

URBS 4150: DEVELOPING THE CITY: URBAN REAL ESTATE MARKETS

Fall Semester 2024

Wednesdays 2.00 – 5.00 pm, McNeil 285
Day, Time & Location to be confirmed

Instructor:
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NOTE: SYLLABUS CURRENTLY BASED ON FALL 2023 AND IS SUBJECT TO SOME CHANGES; BUT, BASIC OBJECTIVE WILL REMAIN CONSISTENT.

Cities evolve over time, comprised of various inputs of different sizes at different stages of urban evolution. However, as cities continue to densify and navigate real estate market cycles, opportunities to redefine the urban context, while promoting the individual brand, become ever more sensitive. Projects are getting increasingly complex, often involving multiple partnerships among private developers, public agencies, non-profits and community groups. And, given the current post-COVID turmoil in real estate markets and the general economy, the range of stakeholders and their concerns continues to expand. Today's investment and development professionals need to be highly entrepreneurial and opportunistic, and also be well-versed across a variety of disciplines and property types to effectively execute in an urban environment. As such, this course will provide the underpinnings for critical decision-making in markets that change frequently and often unevenly, whether for financing, investing, development, public policy formulation or asset management/disposition.

Decisions for financing, investing, development, public policy formulation and asset management/disposition require a comprehensive understanding of markets to: (1) reduce and/or manage risk and (2) make informed investment decisions. The analyses are applicable to both the public and the private sectors – non-profit organizations, as well as for-profit.

The basic objective of the course is to present fundamental economic theories, analytic and observational techniques, market analysis and practical applications for various forms of real estate to prepare students for further study and/or roles within the real estate development industry. Additional course objectives are to:

- Explore the fundamental analytic tools used in analysis for primary real estate uses;
- Show how the analysis fits into the acquisition, development and investment process;
- Explore key trends influencing real estate transactions; and,

- Understand current events and implications on real estate investment and development decisions.

Assigned reading, class participation and a focus on current events will be crucial to the course. The course will also emphasize various skills inseparable from successful real estate ventures, including presentations, writing and problem solving. Specialists in various related areas will be guest speakers at some class sessions. A final project consisting of a feasibility study of a proposed investment and/or development project will be prepared by all students.

Weekly Handouts / Presentations

At most course sessions, a two-page writing assignment will be assigned. These assignments will be related to course material and/or current events, and are intended to improve writing abilities, analytical thinking and information synthesis. The writing assignment will be graded, and multiple students will be selected at random each session to give a brief oral presentation, which will also be graded.

Midterm Assignment

The midterm assignment will be an individual position paper related to urban real estate markets. As real estate investors and developers, you will have to understand market trends and dynamics, supply and demand indicators, general economic conditions and consumer preferences. To do this, students will have to collect and analyze past statistical data, use observational skills and simply “go with your gut.” The essay will require a thoughtful response and deeper thinking and formulation of personal perspectives. The midterm paper will be assigned on **Wednesday, October 16th** and will be due on **Wednesday, October 23rd**. Late papers will not be accepted.

Property Types Sessions

Many of the course sessions will focus on specific property types. These sessions will cover basic fundamentals of property types, as well as case study analyses. Assigned readings will be supplemented by class discussion. These sessions will cover:

- Product variations and types (i.e., for residential, differing market issues involving single-family, luxury housing, affordable housing, high-rise forms, apartments, condominiums, retirement and congregate forms);
- Geographic differences – local, national, international;
- Characteristics of product producers;
- Market segmentation;
- Methodologies for conclusions; and,
- Implications for the economy, society and urban forms.

Site Visits

Throughout the semester, the class may meet on-site at various projects in or near University City and Center City. Site visits are intended to supplement in-class sessions to get real-time knowledge

of development trends, best practices, and the various stages of development. These site visits will occur during scheduled class time and will account for travel time such that students will not need to miss other classes scheduled before or after this class.

Final Research Assignment

The final research assignment will involve group preparation of a market analysis for a Philadelphia-area site and proposed land use. Students will be asked to visit the site and submit a summary of site and locational characteristics affecting market potentials, key issues in determining development potentials of the site, supply and demand analysis and a proposed program, including initial financial analysis. Reports typically include site description, regional economic overview, definition of the target market, comparable project research, primary research, financial review, recommended project definition, appropriate graphics and conclusions. Assignments will be accretive to the proposal. Sites are to be approved by **Wednesday, October 23rd**. Project presentations to an investment panel comprised of outside investors will be on **Wednesday, December 4th**. Group reports will also be due on **Wednesday, December 4th**. There will be no alternate presentation dates and late papers will not be accepted.

Final Paper

In lieu of a final exam, students will be asked to individually submit a paper related to alternative development programs for their group sites. Alternatives to this assignment may include position papers on a topic discussed during the semester, subject to the instructor's approval. The final paper will be due via email by **Wednesday, December 18th at 5:00 p.m. ET**. Late papers will not be accepted.

Grading

NO ASSIGNMENTS WILL BE ACCEPTED LATE. Grades will be determined according to the following weights:

Class Discussion/Participation	10%
Weekly Assignments/Presentations	20
Midterm	20
Final Research Project (group)	30
Final Paper	<u>20</u>
	100%

Office Hours

The instructor will be available to meet by appointment before class sessions. Alternatively, telephone and video calls can be scheduled during the week. Email correspondence is also encouraged to address questions and issues.

Reading List

There will be no required textbooks for the course, but students are advised to purchase and review the following as a key class resource:

Professional Real Estate Development: The ULI Guide to the Business, Fourth edition, by Richard B. Peiser and David Hamilton, et al (ISBN: 978-0-87420-477-3)

In addition to the textbook, readings will be handed out throughout the semester. For general background information the following books are highly recommended:

Getting to Yes, Roger Fisher and William Ury

The Real Estate Game, William Poorvu

The Elements of Style, William Strunk Jr. & E.B. White

The Social Life of Small Urban Spaces, William H. Whyte

Useful Resources

ULI—the Urban Land Institute – <http://www.uli.org>

Private Equity Real Estate News – <http://www.perenews.com/>

American Planning Association – <http://www.planning.org>

The Wall Street Journal – <http://www.wsj.com>

Globest.com – <http://www.globest.com>

Planetizen – <http://www.planetizen.com>

National Trust for Historic Preservation – <http://www.nthp.org>

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CLASS SCHEDULE
Fall Semester 2024 – Location TBD

Class #	Date (Weds.)	Topic	Weekly Assignment (due next class)
1	Aug 28	<u>Introduction</u>	Why a Developer?
2	Sept 4	<u>Basic Terms / Property Types / Initial Analysis</u>	Hometown
3	Sept 11	<u>Demographics / Market Analysis</u>	Suburban v. urban
4	Sept 18	<u>Acquisition & Development</u>	Zoning
5	Sept 25	<u>Public Policy / Entitlements</u>	Favorite building
6	Oct 2	<u>Design & Architecture</u>	Property type prospects
7	Oct 9	<u>Office / Multifamily / Industrial Trends</u>	Future of retail
8	Oct 16	<u>Retail Trends</u> <i>Midterm assigned</i>	Midterm
9	Oct 23	<u>Case Study</u> <i>Midterm due; Site selection</i>	Site selection
10	Oct 30	<u>Case Study</u>	Market analysis
11	Nov 6	<u>Case Study</u>	Zoning analysis
12	Nov 13	<u>Case Study</u>	
13	Nov 20	<u>Case Study</u>	
---	Nov 27	<u>Thanksgiving</u> – no class	
14	Dec 4	PROJECT PRESENTATIONS <u>Final papers due Dec 18th</u>	Final paper