B8447 NYC Immersion Seminar: Real Estate Development

Professor Chris Mayer

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TA: TBD

Friday 10:00 a.m. – 3:00 p.m.

Dates TBD

Immersion Description
This immersion course is designed to introduce students to the business of real estate development. Through a “tour” of different types of ground-up projects (rental housing, mixed-use development, and public-private development) in different locations (Long Island City, Brooklyn, Manhattan) under different business arrangements (family business, young entrepreneur, corporate, and joint-venture partnership), the course will provide a broad-based overview of the development business. Given the block of time in each session, we will be able to delve into many of the granular aspects of development that make this field of endeavor so demanding and so dynamic.

At every level—physical site, program and design, financial feasibility, construction, tenant marketability, project management—real estate development is a detailed business. It also is singular in its impact on the built environment. Two of the projects we will visit are designed to shape a new district, a “place” in the argot of planning and urban design. From this perspective, the aspirations of developers extend beyond the monetary, especially when it comes to large-scale development, and therein lies the excitement—and the creative drive and boldness to take on the significant risks of big complex projects.

Date TBD
Value Creation in Development: An Entrepreneurial Perspective
Firm Visit: Lonicera Partners, Principal, Demetrios Yatrakis ‘10
Site: 415 Red Hook Lane, Brooklyn

Date TBD
Selecting Sites, Assessing Risks, and Determining Program
Firm Visit: TF Cornerstone, Executive Vice-President Jeremy Shell ‘04
Site: East Coast, Long Island City

Date TBD
Getting It Built: Design, Engineering, and Project Management
Firm Visit: Related Companies, Senior Vice President, Philippe Visser ‘04
Site: Hudson Yards, Far West Midtown Manhattan

Date TBD
Large-Scale Public-Private Development: Mixed Uses and Affordable Housing
Firm Visit: Taconic Partners, Co-founder Paul Pariser ‘78; Chris Balestra
L+M Development Partners, Isaac Henderson
The Prusik Group, Rohan Mehra
Site: Essex Crossing, Lower Manhattan

THIS IS THE SYLLABUS FROM 2018. READINGS AND SITE VISITS SUBJECT TO CONFIRMATION AND CHANGE
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Requirements and Grade Composition

Each session will consist of an in-class hour (Uris 140) followed by a site visit. There will be assigned readings to prepare you for each session. I have selected these readings because they are interesting and informative. Through these readings, your immersion in the four development projects, and insights from my four decades of real estate development practice, it is my goal to help you understand why real estate development is so challenging and exciting.

Pre-Class Readings: See Files

Weekly Readings, Attendance, Participation (in-class/at site visit) and Short Assignments: 40%

The logic for the assignments is to have you come to the in-classroom hour having reviewed important information about the particular development project and the related topics to be covered for the session so you are prepared to ask questions and express viewpoints in the classroom before we leave for the project site, and during our project site visit. With that objective, there are:

- Readings from which you will be required to pick a topic or issue of interest to you and write a short (minimum: 250 words; maximum: 300 words) viewpoint essay to be submitted by NOON two days before the date of our in-classroom hour;

- The requirement that you submit 3 questions, two of which must pertain to the development project, and the third question which must pertain to one of the session topics listed for the session. These questions must be submitted for each weekly session on Canvas under the Quizzes section by NOON two days before the date of our in-classroom hour. From the topic-questions submitted I will select questions to incorporate into the in-classroom discussion, where appropriate. From the development project-specific questions I will select questions that will facilitate our discussion with the project developer representatives.

Each week’s viewpoint essay and three questions count a combined 7 points. The distribution of those points is: Up to 3 points for the viewpoint essay; up to 2 points for the Session Topic question; and up to 1 point for each of the two development project questions. [4 Sessions x 7 = 28 points]

Because attendance and participation at both the in-class lecture and the project site visit are critical to the learning objectives of this Immersion course, attendance and participation count a combined total of 3 points—1 point for attendance at the in-class lecture; 1 point for attendance with the class at the development project site; and 1 point for participation (in-class and at project site). [4 Sessions x 3 = 12 points]

We will all have the best learning experience if you devote a couple of hours ahead of time to prepare for the class.

Final Assignment: 60%
Separate assignment sheet to be posted.

Due Date: May 6, 2019.
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Required Pre-Class Readings:

For an understanding of how the market has evolved since the 2008 correction:


To really understand the path of development, it is essential to understand how cities grow and evolve. The following article provides a succinct statement of the basics of urban economics.


