculate basic financial real estate concepts including how to use Excel to create a pro forma model of future real estate asset performance

B. EXAMS/GRADING.

- Assignments – 50%
- Mid Term Exam – 25%
- Final Exam – 25%

Class assignments, the Mid Term Exam, and the Final Exam will be individual exercises but may include group work.

- C. ATTENDANCE; PREPARATION/READING. Attendance is strongly encouraged; exam questions will be based upon concepts and information covered during class which will go beyond the concepts and information contained in the text, cases, power point materials, etc. Students will be expected to have read all materials assigned in advance of class for the assigned class.

PLEASE BRING AND DISPLAY NAME PLATES EVERY CLASS SESSION!

- D. HONOR CODE. Students are required to know and adhere to the University's academic integrity policies. Any violation will subject to the student to both academic sanctions by the Professor and non-academic sanctions by the University including possible probation, suspension or expulsion.
- E. IN-CLASS CONDUCT. The Instructor utilizes the "Goose and Gander" code of conduct. The Instructor will have his laptop open and work on it during class...so may the students; however, he will not be checking email or surfing the net...neither should the students. Given the time of the class, the Instructor may have something to eat or drink with him and students are welcome to as well; however, please be courteous to your fellow classmates. The Instructor will have his phone off and will not be taking calls, reading texts or sending texts...neither should the students. The Instructor will use his best efforts to be on time and remain in the class until the class is dismissed...the students should endeavor to do the same. The Instructor may address the students by their first or last name and the students are welcome to do the same with the Instructor.

- F. **DISABILITY.** If you qualify for accommodations because of a disability, please submit a letter to the Professor from Disability Services in a timely manner (minimum of one week) so that any special needs can be addressed and accommodated. Disability Services can be contacted at 303-492-8671, at Willard 322 or at www.colorado.edu/disabilityservices.
- G. **RELIGIOUS OBSERVANCES.** Please notify the Professor in a timely manner (minimum of two weeks) in the event any scheduled class, exam or other requirement conflicts with a religious obligation or observance and reasonable accommodations will be made.
- H. **DESIRE TO LEARN.** The Instructor utilizes Desire to Learn extensively for class assignments, information, announcements, etc. **Students are expected to check D2L daily as all communication outside of the classroom will be via D2L.**
- I. **CLASS SCHEDULE & ANNOUNCEMENTS.** The Instructor will keep a current class schedule posted on D2L and will do his best not to cancel any scheduled classes. However, as an adjunct commuting from Greenwood Village, there is the possibility a class may be cancelled due to weather, etc. The Instructor will use D2L to notify students of cancellations or other schedule changes and students are responsible for checking CU Learn daily.

***Note:** We are in the process of updating and improving the course cases, speakers, etc. As a result, the schedule is and will remain somewhat fluid throughout the semester as we complete the updating work and the related scheduling of speakers, etc.*

Class 1

1/12

1.) Real Estate Industry Overview

- a) Linda's background
- b) General overview of Real Estate Industry
- c) Class overview/objectives
- d) Careers/employers in Real Estate
- e) Getting hired

2.) Introduction: Property Types, Property Markets, Key Players

- a) Property Types
- b) Property Markets
- c) Key Players
- d) Real Estate Cycles
- e) Key Financial concepts

Assignment #1: Glossary of Real Estate Terms: Maximizing Real Estate Investment

1/19

Martin Luther King Jr. Day – NO CLASS; we will discuss as a group how to make this class up

Class 2

1/26

Assignment Due: Glossary of Real Estate Terms- Maximizing Real Estate Investment

1. Maximizing Real Estate Investment

- a) Real Estate return concepts
- b) Negotiation of Purchase
- c) Adding Value
- d) Timing
- e) Operations
- f) Negotiation of the Sale
- g) Accounting for gain

Assignment #2: Hand out – Glossary of Real Estate Terms – Financing/Capital Markets

Assignment #3: Hand out - Case Study – Identifying Capital Sources

Class 3

2/2

Assignments#2 & #3 Due: Glossary of Real Estate Terms – Financing/Capital Markets and Case Study – Identifying Capital Sources

1. Financing/Capital Markets

- a) Equity Structures
- b) Sources of Debt
- c) Public revenues
- d) Financing Structures
- e) Refinance and adding value

Guest Speaker: Mark Tompkins, Denver Urban Renewal Authority

Assignment #4 – Hand out – Basic Excel Skills Exercise – creating a spreadsheet

Class 4

2/9

Assignment #4 Due – Basic Excel Skills Exercise

First Excel Class: Basic Pro Forma Modeling

In class exercise modeling a potential residential investment in Denver.

