NOTE: YOU SHOULD NOT ENROLL IN THIS COURSE IF YOU HAVE TAKEN OR PLAN ON TAKING REAL ESTATE FINANCE (B7314 or B8314)

Course Objectives
The goal of this course is to make you knowledgeable and conversant about the principles of real estate. As both a physical asset and an investment asset with a defined location in space, real estate is strikingly different from other asset classes. Real estate forms part of the alternative investment asset class and institutional investors invest a substantial part of their portfolio in real estate. We will look at the investors in real estate and the investment management firms and how they are investing internationally. We will give an overview of investing in all major commercial property types: office, logistics, retail and residential, as well as niche sectors like senior housing and student housing. The goal is to give an overview of the international real estate market and provide you with the tool set to identify investment opportunities globally.

As an industry/business sector, real estate has grown in size and complexity over the past several decades. It has always been a capital-intensive business, so sources of capital and the structuring of transactions are essential components of operating in this field. The vast bulk of real estate assets represent almost everything around us—homes, apartments, retail, industrial, office, hotel, and recreational property, among other types—represent the existing stock. The business of real estate is the business of asset management, finance and investment, leasing, and acquisitions/dispositions of the existing stock, and these activities compromise the majority of real estate activity.

Real estate is also an industry that is facing disruptive changes due to advances in technology and the way people live and work. Online shopping has fundamentally changed how we interact with retailers, while use of logistics facilities are rapidly adjusting as retailers attempt to solve for problems with the “last mile.” The potential of driverless cars and trucks may fundamentally impact property values and how people value location. And as millennials bring new patterns and desires, apartment and office owners try to quickly adjust how they can attract this rapidly growing demographic.

This block week course is designed to provide you with an intensive dive into the changing fundamentals of real estate. It will cover several broad topics:

1) Scope and Character of the Global Real Estate Industry,
2) Real Estate Finance and Investment; and
3) Technological Disruption.

Class Expectations and Operation

Attendance is required at all sessions and for the duration of the session. If for some reason, you are not able to attend or have to leave early, please notify the faculty. Missing two sessions (other than for excused absences) will result in a one-grade reduction. Missing four sessions will result in a loss of credit.
Class starts at 9 am. Most students are able to be in their seats when class begins. Arriving late disrupts the class and is disrespectful to everyone who has arrived on time. Class will end between 5 and 6 pm each day.

No Cell Phones, Laptops, Tablets. Please place these items in a safe place where they cannot be touched in class. If you intend to take class notes on a computer during the semester, please let us know at the start of the course. Our guest speakers are volunteering their time and warrant your undivided attention; it is highly distracting to your fellow students, your professors, and guest speakers to use these devices in class. The class will offer regular breaks for you to respond to things that come up during the work week.

Preparation. Please come to class having read required materials and being fully prepared to discuss.

TAs will be available each evening to discuss cases or material covered in class.

Assignments and Grading:

Grading will be based on Class Participation (10%), Individual Case Assignments (35%), Group Case Presentations (35%), and a Final Paper (20%).

Readings and Assignments for the course will be posted on Canvas approximately 2 weeks prior to the start of class. Required work for each session is clearly identified on the syllabus.

Reference book: Real Estate Finance and Investments: Risks and Opportunities by Peter Linneman (5th Edition). The textbook is not required reading, but it can help enhance material covered in class.

Form a group: You can form groups prior to the start of class or on the first day of class. Groups should have exactly 4 members (groups greater than 4 will not be allowed) and group members should join together on Canvas. Groups will be randomly asked to present assignments in class throughout the week.

Cases: There are four required Case write-ups for the class. Two cases are to be prepared individually and two cases are to be prepared with your group. Cases must be submitted in Canvas by the due date/time. Page limits will be provided with each assignment. Students should be prepared to discuss all cases in class.

Final paper: Students will be expected to complete a final paper summarizing material learned in this class. The paper will be to select a project among those presented in class as a preferred investment. You will be expected to support this

Class Participation: Questions are encouraged to clarify what we are discussing. In addition, you and your fellow students bring valuable perspectives to the class that can benefit everyone. Please remember that this is a large class and it is important that everyone has an opportunity to participate, so no one should dominate the conversation. Constructive comments in class will increase your participation grade, while consistently bad or irrelevant participation will decrease your grade. Use of electronic devices will negatively impact your participation grade as will absences or late arrivals.

