

CE 49F REAL ESTATE DEVELOPMENT AND MANAGEMENT

Elective Course

Spring 2009

Instructor: Name: Yücel Ersöz

Course Data: Hours: MMM 789
Room: YD 201

Course Description (Catalog):

CE49F Special Topics in CE: Real Estate Development and Management

Real estate cycles, introduction to feasibility studies, review of corporate finance topics as applied to real estate development, introduction to zoning and regulations in Turkey, project feasibility analysis fundamentals and case examples, design stage considerations, construction stage considerations, delivery stage considerations, contract management, project financing techniques

Prerequisite: None

Course Objectives:

Establishing a strong understanding of the mechanics of real estate business

Developing basic technical knowhow in real estate law, project financing, contract management

Introduction of feasibility analysis methodology, developing basic skill set to conduct feasibility studies in real estate development projects

Fostering analytical abilities, decision making competency in the face of incomplete market data

Understanding real estate cycles and establishing the link between macroeconomics and real estate cycles

Textbook:

None

Reference Books:

Principles of Corporate Finance, Brealey – Myers, McGraw Hill

Curricular Context:

This course introduces project financing and real estate markets to students, providing them with the tools and knowhow necessary to understand the competitive and challenging modern profession.

Computer Usage:

Advanced knowhow of Microsoft Excel required

Class Policies:

Homeworks: 1/8 of the course grade

Midterm exams: Two exams, each 2/8 of the course grade.

Final exam: Comprehensive exam at the end of the semester, 3/8 of the course grade.

Open notes policy in all exams

Contribution of the Course to Program Outcomes:

(c) An ability to design a system, component, or process to meet desired needs

(d) An ability to function on multi-disciplinary teams

(i) A recognition of the need for, and ability to engage in life-long learning

(j) A knowledge of contemporary issues

(k) An ability to use the techniques, skills and modern engineering tools necessary for engineering practice

Course Assessment:

Course will be assessed on the basis of the accomplishments regarding the course objectives and the contributions to the program outcomes. The evaluation will consist mainly of the responses from the students, who will provide their comments to various course related questions in the final week of the semester.

Week	Topics	Reading Assignment	Homework Assignment	Course Topics and Objectives
1	Introduction to course, syllabus overview	Article: Subprime Crisis Explained, Dan Richards	Homework I	Introduction to the course, overview of syllabus Definition of real estate cycle Introduction to real estate markets
2	Finance basics, feasibility analysis			Capital asset pricing model (CAPM) Structure of financial feasibility analysis study
3	Feasibility analysis, legal due diligence	Selected text from Brealey and Myers	Homework II	CAPM revisited with case examples Introduction to zoning and real estate regulations in Turkey
4	Developing a feasibility study, detailed review of its components			Market intelligence studies Developing a feasibility analysis template Producing revenue and cost side assumptions Discussion of impact of assumptions on final result Scenario analyses
5	Design stage considerations			Developing a design brief based on market research Analysis of site layout considerations Optimizing site layout Project phasing discussion Developing space allocation tables
6	Construction stage considerations		Homework III	Bidding methodologies, pros and cons of different alternatives Developing the construction organization Introduction to project management basics: Cost and schedule control
7	Contract management			Managing change orders, claims Alternative dispute resolution methods Discussion of case examples
8	Midterm I			
9	Discussion of mid term I solutions Contract management review		Homework IV	Solution and discussion of questions in mid term I Contract management case examples
10	Real estate economics		Mid term II (take home exam)	Framework for analysis of real estate markets Urban development theories Discussion of development of İstanbul vis a vis cities in developed countries Discussion of real estate prices in real terms, theories explaining changes in prices
11	Alternative project financing methods Course overview			Private equity funding methods defined Mezzanine financing methods defined Course overview and preparation for final exam