PLEASE BRING LAPTOP COMPUTER WITH EXCEL INSTALLED.

Assignment #5 Hand out – Pro Forma Take Home Assignment

Class 5

2/16

Assignment #5 Due – Pro Forma Take Home Assignment

1. Development:
 - a) Highest and Best Use
 - b) Land value/acquisition
 - c) Financing
 - d) Importance of timing
 - e) Entitlements/Governmental issues
 - f) Hazardous materials
 - g) Construction risk
 - h) Title
 - i) Design/Vision

Guest Speaker: Mark Falcone, Continuum Partners

Assignment #6 Hand out – Glossary of Real Estate Terms - Acquisition and Operations

Class 6

2/23

Assignment #6 Due – Glossary of Real Estate Terms – Acquisition and Operations

1. Acquisition of Operating Properties:
 - a) Investment strategies
 - b) Sourcing investments
 - c) Offering memorandums
 - d) Bid Process
 - e) Broker role
 - f) Purchase and Sale agreement
 - g) Financing
 - h) Due Diligence
 - i) Financial Statement/Operating analysis

Guest Speaker: William Kelley, Diamond Ventures, CFO

1. Operations

- a) Engineering
- b) Maintenance
- c) Tenant Service
- d) Leasing
- e) Security
- f) Accounting
- g) Construction
- h) Staffing
- i) Adding Value – Financial Statement Review
- j) Property Management Fees and Structures

Assignment #7 – Glossary of Real Estate Terms – Leasing and Real Estate Law
Assignment #8 - Financial Statement Analysis Exercise

Class 7 - Make Up Class (for MLK Holiday; this date is flexible)

2/27 *Assignment #8 Due – Financial Statement Analysis Exercise*
Excel Modeling Class #2
Development Pro Forma

In class instruction and discussion of the development process, with follow on development pro forma creation including construction loans and exit valuation.

PLEASE BRING LAPTOP COMPUTER WITH EXCEL INSTALLED

ASSIGNMENT #9: PRO FORMA TAKE HOME ASSIGNMENT

Class 8

3/2 *Assignment #7 Due – Glossary of Real Estate Terms – Leasing and Real Estate Law*
Assignment #9 Due – Pro Forma Take Home Assignment

1. Leasing and Real Estate Law

- a) Letter of Intent
- b) Lease Agreement
- c) Role of Lawyer
- d) Key lease terms
- e) Multi Family
- f) Hotel

Guest Speaker: Dan Minzer; Maynes, Bradford, Shipp and Sheftel

Assignment #10 – Glossary of Real Estate Terms – Dispositions
Assignment #11 - Sample Lease Review Exercise

Class 9

3/9 **Assignment #10 and 11 Due** – *Glossary of Real Estate Terms – Dispositions*
Lease Review Exercise

1. Dispositions:
 - a) Timing, timing, timing
 - b) Positioning an asset for sale
 - c) Debt issues – prepayment, defeasance
 - d) Marketing an asset
 - e) Offering memorandum
 - f) Broker role
 - g) The art of Negotiation win/win

Assignment #12– Getting to Yes, Negotiating Agreement without Giving In; Roger Fisher and William Ury

Class 10

3/16

1. Midterm handed out and review
2. Property Tour related to Midterm

SPRING BREAK

3/23 No Class

Class 11

3/30 Excel Modeling Class #3
Kearney Mesa Office Bldg case study
Pro forma analysis of a commercial building acquisition

PLEASE BRING LAPTOP COMPUTER WITH EXCEL INSTALLED

Mid Term Exam due at beginning of class

Class 12

4/6

CASE STUDY

- a) Step by step review from acquisition to disposition

Class 13

4/13

Assignment #12 Due – Getting to Yes, Negotiating Agreement without Giving In; Roger Fisher and William Ury

1. **CASE STUDY**

- a) Continuation of case study from acquisition to disposition

2. **NEGOTIATION TECHNIQUES IN REAL ESTATE**

Class 14

4/20

FINAL EXAM
