

REE 6007
FUNDAMENTALS OF REAL ESTATE DEVELOPMENT
Spring 2018, Mod' 3

Instructor: Thomas B. Sunnarborg, Adjunct Lecturer

Class Times: Monday 7:20 - 9:10 pm periods E1 - E2 Hough Hall, Room 250
Tuesday 7:25 - 9:20 am periods 1 - 2 Hough Hall, Room 250

Office: Bryan Hall, Suite 200 (located in the Bergstrom Center for Real Estate Studies).
Mailbox STZ 321, Phone: 352-392-0138

E-mail: thomas.sunnarborg@warrington.ufl.edu

Please send all course-related e-mail to this address and include "REE 6007: *your subject heading*" in the subject line.

Office Hours: Monday 6:15 - 7:05 pm period 11 appointments encouraged
Tuesday 9:35 - 10:25 am period 3 appointments encouraged

CRES: For more information on the Warrington College of Business Administration's real estate programs and activities, including information on the Alfred A. Ring Distinguished Speaker Series, see the Bergstrom Center for Real Estate Studies' (CRES) website: www.realestate.ufl.edu.

Course Prerequisites:

Grade of "C" or better in REE 6045 (Introduction to Real Estate) or REE 6395 (Investment Property Analysis). Some background or experience in real estate, finance, architecture, engineering, planning, law, or building construction is also helpful.

Required Textbook:

Real Estate Development: Principals and Process (5th edition, 2015) by Mike E. Miles, Laurence M. Netherton, and Adrienne Schmitz, ULI – The Urban Land Institute: Washington, D.C. ISBN 978-0-87420-343-1

Course Description and Objective:

This course is designed to provide students with an introduction to the real estate development process from the perspective of the real estate owner / developer.

Maximizing the likelihood of achieving the stated development objectives is accomplished through an examination of the development process from beginning to end.

Topics such as the development program, budget, schedule, story, controls, master plan, roles and responsibilities, strategic alternatives, interdependent strategies, legal agreements, design and engineering management, cost estimating, construction bid and award, construction management, operations, and disposition are studied.

Students should already be familiar with the application of discounted cash flow analysis to real estate investments, are assumed to have a working knowledge of MS-Excel, and are comfortable with the functions of a financial calculator.

Upon completion of this course, students should have a well-formed basis for moving on to more focused studies in feasibility analysis, site evaluation/selection, cash flow evaluation, financing, market analysis, property acquisition, and disposition.

Means of accomplishing course objectives:

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1. This course is lecture oriented and uses the textbook as both a supplement to and reinforcement of the lecture material. Student participation, engagement, and questions are strongly encouraged.
2. Course objectives will be reinforced through discussions, homework assignments, and in-class quizzes.
3. In keeping with the applied nature of the course, relevant real world issues and "current events" are discussed in class, and well as potential scheduling of guest speakers.
4. All material covered in this course including, but not limited to, the textbook, lectures, supplemental materials, and guest speakers is considered "fair game" for homework, quizzes, and exams.

Class Announcements:

I may communicate with the class by posting announcements to the class Canvas site. It is your responsibility to make sure you are receiving email notifications of Canvas announcements.

Grading and Expectations:

- Grading Weight.

	<u>Points</u>	<u>Weight</u>
Participation and Cooperation	10	8.62%
Homework 1	6	5.17%
Quiz 1	9	7.76%
Homework 2	5	4.31%
Mid-Term Exam	30	25.86%
Homework 3	9	7.76%
Quiz 2	11	9.48%
Homework 4	5	4.31%
<u>Final Exam</u>	<u>31</u>	<u>26.72%</u>
Total	116	100.00%

- Grading Scale. This course will utilize the following grading scale. Note that the final grades are not rounded. For example, a final calculated grade of 86.98% will be recorded as a B+.

A	=	90.0%	to	100.0000%
A-	=	87.0%	to	89.9999%
B+	=	84.0%	to	86.9999%
B	=	80.0%	to	83.9999%
B-	=	77.0%	to	79.9999%
C+	=	74.0%	to	76.9999%
C	=	70.0%	to	73.9999%
C-	=	67.0%	to	69.9999%
D+	=	64.0%	to	66.9999%
D	=	62.0%	to	63.9999%
D-	=	60.0%	to	61.9999%
E	=	0.0%	to	59.9999%

- Homework. All homework or project assignments must be turned in on the assigned due date at the beginning of class. Late assignments will not be accepted.
- Exams. This course has two exams: the mid-term exam and the final exam. They are not cumulative. Make-up exams will be offered only under extenuating circumstances (generally medical excuses) and only if the student receives permission from the Instructor in advance of the conflict.

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- Participation. Attendance is strongly encouraged and answering and asking questions will contribute positively to the class participation grade. However, evaluations will also be based on attendance and the extent to which the student helps create a positive learning environment (i.e., arriving for class on time, showing respect for the Instructor and fellow students, not engaging in conversations or other distractions during class, keeping cell phones off and out of sight, complying with rules regarding the use of laptops, etc.)