Suggested Reading - References:

Columbia Real Estate Association, Glossary of Terms. Posted on Canvas

Lynne B. Sagalyn, “Note on Income and Expense Analysis”. Posted on Canvas

New York City Department of City Planning, Zoning Handbook, Glossary of Planning and Zoning Terminology. Knowledge of these terms is important to your understanding of planning and zoning regulatory concepts that affect development in NYC. Posted on Canvas.

Selected Readings on Real Estate Developers (Compiled by Prof. Lynne Sagalyn). Posted on Canvas.


(Selected passages from this book are listed in the required readings for Week #1 class)
Informative Websites:


ArchNewsNow.com, a daily newsletter of articles of interest to the design and development communities. See for example, https://archpaper.com/2017/01/pier-55-underside-proposal/#gallery-0-slide-0

Greenwich Village Society for Historic Preservation (GHSHP) tracks anything and everything having to do with landmarking and historic preservation in NYC. See for example, http://www.gvshp.org/_gvshp/index.htm

Highly Advised Museum Visits:


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March 29  Value Creation in Development: An Entrepreneurial Perspective
   Firm Visit: Longicera Partners, Demetrios Yatrakis ’10
   Quinlan Development Group, John Evans
   Site: 415 Red Hook Lane, Brooklyn

Topics to cover:

- Overview of the course
- Development as value creation
- The path of a young, start-out developer
- Raising capital for the first projects

ASSIGNMENT:
(1) Read all the preparatory material; (2) compose three questions (two development project-specific; one topic-specific) and submit them on Canvas under the Quizzes section by NOON on Wednesday (March 27); (3) submit on Canvas your viewpoint essay on a topic or issue from the readings by NOON on Wednesday (March 27). Bring inquisitiveness and enthusiasm to our in-classroom hour and the project site visit.

PREPARATORY READINGS:

1. On development and developers:

2. **On land assembly and entitlements:**


3. **On the rise of downtowns and the Brooklyn market:**


   Daniel Bukszpan, “As New York’s real estate market cools, Brooklyn neighborhoods stay hot for buyers and renters,” *(CNBC: Jan 26, 2019)*. Posted on Canvas.

4. **Information about the Brooklyn project we are visiting:**


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April 12  Selecting Sites, Assessing Risks, and Determining Program

Firm Visit: TF Cornerstone, Jeremy Shell ’04
Site: East Coast, Long Island City

Topics to cover:

- Site acquisition and control
- Long Island City as a hub of development activity

ASSIGNMENT:
(1) Read all the preparatory material; (2) compose three questions (two development project-specific; one topic-specific) and submit them on Canvas under the Quizzes section by NOON on Wednesday (April 10); (3) submit on Canvas your viewpoint essay on a topic or issue from the readings by NOON on Wednesday (April 10). Bring inquisitiveness and enthusiasm to our in-classroom hour and the project site visit.

PREPARATORY READINGS:

1. **On the development process:**

2. **On choosing a site:**

3. **On planning for LIC:**
4. **On the current state of development activity in LIC:**
   LIC Real Estate Snapshot


   LIC Neighborhood Snapshot (June 2018). Posted on Canvas.


5. **TF Cornerstone—read about the company**
   [https://tfc.com](https://tfc.com)
   [http://tfc.com/about](http://tfc.com/about)

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**ADDITIONAL MATERIAL AVAILABLE ON CANVAS:**

- Site Acquisition, Sample Definitions. Posted on Canvas.
- Packet of news articles on LIC from the *New York Times*. Posted on Canvas.
- Additional materials on LIC - Links provided by our host, Jeremy Shell ’04. Posted on Canvas.
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April 26  Getting It Built: Design, Engineering, and Project Management
Firm Visit: Related Companies, Philippe Visser ‘04
Site: Hudson Yards, Far West Midtown Manhattan

Topics to cover:

- Mixed-use megaprojects under a master developer
- Complexity of construction and its team management
- Platform development over an operative rail yard

ASSIGNMENT:
(1) Read all the preparatory material; (2) compose three questions (two development project-specific; one topic-specific) and submit them on Canvas under the Quizzes section by NOON on Wednesday (April 24); (3) submit on Canvas your viewpoint essay on a topic or issue from the readings by NOON on Wednesday (April 24). Bring inquisitiveness and enthusiasm to our in-classroom hour and the project site visit.

PREPARATORY READINGS:

1.  On construction and engineering of high-rise buildings:

Posted on Canvas.