

B8340 ADVANCED SEMINAR IN REAL ESTATE**Professors Michelle Felman and Russell Platt**

**Spring 2020
Tuesday 4:00-7:15 pm
Uri 332**

This case-based course addresses and, where possible, simulates complex problem solving applied to real estate. The emphasis is on strategic decision making and the types of issues principals and investors face in acquiring, financing, owning, managing, developing, and restructuring real estate.

Using cutting-edge *CaseWorks* materials developed for the Columbia MBA Real Estate Program, the course focuses on analyzing complex problems and developing a recommended course of action based on in-depth analysis, both quantitative and qualitative. The course aims to develop your understanding of and appreciation for the multiple dimensions – economic, financial, and institutional – that shape the decision-making environment for real estate investment. Drawing upon the participation of case principals in the classroom, the course also addresses the issues and tactics of how the various industry actors – public companies, private equity funds, and individuals – execute their strategies, including dynamics that constrain actors and organizations in the real estate business. The course is designed to challenge you with complex situations that will hone your analytical skills and help develop effective means of communicating the resultant insights and conclusions to different audiences: investors, lenders, clients, and joint-venture partners.

Case preparation and class presentations and discussion make up the educational components of the course. In the sessions with cases, one or two groups will present an analysis of the case under review. Your contribution as informed and engaged students is essential to success in developing your capacity to make decisions that involve reasoned judgments and assessments of risk. *We expect you to come to class prepared to engage fully in discussion, whether or not the case under review is one you have prepared for presentation or written submission.*

Communication is an essential element in professional success. We are interested in seeing you develop presentation skills and as well as honing your analytical abilities, and toward that end, you will receive feedback on your group presentation.

CASE MATERIALS

All of our *CaseWorks* materials have been developed for the Advanced Seminar. These are posted on Canvas, or when new materials are being prepared, will be distributed in class two weeks ahead of the case discussion.

COURSE EXPECTATIONS

Assignments: Learning in this seminar takes place through *intense preparation* for class and in-class insights gained from the presentation and following discussion by our guest. To facilitate this learning, each student is responsible for:

- (a) One oral presentation as part of a group of three-four students (unless otherwise specified for a particular case where there are multiple groups); a sign-up sheet will be distributed during the first class session;
- (b) Three individually written cases write-ups; and

- (c) Précis (one page short form analysis or write-up addressing issues central to each case as selected by Professors Felman and Platt) for every case in which you are *not* submitting a written analysis or making an oral presentation.

There is no final exam. **Students are encouraged to break into groups for discussion purposes, but the case submissions must be 100% individual work submissions.** Papers are due at the start of class; no late submissions will be accepted, other than for medical reasons or family emergencies, and in these cases, it is essential to notify the professors before class.

Oral Presentations and Class Format: For this case, students are *not* required to submit written analysis, *but should bring to class hard copies of their presentation overheads for guest participants and Professors Felman and Platt.* The presentation should be approximately 20-25 minutes and will make up the first part of the class session. It will be followed by Q&A from the class, acting as the investment committee.

After a short break, the case principal(s) will lead a discussion of the case. In terms of audience, assume you are speaking to an investment committee or board of directors. You might want to consult a short piece on PowerPoint presentations written by one of the great teachers of communication, Edward Tufte: “The Cognitive Style of PowerPoint” (on Canvas).

On the format of written submissions:

All case submissions should be in the form of a **business memorandum**. They should not exceed three single-spaced pages, *exclusive* of tables, graphs, diagrams, and financial statements which are limited to three pages as well. *Conciseness of presentation, without sacrifice of content will be rewarded, as will careful writing style.* All such exhibits should be referenced in the case and make a point.

These memos should be focused and well-balanced in terms of addressing all of the critical issues affecting the decision to be analyzed or problem to be solved. *You are expected to take a position. Assume a knowledgeable reader and class audience.* We are not interested in a rehash of information already presented in the case materials. The data and analysis, however, should be used selectively to further your argument or support your strategy of action. *Do not expect the results of a financial analysis, for example, to be self-explanatory.* As an analyst, portfolio manager, or adviser, your job is to interpret the significance of the financials and integrate those insights into an overall business solution to the problem. Assertion is not convincing, so please focus on developing a reasoned argument for your position and recommendations.

Every effort should be made to present your work as an articulate, well-written statement of your conclusions. Effective communication is critical to convincing your audience of the merits of your approach, especially in the area of financial problem-solving. If you cannot state in clear English the salient points of sophisticated and complicated financial analysis, you run the risk that the work will be seen as a smokescreen hiding something important – or that you really don’t understand the decision-making implications of your analysis.

Take care with the presentation of quantitative materials. Extract key financial information from the detailed worksheets for use in the text of your memo. *Think about “points” you want to make with the results of your quantitative analysis and design tables or graphs to communicate them effectively. Again, please do not expect the “Appendix” materials to speak for themselves.*

Class Attendance and Participation:

Class attendance *and* participation is essential to benefit from the experienced professionals who have agreed to participate in your education and develop an on-going relationship with your classmates. We

expect everyone to show up for every class, and if there is some plausible reason for not attending, we expect to be informed of that ahead of the class. ***If you miss more than 2 classes, without a valid medical or family emergency issue, your grade will be lowered by half a grade.***

GRADING

Final grades will reflect grades received in the individual cases (35%), group presentation (35%), and class participation (30%). There is no final examination.

COURSE MATERIALS

Cases will be posted on Canvas. Any newly-prepared case material will be distributed at least two weeks prior to class.

PROFESSOR Felman and Platt OFFICE HOURS: by appointment.

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- January 28** **Course Overview, How to Write an Investment Committee Memo**
First-Day Assignments: Readings for Class Discussion and Course Expectations Survey
Guest: TBD
- February 4** **International Core**
Case Study: London West End
Guests: David Marks and Jason Blank, Brockton Capital
- February 11** **Succession Planning in a Family Business**
Case Study: Olshan Properties
Guest: Andrea Olshan CBS '04, Olshan Properties
- February 18** **Project Development**
Case Study: The Henry
Guest: Mike Fascitelli, Imperial Company
- February 25** **Corporate Finance**
Case Study: Financing BXP Development Pipeline
Guest: Mike LaBelle, Boston Properties
- March 3** **Capital Stack and the Fulcrum**
Case Study: CMBS Risk Evaluation
Guest: H2 Capital Partners
- March 24** **Negotiation Simulation**
Case Study: South by Northeast
Guest: John Grassi, Spear Street Capital
- March 31** **Case Study: Blackstone**
Guest: TBD
- April 7** **Mixed-Use Development**
Case Study: Hudson Yards: Creating a New Community on the Far West Side
Guest: Jay Cross, Related Hudson Yards
- April 14** **Coworking Space**
Case Study: WeWork
Guest: TBD
- April 21** **Case Study: Reonomy**
Guest: Richard Sarkis, Reonomy

April 28

Disruption in Ecommerce/Retail
Case Study: Amazon/Whole Foods
Guest: Dean Adler, Lubert-Adler