

# The Real Estate Concentration

## Overview

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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, 10-15% 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

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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, Deb Anderson (Executive Director of the Center for Real Estate Development (CRED), Allen Prichard (KL Gates Law firm), Andrew Baum (University of Oxford (UK) and University of Cambridge (UK) and Andrew Baum and Company), Norman Block (Block & Associates Realty), Robert Slater (Bell Partners) and Blaine Strickland (Remora Partners).

**Concentration Leader:** David Hartzell

**Curriculum Advisor:** David Hartzell, Lynn Fisher

**Career Advisor:** David Hartzell, Lynn Fisher, Deb Anderson, Steve Cumbie (former Executive Director of the Center for Real Estate Development)

## Advisory Board

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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: Deborah Anderson (Wood Partners – retired), Weston Address (Carr Properties), David Benson (Morningstar Storage Centers), Charles Brindell Jr. (Mill Creek Residential Trust), Ross Cowan Jr. (Northwood Investors), Stephen Cumbie (NV Commercial), Jerry Durkin (Wood Partners), David Flanagan (Elm Street Development), Kent Griffin (BioMed Realty Trust), Tom Harvey, Past Executive Director of CRED, Leo Horey (Avalon Bay Communities), Turner Inscoe (Cambridge Development Group Inc.), Laine Kenan (Arcapita), Roger Pratt (Prudential Real Estate Investments), Thomas Regnell (Washington Real Estate Investment Trust), John Robbins (Granite Properties), Tom Senkbeil (Senkbeil Associates), Bob Slater (Bell Partners), Chuck Sullivan (IndCor Properties), 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, Charlotte, and others. In addition, the Real Estate Club sponsors career panels and video conferences that bring distinguished alumni to campus throughout the year to discuss their careers and experiences.

## Concentration Requirements

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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 2011-2012 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, project required**)

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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

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### 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 in the Real Estate Development track. It focuses on the analysis of the real estate development process from the perspective of the developer. 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
- 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 three 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 Course Recommendations for Two Tracks in the Real Estate Concentration

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### Real Estate Development

- MBA 733 Financial Statement Analysis
- MBA 780 Applied Corporate Finance
- MBA 796 Global Financial Markets
- MBA 813 Business Demographics
- MBA 847 Sales
- MBA 850A New Urbanism, Smart Growth & Sust. Community Development
- MBA 855 Innovations in Green Building
- \*\*PLAN 744 Development and Environmental Management
- \*\*PLAN 745 Development Impact Assessment
- \*\*PLAN 740 Land Use and Environmental Planning
- \*\*LAW 270 Real Estate Transactions

### Real Estate Investments and Finance

- MBA 738 Topics in Financial Reporting
- MBA 739 Complex Deals
- MBA 780 Applied Corporate Finance
- MBA 783 Introduction to Derivatives
- MBA 786 Quantitative Methods in Finance
- MBA 789 Mergers & Acquisitions
- MBA 791 Fixed Income
- MBA 791B Advanced Fixed Income
- MBA 792 Investments
- MBA 793 Alternative Investments
- MBA 793M Practical Financial Modeling
- MBA 796 Global Financial Markets
- MBA 797 Risk Management
- MBA 799 Governance & Financial Accountability
- MBA 846A Private Equity

### Other Suggested Electives

- MBA 721 Managing Innovation Process & Performance in Organizations
- MBA 825 Applied Improvisation for Communication
- MBA 816 Leading Organizational Change
- MBA 839S Power, Politics & Leadership
- MBA 863 Business-Government Relations
- MBA 869 Environmental Strategy
- MBA 869C Financing Sustainable Mega Projects
- 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. In addition, the timing of courses may change from year-to-year.*

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## Sample Concentration Sequence

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			ARGUS Certification †	
Year Two – Development Track				
	MOD I	MOD II	MOD III	MOD IV
Required		Real Estate Development Process MBA 854** [Final Project Required]		
Required	Real Estate Law MBA 853B**			Real Estate Capital Markets** MBA 853 <sup>1</sup>
Electives	MBA Program Electives	International Real Estate MBA 853C**	ARGUS Certification †	MBA Program Electives

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	MBA Program Electives		ARGUS Certification †	MBA Program Electives
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**	ARGUS Certification †	Real Estate Capital Markets** MBA 853 <sup>1</sup>
Electives	MBA Program Electives			

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      <sup>1</sup> Real Estate Capital Markets [MBA 853] may be offered in either MODs 3 or 4

\*\*Open to Second Years ONLY      † ARGUS Certification completed in either year will meet Finance requirement