

COURSE SYLLABUS  
**Multi-Family Real Estate Development**  
**Autumn 2017**  
**Course Number** PLA6274  
**1.5 Credits**

200 South Fayerweather  
Wednesdays, 3pm -5pm,  
9/6, 9/13, 9/20, 9/27, 10/4 & 10/11 & 10/18

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## **I. COURSE DESCRIPTION**

*Multi-Family Real Estate Development* offers a topical survey of many facets of multifamily development, with a primary focus on NYC sites.

The course is structured primarily as a series of lectures, many of which draw on original material, which will be produced and developed by the class itself through a semester-long investigation into specific projects put forth for analysis in the first class. In addition, students may be required to make one or more field trips to particular locations we are studying.

We will examine residential real estate development from a financial, land use, design and public policy perspective, exploring both redevelopment and new construction opportunities for rental and for-sale multi-family residential products. Specific topics include acquisition and assemblage, environmental and engineering review, design development, construction, joint ventures and public/private partnerships, capital and financing structure and sales and marketing concerns. This course is a broad-spectrum survey class and will not be focusing on any one aspect in extraordinary detail, but rather will focus on how combining elements and a cross-disciplinary approach is necessary in development and asset repositioning.

The course will be organized alongside the [ULI Multifamily Housing Development Handbook](#) and will be utilizing “real-life deals” provided by students within the class. As such, **in anticipation of the first class, please spend some time on any multi-family broker’s website and select one listing that pique’s your curiosity for further review and analysis, preferably within any borough of New York City.** These listings will be presented during the first class and groups will form to use select examples as the basis for study throughout the 6-weeks.

At the conclusion of the course, students will be expected to create an investment memorandum of a potential development project, which includes an assessment of its risks and rewards, an outline of the required steps and time frame from concept to completion, with a specific emphasis on how the project will be differentiated from others in the market. Creative and critical thinking will be emphasized throughout the course.

## II. COURSE REQUIREMENTS AND ASSIGNMENTS

Students will be expected to complete assigned weekly readings and to prepare questions based on these readings for group discussion. Short assignments on selected topics from these readings or from assigned walking tours will be done in group format. Students will independently prepare an final investment memorandum as a final project from a deal of their choosing.

FOR THE FIRST CLASS: please submit a listing of a multi-family deal within NYC from a current broker's listing page. (ie: Cushman & Wakefield, Besen & Associates, Marcus & Millichap, Ariel Properties, JLL, Meridian, or any other of your choosing)

PLEASE NOTE THAT THERE WILL BE GROUP ASSIGNMENTS ISSUED, and most specifically there will be a GROUP NEGOTIATION issued, which will require participation outside of the classroom.

## III. COURSE GRADING CRITERIA

Course grading criteria are as follows:

- Completion of readings, questions, and in-class assignments: 20%
- Attendance and in-class participation: 50%
- Final project: 30%

Only exceptional performers will receive a High Pass. Those who fall short on more than one major assignment will receive a Low Pass.

Two or more missed classes will result in an Incomplete Grade.

## IV. READINGS

Students will be expected to complete readings in advance of class. With the exception of those from the required textbook, these will be posted at least one week in advance on Courseworks.

**Required textbook(s):** ULI Development Handbook Series: Multifamily Housing Development

**Recommended readings(s):**

### **HBS Case Study:**

A series of interrelated case studies will be used for Class 6, a group negotiation class. The specific positions will be assigned in Class 5.

## V. COURSE OUTLINE

### *Class 1: September 6, 2017: Introduction & Key Topics*

1. Key concepts: type of housing (new construction, re-development, rental, for-sale),
2. Site selection (suburban, urban), control (public, private), density (permitted, feasible),
3. affordability (market rate, subsidized),
4. design development (site plan, building design, unit design),
5. land use approvals (environmental, site plan, architectural review),
6. financial feasibility and capital sources,
7. construction (supervision and cost), sales and marketing,
8. completion and continued property/asset management.
9. Development phases, multi-family distinctions, time frame, evaluation of risk/reward.

Assignments due: All students are asked to come to class with a pdf of a “actual live multi-family deal”. These listings will be discussed briefly during the first class and groups will form, having selected various of these deals presented for further analysis during the semester.

#### Required Textbook Reading:

- Chapter 1: What is Multifamily Housing? The introduction of multifamily housing in the United States
- Chapter 2: Market Analysis: Identifying the Market Area, Demand Factors, Supply Factors
- Chapter 3: Site Selection: Factors Affecting Location, Land Use, The Site

#### Recommended readings:

Familiarize yourself with MF investment listings through websites such as JLL, Cushman & Wakefield, Meridian.

