Course Syllabus – Spring 2020

Course Description
This half-credit course will expose students to the importance of both strategy and execution in the world of cross-border real estate investments. Topics will include the rationale for international investing (opportunities and risks); top-down macro factors influencing real estate markets; micro-market factors influencing real estate investment performance; and the role of transparency, taxes and legal rights in different countries. Students will analyze international private equity funds and internationally listed real estate companies and they will examine case studies of cross-border investment decisions.

Schedule Overview
- Thursday, May 7 — Class Meeting #1
- Thursday, May 14 — Class Meeting #2 – Case Study 1 (due prior to class)
- Thursday, May 21 — Class Meeting #3 – Case Study 2 (due prior to class)
- Thursday, May 28 — Class Meeting #4 – Case Study 3 (due prior to class)
- Thursday, June 4 — Class Meeting #5 – Case Study 4 (due prior to class)

Readings and Case Studies
- Weekly Readings: Required and recommended weekly readings are posted on Canvas and should be completed in advance of the class for which they are assigned.
- Case Studies: the four cases for the course “CADIM I & II: India and China”, “Chongqing Tiandi”, “The Paris Opera Hotel” and “Pioneers in Columbia” can be accessed through Canvas.

Course Evaluation
- Class Participation (20%)
- Case Studies (80%)

Case Studies
Answers to the Case Study questions (posted on canvas) must be submitted by each student on Canvas ahead of the class for which they are due. Write-ups should be no more than two pages double-spaced in PDF format.

Class Participation
- Excellent participation means that you have been on time to all classes and team meetings, have routinely volunteered good comments, and have answered questions when the opportunity arises.
- Good participation means that you have mostly been on time or missed only a little time, you have occasionally volunteered comments, and have sometimes answered questions posed. Many of your classmates are aware of your participation and approve of it.
- Poor participation means either that you have missed noticeable amounts of class time, team meetings, are coming in late and disrupting, and/or had virtually nothing to say, or you are making comments that do not contribute value.
Class Etiquette
The Kellogg Code of Classroom Etiquette has been established, and revised to reflect the experiential learning environment, to assist student and faculty alike to foster appreciation for the learning environment that enhances the learning experience for all students. Attention to the code will add value to the course by creating a more meaningful and constructive discussion. Students, therefore, are expected to demonstrate etiquette based on the following principles:

- **Attendance**: Students are expected to attend every class throughout the term. When unable to attend, the student should notify the professor in advance.
- **Punctuality**: Students are expected to arrive on time.
- **Exiting and Entering**: Students are expected to remain in the class or meeting for its duration. If a student must depart early due to unavoidable circumstances, the student should inform the instructor prior to the event. Leaving and re-entering the class or meeting is not permitted, except in an emergency.
- **Cell Phone and Laptop Use**: Cell phone use is prohibited during class or meetings. Laptop use is prohibited except for presenting or with instructor’s approval.

The Kellogg Honor Code
All students enrolled in this course agree to abide by the Kellogg Honor Code. The Kellogg Honor Code governs student conduct pertaining to all academic, placement, and extracurricular activities associated with the Kellogg School of Management. Each student agrees: Not to seek an unfair advantage over other students, including but not limited to giving or receiving unauthorized aid during completion of academic requirements;

- to truthfully represent fact and self at all times;
- to respect the property and personal rights of all members of the Kellogg community; and
- to uphold the Kellogg Honor Code by reporting all material violations, and by fully cooperating with and protecting confidentiality of any Honor Code proceedings.

Class 1: Principles of Cross-Border Investing
- **Agenda**:
  - Class Introduction
  - Lecture
  - Discussion
  - Group Project Organization

- **Main Topics**:
  - Rationale for Cross Border
  - Challenges, Costs and Risks
  - Developed versus Emerging Markets
  - Direct versus Indirect Strategies
  - Transparency and Risk Analysis

Class 2: Micro and Macro Analysis
- **Deliverable**: Submit Case Write-up. (CADIM: India and China Strategy)

- **Main Topics**:
  - Economies and Demographics
  - Property Market Fundamentals
  - Capital Markets

Class 3: Portfolio Construction
- **Deliverable**: Submit Case Write-up (Chongqing Tiandi)
- Main Topics
  - Search for Relative Value
  - Correlation Analysis
  - Alpha and Beta Strategies
  - Risk Premia Analysis
  - Case Study Discussion

Class 4: Investment Formats

- **Deliverable:** Submit Case Write-up (The Paris Opera Hotel)

- Main Topics:
  - Private Equity: Commingled Funds and Direct Investments
  - Debt: Performing Loans and Distressed Debt
  - Development, Joint Ventures, Club Deals

Class 5: Final Presentations

- **Deliverable:** Submit Case Write-up (Pioneers in Columbia)

- Main Topics:
  - Urbanization and Globalization
  - The Future of Cities