



COLUMBIA UNIVERSITY
MSc in Real Estate Development

Residential Investment and Development
Fall 2017

Instructor

Prof. Joshua Kahr
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Office hours are by appointment only.

Location and Time

Ware Lounge, 6th Floor
Monday, 11 am to 1 pm
9/11, 9/18, 9/25, 10/2, 10/9, 10/16

Electronic Resources

All assignments and readings will be distributed by email.

Description

"People who are consistently successful as developers, by contrast, surviving both boom and bust, have special gifts of character. Not the least of these is their ability to routinely roll the dice with millions of dollars on the table and then sleep at night.

But by and large, developers as a breed have only one specialized skill not generally available in the population: they have the ability to do fairly high-level arithmetic, in their heads, while talking about a completely different topic. What developers do, fundamentally, is run the numbers. And the most impressive number they run is the one in which they manage to divide extremely large dollar figures by 43,560, which is the number of square feet in an acre. By so doing they can and do reduce much of the human experience – quite accurately, as it turns out – to the Deal."

- From Edge City, Joel Garreau, Anchor, 1992, p. 224:

This course will focus on residential investment and development. We will also discuss related topics including finance, investment, development, affordable housing subsidies and programs, REITs and public markets, environmental remediation ("brownfields"), and partnership structures.

Examinations and Grading

Your grade will be almost entirely based on your answers to the assignments that are given.

Deadlines in this class, as they are in business, are firm. Assignments are due at the beginning of the scheduled class. **If assignments are not handed in on time, they will not be accepted.** An extension of the due date will be considered only under extreme circumstances (i.e., a life-threatening illness that renders you incoherent, natural disaster, and/or act of war).

Electronic Homework Submittal Responsibilities

All homework assignments must be completed using Microsoft Excel and/or Word. Assignments must be submitted by email and properly formatted for printing.

Please label your submission with your name so that I may keep track of the assignments. Use this formatting convention:

PLANA6391_LastName_FirstName_Assignment#

Sessions

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Homework</u>
1	9/11	Introduction to Residential Real Estate	
2	9/18	Finance and Investment	
3	9/25	Subsidies and Housing Finance	Case Study #1 Due
4	10/2	Development	
5	10/9	Development	
6	10/16	Equity Structuring	Case Study #2 Due

The homework assignments can require a remarkable amount of time to complete. Allow up to two full days per assignment. Additional readings will be assigned as needed.

Additional Student Responsibilities:

- If you miss class, you are responsible for obtaining reading assignments and handouts from other students. A student's absence will not excuse that person from deadlines regarding assignments that are due on the date of the absence.
- You may not record lectures if you are not present. Under no circumstances may you videotape a lecture.
- Please set your cell phones to vibrate (or off) before entering class. Do not break the flow of class with your ring tone.
- Class starts on time. From the movie, Fast Times at Ridgemont High:

Mr. Hand: Mr. Spicoli, what's your excuse for your truancy?

Jeff Spicoli: I just couldn't make it on time.

Mr. Hand: You couldn't or wouldn't come to class?

Jeff Spicoli: Well, there was a long line in the cafeteria and I was having a hit of the munchies...

Mr. Hand: Food will be eaten on your time, Mr. Spicoli. Mr. Spicoli, why are you continually late for this class? Why are you continually wasting my time and the classes with this tirade every day?

Jeff Spicoli: Uh, uh... I don't know.

- Attendance is not the same as participation. Participation is strongly encouraged. From the movie Ferris Bueller's Day Off:

Economics Teacher: In 1930, the Republican-controlled House of Representatives, in an effort to alleviate the effects of the... Anyone? Anyone? ...the Great Depression, passed the... Anyone? Anyone? The tariff bill? The Hawley-Smoot Tariff Act? Which, anyone? Raised or lowered? ...raised tariffs, in an effort to collect more revenue for the federal government. Did it work? Anyone? Anyone know the effects? It did not work, and the United States sank deeper into the Great Depression. Today we have a similar debate over this. Anyone know what this is? Class?

Anyone? Anyone? Anyone seen this before? The Laffer Curve. Anyone know what this says? It says that at this point on the revenue curve, you will get exactly the same amount of revenue as at this point. This is very controversial. Does anyone know what Vice President Bush called this in 1980? Anyone? Something-d-o-o economics. "Voodoo" economics.

Plagiarism:

Copying the work of others is cheating. **This includes copying the Excel models of others, or working together with classmates on assignments that are meant to be completed individually.** While there is no reason not to approach the professors, tutors, teaching assistant, or your classmates to discuss issues that you find difficult, do not make the mistake of blatantly copying their work. **Any cheating offence will result in failure of the class, not just the assignment.**