### *Class 2: September 13, 2017: Regulatory Context, Financial Feasibility, Site & Product Selection*

1. Specialized housing and considerations: single family communities, townhome communities, rental apartment and condominium apartments, mixed-use development, transit oriented development, waterfront communities, barriers to entry, adaptive re-use, conversion from rental to condominium or cooperative ownership,
2. Project concept, where, what, how
3. Team Selection: Developer and development team (expertise—financial, legal, design, planner, political, construction, sales)
4. Site selection and deal control (zoning, land options)
5. Key contract issues: (land assemblage, existing buildings, negotiation, form of ownership, due diligence items, partnership, specific performance, time frames)
6. Zoning: use, density, parking, building envelope (height, coverage, size), allowable compared to feasible, re-zoning options.

#### Assignments due:

#### Required Textbook Reading:

- Chapter 4: The Regulatory & Legal Context for Multi-Family Housing: Fair Housing Laws, ADA & Compliance, Environmental laws
- Chapter 5: Financial Feasibility Analysis
- Chapter 6: Site Planning & Product Design

#### Recommended readings:

- The Mercado Apartments Case Study, p 250-257
- Wimbledon Apartments Case Study, p 332 - 338

### *Class 3: September 20, 2017: Financing & Investment*

1. Types of Financing: Debt, Equity, Hybrid
2. Ownership Structures: Direct, Joint Venture, Partnerships,
3. Financial Analysis, Lender basis v Ownership basis

4. Sources of Debt
5. Stages: Planning, Predev, Acquisition, Construction, Post-Construction, Permanent Financing, hybrids
6. Budget and proforma, hard and soft costs, contingencies
7. Capital Structure, equity, debt, joint ventures—investment returns
8. Loan Process and Documents- construction and permanent sources and uses

Assignments due:

Required Textbook Reading:

Chapter 7: Financing and Investment

Recommended Readings:

The Cotton Mill Case Study, p 268 – 275

Peakview Apartments Case Study, p 312 - 317

*Class 4: September 27, 2017: Construction/Development & Marketing the Product – an iterative process*

1. Programming a project, compliance with zoning (inclusionary zoning for affordable set asides) site feasibility studies and marketing (voids in the market),
2. Site design, building design, unit design
3. Sales and marketing, materials, target audience, web based, public relations, program changes
4. Model, sales office, sales contracts, in-house sales, outside brokerage, market exposure
5. Response to sales environment, end loan financing, current climate
6. Tie-Ins to the: Construction phase

Assignments due:

Required Textbook Reading:

Chapter 8: Marketing the Project: 3 basic aspects of marketing, developing the strategy, measuring success

Recommended Readings:

The McNeil House Case Study, p 306-311

Franciscan Village Case Study, p 298 – 205

Gramercy on Garfield/Greenwich on the Park Case Study, p 244-249

*Class 5: October 4, 2017: Management & Operations*

1. The Management Team
2. Operations & Maintenance
3. The budgeting process
4. Resident relations, rental, condo/coops & distinctions
5. Staffing & employment
6. Learning to juggle
7. Regulatory compliance

Required Textbook Reading:

Chapter 9: Management & Operations

Recommended Readings:

The Colony at Fashion Island Case Study, p 290-297

UCLA University Village Case Study, p 326-331

*Class 6: October 11, 2017: HBS Case Study Negotiation & general conversation*

This class will focus on the negotiations coming out of assignments of HBS Case Study. The assignments will be issued during class #5, and students should come to class prepared to participate in debate according to their assigned

position. Afterwards, student charette of work being finalized for the final project and a general conversation of the topics covered.

There is no specific textbook reading to be prepared for this class, but there will be an HBS Case Study issued during Class #5. Students will need to meet in groups PRIOR to class to prepare their positions for debate during Class #6.

#### **VI. FINAL PROJECTS – DUE OCTOBER 18, 2017 by 2pm.**

At the conclusion of the course, students will be expected to create an investment memorandum of a potential development project, which includes an assessment of its risks and rewards, an outline of the required steps and time frame from concept to completion, with a specific emphasis on how the project will be differentiated from others in the market. Creative and critical thinking will be emphasized throughout the course.

*Final Project due 2pm Wednesday, OCTOBER 18 submitted via email to ColumbiaREDP@newcastlenc.com*

#### *Class 7: October 18, 2017: Final Project Presentation*

The final project will be very similar to the initial project issued, however will be done independently by each student. The class will be spent with select students presenting their final project and the balance of the class acting as various groups analyzing the deal. Some may assume the role of lender, community activist, potential tenant, partner, architect, etc as applicable. There are no “right or wrong” answers, but this will rather be an exploration of how various components interrelate, and the need for a developer to analyze and incorporate them all.