Individual and Case Work: Students may discuss assignments with other classmates, the TAs, or the Professors. However, the sharing of written or computer work product among other students for individual assignments or other groups for group assignments is explicitly prohibited.
Honor Code: Students are expected to follow the honor code at all times, including rules for individual and group work. Violations of the honor code will result in referral to the Student Leadership and Ethics Board. See: http://www8.gsb.columbia.edu/honor/resources.

Core Courses: The course content will utilize, build on, and extend concepts covered in the following core courses:

<table>
<thead>
<tr>
<th>Core Course</th>
<th>Connection with the Core</th>
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<tbody>
<tr>
<td>Managerial Economics</td>
<td>1. Maximization and marginal analysis 2. Complex decision-making under uncertainty 3. Market competition and equilibrium</td>
</tr>
<tr>
<td>Global Economic Environment I</td>
<td>1. Inflation and monetary policy 2. The business cycle 3. The role of financial markets in the economy</td>
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Students will be expected to have mastered these concepts and be able to apply them in the course.
B7493 EMBA Block Week Course:
Real Estate as an Asset and a Business
Professor Christopher Mayer and Ivo de Wit
February 23 – 27, 2020

TENTATIVE; SPEAKERS SUBJECT TO CHANGE

Sunday

9 – 10:30 am Session #1: Overview of the Course / Scope of the Industry / Defining Characteristics of Real Estate as a Physical Asset and Asset Class
10:30 – 11 am Break
11 am – 12:30 pm Session #2: Cash Flow Fundamentals: Concepts and Analytical Methods
12:30 – 1:15 pm Lunch
1:15 – 3:00 pm Session #3: Basics of Leverage and Valuation; Real Estate Pro Forma
3:00 – 3:30 pm Break
3:30 – 5:00 pm Session #4: Global Real Estate Investment I
   - Investment firms and investors
   - Indices and information sources

Overnight Work: Case 1 (Individual): “Development ProForma”

Monday

Global Real Estate Investment Strategy

9 – 10:00 am Session #5: Discuss Case 1: “Development ProForma”
10:00 – 10:30 am Break
10:30 am -12 pm Session #6: Global Real Estate Investment II
   - Market trends
   - Investment strategy
   - Investment sourcing and execution
12 pm – 1 pm Lunch
1:30 – 3:00 pm Session #7: Leverage and risk profile of investments
3:00 – 3:30 pm Break
3:30 – 5 pm Session #8: Guest Speaker from Jamestown: “Changing Retail Environment”

Overnight Work: Case 2 (Group): “Global Real Estate Investment Opportunity”
Tuesday

9 – 10:30 am  
Session #9: Discuss Case 2

10:30 – 11 am  
Break

11 am -12:30 pm  
Session #10: Transaction Basics; Mortgage as a security interests, Lien Priorities, Lender Rights, Foreclosure
Guest Speaker: Adjunct Prof Jennifer Morgan, Partner, Kirkland & Ellis

12:30 – 1:30 pm  
Lunch

1:30 – 3:00 pm  
Session #11: Finding Most Attractive Risk-Adjusted Opportunities

3:00 – 3:30 pm  
Break

3:30 – 5 pm  
Session #12: Guest Speaker from Harrison Street: Investment in Niche Residential and Alternative Sectors

Overnight Work:  
Case 3 (Group): WeWork

Wednesday

9 – 10:30 am  
Session #13: Case 3 Discussion WeWork

10:30 – 11 am  
Break

11 am -12:30 pm  
Session #14: Real Estate investment alternatives: Public vs Private Investing

12:30 – 2 pm  
Working Lunch: MiniCase Real Estate Crowdfunding

2 – 3 pm  
Session #15: Mini Case Discussion

3 – 3:30 pm  
Break

3:30 – 5 pm  
Session #16: Guest Speaker from Aeroterm: Airport Logistics

Overnight Work:  
Case 4 (Individual): “Home Purchase”

Thursday

9 – 10:30 am  
Session #21: Discuss Case 4: “Home Purchase”

10:30 – 11 am  
Break

11 am – 12:30 pm  
Session #22: Housing Markets

12:30 – 1:15 pm  
Lunch

1:15 – 2:30 pm  
Session #23: Guest Speaker from Prologis: Logistics and last mile delivery

2:30 – 4:00 pm  
Session #24: Summing Up / Open Topic Discussion

Distribution of Take-Home Final Paper (Individual)