Real Estate Development, Thursdays, 6:30 to 9:30 p.m., Kellogg Global Hub

Instructor: Dave Cocagne

Email: dave@vermiliondevelopment.com (please use this email, as I check it regularly)

Telephone: 312-239-3534

Course Objectives
This course introduces students to real estate development in the United States. During the course, students will
1. Gain an appreciation for the various roles that developers can play, from land speculation to building development to repositioning an existing asset.
2. Learn the development process, from site selection to design/entitlements to successful monetization of a completed real estate project.
3. Understand the members of a development team, the interrelationships among them, and the typical contractual relationship between them and the developer.
4. Understand the risks that developers face and the mechanisms that can be used to mitigate those risks.
5. Learn how developers create value and how that value is appropriated among various financial stakeholders in a project.

These objectives will be accomplished through course readings, in-class discussions, and case studies.

Course Readings
Students will be assigned course readings throughout the semester. The course does not have a specific textbook.

Grading
Course grades will be determined by the following factors:

<table>
<thead>
<tr>
<th>Class attendance and participation</th>
<th>20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework sets</td>
<td>60%</td>
</tr>
<tr>
<td>Final exam/project</td>
<td>20%</td>
</tr>
</tbody>
</table>

Preliminary Course Schedule

<table>
<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9/27/18</td>
<td>Introduction and industry roles</td>
</tr>
<tr>
<td>2</td>
<td>10/4/18</td>
<td>734 W. Sheridan case study (off site)</td>
</tr>
<tr>
<td>3</td>
<td>10/11/18</td>
<td>Market analysis, site selection, and due diligence</td>
</tr>
<tr>
<td>4</td>
<td>10/18/18</td>
<td>Entitlements</td>
</tr>
<tr>
<td>5</td>
<td>10/25/18</td>
<td>Design and construction</td>
</tr>
<tr>
<td>6</td>
<td>11/01/18</td>
<td>Debt financing</td>
</tr>
<tr>
<td>7</td>
<td>11/08/18</td>
<td>Equity financing and public incentives</td>
</tr>
<tr>
<td>8</td>
<td>11/15/18</td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td>11/29/18</td>
<td>No class (Thanksgiving break)</td>
</tr>
<tr>
<td>9</td>
<td>11/29/18</td>
<td>Leasing and operations</td>
</tr>
</tbody>
</table>
This schedule is preliminary and subject to modification. A reading list for each topic will be provided on the first day of class.

Office Hours
While I do not have an office at Kellogg, I’m glad to schedule a time to talk via telephone or meet in person. Please send me an email or see me after class, and we’ll arrange a mutually convenient time and location.

Class Policies
1. Please feel free to use laptops and tablets in class, but use them for class purposes only.
2. Please place all electronic devices on silent mode during class.
3. To assist me in learning your names, please display your name plates during class.
4. Attendance and class participation are required. They are weighted significantly because a vigorous discussion among students and the instructor contributes to a much richer learning environment.
5. Please be punctual in arriving before class starts. We will have a 10-minute break during each class session. Please be prompt in returning to the classroom at the end of the break.
Development Strategy
  Land speculation
  Land development
  Building development
  Repositioning of existing assets
  Core investment
Developer Profitability
  Development/acquisition fees
  Leasing fees
  Carried interests
Development Process
  Market analysis and site selection
  Design and entitlements
  Construction
  Financing -- Harper Court
    Debt
    Equity
    Public subsidies
  Operation and sale
Development cycles

How does development relate to other disciplines which they’re studying?
Personal experience