

SHACK INSTITUTE OF REAL ESTATE (GLRE1-CE)

GLRE1-CE 1000 Real Estate Fundamentals: Financial Modeling Essentials (3.5 Credits)

This course provides an introduction to real estate with a focus on investment and financing issues. Project evaluation, financing strategies, investment decision-making, and real estate capital markets are covered. Students will gain knowledge and skills regarding the fundamentals of building a real estate financial investment model using Excel, gaining the ability to organize and to present data in order to analyze real estate investments efficiently. Topics to be covered include income and expense assembly; multiple lease analysis, including effective rent; sizing debt with lender parameters and calculating levered and unlevered net present values (NPV) and internal rates of return (IRR); pro forma forecasting; and discounted cash flow (DCF) analysis. Students are exposed to Excel functions, tools, and formulas, as well as conditional statements, formatting, and keyboard shortcuts. They also will develop a property operating statement to determine net operating income (NOI). Participants will learn about risk versus return concepts; three approaches to value; property types and classifications; lease types, including gross and net leases; vacancy and loss; and load factor. Also, they will become knowledgeable about potential gross income (PGI), effective gross income (EGI), fixed and variable operating expenses (OE), capital expenditures (CAPX), and overall or going-in capitalization rates. Finally, students will learn how to perform due diligence for confirming expenses, to utilize direct capitalization and income multipliers, and to use comparable property sales. Experiential, problem-based scenarios and Excel are used throughout the course.

Grading: SPS Non-Credit Graded

Repeatable for additional credit: Yes

GLRE1-CE 1001 Real Estate Investment Analysis: Analyzing the Deal (3.5 Credits)

Should an investor acquire an investment with or without debt financing? What if the investor is nontaxable/taxable? During the holding period of an investment, should an investor make a discretionary capital expenditure or not? How does an investor evaluate disposition alternatives? Applying the concepts learned in previous real estate finance and investment courses to specific real estate transactional situations, this course equips students with the knowledge, tools, and resources used by experienced investors to analyze a commercial real estate deal and determine ownership opportunities for creating value and an asset's potential for profitability. Topics include forms of ownership and deal structures, the capital stack and structured finance, income and expense analysis, valuation analysis, debt analysis, equity return analysis, equity investment vehicles, and analytical performance techniques. Students also will integrate tools and skills used in negotiations across all real estate decisions and risk identification techniques to develop methods of mitigating and managing risks.

Grading: SPS Non-Credit Graded

Repeatable for additional credit: Yes

GLRE1-CE 1002 Global Real Estate Investment and Capital Markets (3.5 Credits)

Global investing requires its own unique analysis of opportunity and risk, along with relevant execution skills. This course is designed to provide students with a comparative and critical approach to undertaking the development of a global portfolio, as well as underwriting international real estate investments and development projects. It aims to cultivate a general understanding of the dynamics of real estate investment internationally for real estate activities using selected countries as examples, while providing an infrastructure for analyzing real estate investments across borders. Strategies for dealing with geopolitical and global investment risks, along with the rationale and required returns when working globally and its practical issues, will be part of the curriculum. Region-specific issues will be identified. This course will travel across the globe's major cities considering the state of individual real estate markets and the global movement of capital markets. Understanding the needs and flow of capital and its impact on individual markets will be a key component to the real-world aspect of this class. Investment managers and products available to invest in real estate globally both in public and private markets also will be covered.

Grading: SPS Non-Credit Graded

Repeatable for additional credit: Yes

GLRE1-CE 1003 Maximize Real Estate Asset Values (3.5 Credits)

This course will focus on drivers of property values, the life cycles of buildings and neighborhoods, market development and change over time, and the real estate cycle. It identifies the principles, specialized skills, and techniques for increasing the value of real estate assets under management on behalf of ownership. Components of asset management that directly affect the cash flow and underlying value of a single asset or a portfolio of assets will be explored. Students will become familiar with issues impacting construction and management of a real estate portfolio, including elements of portfolio strategy, as well as managing diversification and liquidity and measuring performance and risk. Through a step-by-step process, students will create a comprehensive business plan to develop, position, and maximize the value of a real estate asset or portfolio of assets. Exit strategies will be considered in the context of value enhancement.

Grading: SPS Non-Credit Graded

Repeatable for additional credit: Yes