

The Real Estate Concentration

Overview

The Real Estate Concentration at UNC Kenan-Flagler Business School is designed to provide MBA students with a broad background in all aspects of the real estate industry. In the past several years, 10-20% of students in the MBA Program have been real estate concentrators. Students from the Real Estate Concentration have taken jobs in real estate investment, finance, development, consulting, investment banking, corporate real estate, and in most other possible fields within the real estate industry. The courses that are required in the concentration are designed to develop exposure, intuition and technical ability that can be applied to a wide array of real estate decision making.

Concentration Team

The coordinator for the Real Estate concentration is David Hartzell (Dave_Hartzell@unc.edu, 919-962-3160). Faculty members teaching in the concentration include David Hartzell, Lynn Fisher, Chris Parsons, Steve Cumbie (Executive Director of the Center for Real Estate Development (CRED)), Tom Harvey (former Executive Director of the CRED), Andrew Baum (University of Reading, UK and Andrew Baum and Company), Allen Prichard (Kennedy-Covington Law firm), and others.

Concentration Leader: David Hartzell

Curriculum Advisor: David Hartzell, Lynn Fisher, Chris Parsons

Career Advisor: David Hartzell, Steve Cumbie, Tom Harvey

Advisory Board

The Concentration's Advisory Board focuses on curriculum issues to ensure that students are learning state of the art analytical techniques, and the other on the overall strategy of the program and the Real Estate Center. In addition, the Advisory Board helps students in their internship and career searches. Active alumni participation provides the bridge between current and former students. Their involvement and interaction is an essential part of the MBA experience for real estate students, and they provide guidance regarding job search, career interests, and other aspects of their experience through a variety of events.

Current members of the Advisory Board include: Weston Address (A&G Realty Advisors), David Benson (Morningstar Storage Centers), Charles Brindell Jr (Crow Holdings), Ross Cowan Jr. (Northwood Investors), Stephen Cumbie (NV Commercial), Jerry Durkin (Wood Partners), David Flanagan (Elm Street Development), Dixon Fleming Jr. (CASTO), Kent Griffin (BioMed Realty Trust), Clay Grubb (Grubb Properties), Tom Harvey, Past Executive Director of CRED, Leo Horey (Avalon Bay Communities), Turner Inscoe (Cambridge Development Group Inc.), Laine Kenan (Arcapita), Tom Lewis (T W Lewis Company), Roger Pratt (Prudential Real Estate Investments), Thomas Regnell (Washington Real Estate Investment Trust), John Robbins (Shailendra Group), Tom Senkbeil (Post Properties), Bob Slater (Bell Partners), and Leonard Wood (GLJ Partners).

In addition, the Real Estate Club extends the classroom experience by engaging students, faculty, alumni and real estate professionals in a broad variety of activities, including a speaker series sponsored by the Real Estate Center, and semiannual trips to give students first-hand exposure to such markets as Washington, Atlanta, Phoenix, Charlotte, and others. In addition, the Real Estate Club sponsors career panels that bring distinguished alumni to campus throughout the year to discuss their careers and experiences.

Concentration Requirements

All students in the concentration take the first-year core in the Modules I and II of the first year.

Students in the Real Estate concentration have two options: a development track or a finance/investments track. Required course in each track for the 2009-2010 academic year are outlined below.

Development Track in the Real Estate Concentration

- MBA 852, Real Estate Process (3 credit hours, Spring semester first year)
- MBA 853B, Real Estate Law (1.5 credit hours)
- MBA 853, Real Estate Capital Markets (1.5 credit hours)
- MBA 854, Real Estate Development Process (6 credit hours)

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Finance/Investments Track in the Real Estate Concentration

- MBA 852, Real Estate Process (3 credit hours, Spring semester first year)
- MBA 853B, Real Estate Law (1.5 credit hours)
- MBA 853C, International Real Estate Investment (1.5 credit hours)
- MBA 854, Real Estate Development Process (3 credit hours) **NOTE: Finance track students receive 3.0 credits unless they do the development project.**
- MBA 853, Real Estate Capital Markets (1.5 credit hours)
- Argus Certification Training

Course Descriptions

Real Estate Process

This course provides students with the foundation required to be successful in the highly competitive summer internship job market. The course introduces students to fundamental concepts of real estate, and provides a foundation for analysis of markets, valuation, real estate law, development, capital markets and investment analysis. The course takes a “bottom-up” approach to real estate decision-making, focusing on property level decision making. The course is largely case-based, providing an opportunity to make decisions with the same quality and amount of information as practitioners in the field.

Real Estate Capital Markets

This course gives students an understanding of real estate finance, real estate investment, and real estate capital markets. Unlike Real Estate Process, this course looks at real estate from the “top-down.” It examines the role of capital markets in facilitating development and investment in commercial real estate markets. Topics covered include commercial mortgage-backed securities and structured finance, Real Estate Investment Trust valuation and financial analysis, real estate in the institutional investor’s portfolio, and real options applied to real estate.

