

**B8426  
REAL ESTATE ENTREPRENEURSHIP**

**Christopher Mayer  
Paul Milstein Professor of Real Estate**

**Spring 2017 (A Term)  
Thursday, 4PM - 7:15PM**

Real estate has historically been an entrepreneurial industry. Great fortunes and enterprises have been created by entrepreneurs who started as contractors, agents, and other service providers in real estate and related businesses. Others have built investment management businesses from scratch, often starting from small purchases and growing into multi-billion dollar funds. The industry has changed over the years; it has become more institutionalized and the public debt and equity markets play a larger role and have increased transparency. At the same time, real estate technology companies have started to threaten traditional business models in real estate services (brokerage and modeling), capital markets (crowd funding and financing), and, of course, ownership and leasing (AirBNB and WeWork).

Although the property industry remains a marketplace where talented entrepreneurs can still build great businesses and fortunes, nevertheless, relatively few succeed. What is the difference between success and failure? What resources, personal characteristics, and business strategies improve the odds of success for the entrepreneur in the world of real estate? To avail themselves of the ever-widening opportunities, today real estate entrepreneurs must frequently go beyond a transactional framework to build companies or investment platforms.

The purpose of this course is to introduce students who have a passion for creating their own real estate business to the challenges and opportunities they will face, and the tools they will need to be successful. The course will expose students to the personal skills, organizational challenges, financial structures and market factors that influence the success or failure of a real estate entrepreneur.

Classes will focus on discussion and analysis of assigned cases and readings, and topical lectures. Guest speakers will be introduced to provide first-hand experience in the challenges and opportunities of starting and building a real estate business.

The completion of two written case analyses will be required during the term along with a New Business Proposal. Groups will be required to meet with the Professor and the class Teaching Assistant at least twice during the term (with all group members attending). These meetings will include a discussion of the business concept, the financial model, and presentation. Each group will present their proposal on the final day of class.

Prerequisites: Real Estate Finance (B8331) AND one of the following, or with the permission of the Professor: Entrepreneurial Finance (B8345), Real Estate Capital Markets (B8333), Real Estate Project Class (B8334) or, Real Estate Transactions (B8332).

IN ADDITION, students accepted for the class will be required to submit, NOT LATER THAN JANUARY 24, via email to [cm310@gsb.columbia.edu](mailto:cm310@gsb.columbia.edu) a one-page summary of their background, reason for taking the course, and what they hope to learn from it.

### **COURSE EXPECTATIONS**

Assignments. (hard copies) 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 professor before class.

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 me as such. Missing more than 1-2 classes (other than for religious holidays) is likely to adversely affect your grade.

No Cell Phones, Laptops, iPads. 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 or IPAD during the semester, please let me know at the start of the course. Our guest speakers are volunteering their time and warrant your undivided attention; it is highly distracting—and quite obvious—to your fellow students, your professor, and guest speakers.

Preparation. Students must be prepared for all classes. Convenient as it might be, you cannot learn all you need to learn just from listening in class. Class discussion will be based on the assumption that you have thoroughly read these materials and are prepared to answer questions as well as pose questions in class. **THE PROFESSOR MAY COLD CALL ON STUDENTS!**

Course Materials, Cases, & Readings for the course will be posted on the course website on Canvas and the required readings for each session will clearly identified.

Case Analysis Memos: Students must complete two Case Analysis Memos. Each memo must be no longer than three single-spaced pages in length and written as if submitting to an investment committee. Issues to be addressed in each case will be posted on canvas. Students are expected to read ALL of the cases but can choose which cases they wish to prepare written analyses. Regardless of whether a case analysis memo is turned in, students should be prepared to discuss the case in class.

New Business Proposal: The presentation materials will consist of a business plan (not to exceed 5 single spaced pages) and a “pitch book” presentation (not to exceed 10 slides). Students must work in teams of four members. Final Project team membership and a description of the new business concept must be submitted prior to the second class.

#### **GRADING**

Grading will be based on Class Participation (20%), Case Analysis Memos (30%), Final Business Plan/Model (30%), and Final Presentation (20%).

**PROFESSOR MAYER’S EMAIL:** [cm310@gsb.columbia.edu](mailto:cm310@gsb.columbia.edu)

**OFFICE HOURS:** Thursday 8:30 – 10 am, or by appointment; Office: Uris 805

**TEACHING ASSISTANT:** TBA