Administrative Issues:

- The Instructor will arrive early and be prepared to start on time. Students should do the same.
- The Instructor reserves the right to modify the topics, the order of the topics, the schedule of homework, quizzes, and exams, etc. as outlined below.
- Computer usage during class. The use of computers in class is permitted, provided it does not become a distraction to fellow students or the Instructor. If the Instructor determines a student's use of their laptop or any other electronic device is distracting, the student will be asked to turn off the device. Laptop computers must be turned off and closed during quizzes and exams.
- Smart phones and other electronic devices. Electronic devices must be set to silent mode in class. Their use is permitted, provided such use does not become a distraction to the Instructor or fellow students. Smart phones and other electronic devices must be stowed during quizzes and exams.
- Important Note About Email Accounts. The Instructor may make announcements and correspond with the class via students' UF WebMail or by posting announcements on the course site in Canvas. It is the student's responsibility to check their email often and to ensure receipt of UF WebMail, even if forwarded to an alternate email.
- Accommodations for students with disabilities. "Students requesting classroom accommodation must first register with the Dean of Students Office. The Dean of Students Office will provide documentation to the student who must then provide this documentation to the Instructor when requesting accommodation."
- Regrade Policy. To insure that all students are treated equally and fairly in the grading process, students must follow the regrade policy below if they want a quiz, homework, or exam grade to be reconsidered. Please note that for grades to be reconsidered, the student must provide the Instructor with the following material no later than two weeks after the assignment or quiz was returned. If the student believes that incorrect credit for a particular portion of the graded material was received, the student must do the following:
 - Turn in the graded course material in question.
 - Provide the Instructor with a clear, type-written case with a clear explanation. Please note that to evaluate your request, the Instructor will likely regrade the entire quiz, homework, or exam in order to determine if the student was treated fairly relative to peers. This could result in the grade being lowered.
 - Provide the Instructor with an email address where the student can be reached once the case is evaluated.
- Department Chair. The chair of the Finance, Insurance and Real Estate Department is Professor Andy Naranjo, andy.naranjo@warrington.ufl.edu. The department offices are located in 321 Stuzin, 392-0153.

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Related University Policies:

- Document retention policy. Student course material will be retained for three weeks beyond the end of the term.
- The University's honesty policy regarding cheating and use of copyrighted materials. All students are required to abide by the Academic Honesty Guidelines set forth in the University of Florida Rules- 6C1-4 Student Affairs, 6CI-4.017 Student Affairs: Academic Honesty Guidelines. The following website contains details covering the academic honesty guidelines:
<http://www.aa.ufl.edu/Handbook/students.html>.
- The University's student code of conduct. Students enjoy the rights and privileges that accrue to membership in the UF community and are subject to the responsibilities that accompany that membership. As stated in the Standard of Ethical Conduct, students are expected to treat others with respect and concern (6C1-4.016 Student Conduct Code; Violations, Penalties and Procedures for Adjudication). The following website contains details covering the student code of conduct:
<http://www.dso.ufl.edu/judicial/conductcode.php>.
- UF Religious Observances Policy. Students are allowed the opportunity to observe the holy days of his or her faith. A student needs to inform the faculty member of the religious observances that will conflict with class attendance tests or examinations prior to the class or occurrence of that test or activity. The faculty member is then obligated to accommodate that particular student's religious observances. Because our students represent a myriad of cultures and many faiths, the University of Florida is not able to assure that scheduled academic activities do not conflict with the holy days of all religious groups. We, therefore, rely on students to make their need for an excused absence known in advance of the scheduled activities. The UF Religious Holidays Policy is available at:
<https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

Course Outline: *(subject to change)*

- Monday, January 8, 2018
 - Introduction
 - Spring Term 2018 - Mod' 3 – Schedule
 - Development Process Overview
 - Development Leadership
 - Development Careers
- Tuesday, January 9, 2018
 - Conception
 - Site in Search of a Use - Celebration, FL
 - Site in Search of a Use - Streamsong Resort
 - Use in Search of a Site - VHS Building
- Monday, January 15, 2018 *(Martin Luther King holiday)*
- Tuesday, January 16, 2018
 - Owner Analysis
 - Owner Analysis - Celebration, FL example
 - Owner Analysis - Streamsong Resort example
 - Program
- Monday, January 22, 2018
 - Homework Due
 - In-Class Quiz

Textbook Chapters: 1, 2, 3, 4, 5, 6, 9
Same textbook chapters plus lectures to date

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- Budget
- Schedule

- Tuesday, January 23, 2018
 - Story
 - Envisioning / Master Planning / Placemaking
 - Master Planning - Golfpark Drive example

- Monday, January 29, 2018
 - Homework Due
 - Business Planning
 - Project Controls / Reporting
 - Developer Roles

Textbook Chapters: 12, 13

- Tuesday, January 30, 2018
 - MID-TERM EXAM

All textbook chapters and lectures so far

- Monday, February 5, 2018
 - Strategic Development Alternatives
 - Interdependent Strategies

- Tuesday, February 6, 2018
 - Development Management Strategy Considerations
 - Design and Engineering Strategy Considerations
 - Construction Strategy Considerations

- Monday, February 12, 2018
 - Homework Due
 - In-Class Quiz
 - Development Financing
 - Entitlements and Permits
 - Legal Agreements / Contracts

Textbook Chapters: 7, 8, 10, 11, 14
Same textbook chapters plus lectures since mid-term exam

- Tuesday, February 13, 2018
 - Design and Engineering
 - Cost Estimating and Scheduling

- Monday, February 19, 2018
 - Homework Due
 - Construction Bid and Award
 - Construction Bid Analysis Example
 - Construction Management

Textbook Chapters: 15,16,17,18

- Tuesday, February 20, 2018
 - Branding and Naming
 - Turnover, Warrantee, and Operations
 - Disposition

- Monday, February 26, 2018
 - FINAL EXAM

all textbook chapters and lectures since mid-term exam