Real Estate Development Process

This is the capstone course for students concentrating in real estate. It focuses on the analysis of the real estate development process from the perspective of the equity participant. Understanding this perspective is critical for all real estate market participants, since every existing building began as a development project. The course provides an intensive team project that is designed to take students through the steps necessary to develop an actual income-producing project.

The steps include:

- Choosing a site in the community
- Determining how to attract equity and gain regulatory approvals
- Developing a site plan and elevations
- Conducting market analysis
- Determining profitable and feasible development strategies
- Creating revenue projections and undertaking financial analysis.

The teams face scrutiny from panels of experts regarding each of the aspects of development listed above. The panels review and evaluate the projects throughout the course, and at the end of the course serve as potential equity investors. This provides an actual development experience that is as close to reality as possible in a classroom setting. Through the process, students gain a solid grounding in entrepreneurship and business management.

Students electing the finance track in the real estate concentration will participate in the classroom portion of the development course, but will not take part in the development project. Finance track students receive 3 hours of credit for the course, while Development track students receive six hours.

Real Estate Law

This class covers the practical essentials of legal issues and documents in all aspects of development, finance and investments, focusing on key negotiations points and their economic impact for participants on both sides of the transaction. . Included are letters of intent, purchase and sale contracts, joint venture and partnership agreements, and construction and construction loan documents. In addition, current topics in real estate law that are essential for real estate practitioners will be discussed, including eminent domain, green building, and regulatory requirements in development, finance and investment.

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International Real Estate Investment

This course will focus on investment fundamentals and vehicles around the world. The focus will be on public and private equity vehicles, and the investment benefits they provide to investors. Students will be exposed to the development of public and private global portfolios, tax considerations, currency issues and related issues to global investors.

Sample Elective Course Recommendations for Two Tracks in the Real Estate

Real Estate Development

- MBA 813 Business Demographics
- MBA 780 Applied Corporate Finance
- MBA 710 Project Management
- MBA 817 Venture Capital Valuation & Deal Structure
- MBA 847 Sales
- MBA 738C Financial Statement Analysis
- MBA 796 Global Financial Markets
- **PLAN 790 Land Use Control
- **PLAN 745 Development Impact Assessment
- **LAW 270 Real Estate Transactions

Real Estate Investments and Finance

- MBA 738 Topics in Advanced Financial Reporting
- MBA 739 Complex Deals
- MBA 786 Financial Modeling
- MBA 780 Applied Corporate Finance
- MBA 792A Investments
- MBA 793 Investment Banking
- MBA 846A Private Equity
- MBA 733 Financial Statement Analysis
- MBA 735 Taxes in Finance
- MBA 790 Financing Deals and M&A

Other Suggested Electives

- MBA 825 Applied Improvisation for Communication
- MBA 836 Venture Capital Management
- MBA 839[S] Power, Politics & Leadership
- MBA 818 Venture Capital Management
- MBA 824 Managing Workplace Diversity
- MBA 870 Global Immersion led by Dave Hartzell

**Note: Some classes are not offered every year. In addition, the timing of courses may change from year-to-year. Please check MBA Program guide.*

***See MBA Policy Manual for details on how to take courses outside the MBA Program*

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Sample Concentration Sequence – Development and Finance Tracks

Year One – Development Track				
	MOD I	MOD II	MOD III	MOD IV
Required	MBA Core Curriculum		MBA Core Curriculum *Real Estate Process MBA 852	
Electives	NA	NA	See MBA Program Guide	
Year Two – Development Track				
	MOD I	MOD II	MOD III	MOD IV
Required	Real Estate Law MBA 853B**	Real Estate Development Process MBA 854** [Final Project Required]		Real Estate Capital Markets MBA 853**
Electives	See MBA Program Guide			
Year One – Finance Track				
	MOD I	MOD II	MOD III	MOD IV
Required	MBA Core Curriculum		MBA Core Curriculum *Real Estate Process MBA 852	
Electives	NA	ARGUS Certification †	See MBA Program Guide	
Year Two – Finance Track				
	MOD I	MOD II	MOD III	MOD IV
Required		Real Estate Development Process MBA 854**		
Required	Real Estate Law MBA 853B**	International Real Estate MBA 853C** and ARGUS Certification †		Real Estate Capital Markets MBA 853**
Electives	See MBA Program Guide			

NOTE: The timing of classes may change from year to year. For a complete list of the current year electives offered and the timing of electives, check the MBA program guide.

*Open to First years ONLY

**Open to Second Years ONLY

† ARGUS Certification taken in either year will meet requirement