

The Leon Recanati Graduate School of Business Administration

MBA and M.Sc. Courses

International Real Estate Field Course - 1231.3390.01

Prerequisites: Students are required to have completed an introductory finance course and to have completed or be currently taking "Real Estate Investment Analysis" (course #1231-3362). In addition students are required to take at least one of the following real estate courses:

- Real Estate Finance and Economics (course #1231-3312)
- Real Estate Capital Markets (course #1231-3364)
- Real Estate Development (course #1231-3371)
- Real Estate Taxation (course #1231-3372)
- Real Estate Law (course #1231-3368)

Second Semester – 2016/17

Section	Day	Hour	Classroom	Exam date	Lecturer	Email	Telephone
				No exam	Mr. Itay Koppel	Itay.koppel@gmail.com	0544536526

Teaching Assistant (TA): N.A.

Office Hours: One hour, starting after the lecture

Course Units

1 course unit (*yas*) = 4 ECTS units

The ECTS (European Credit Transfer and Accumulation System) is a framework defined by the European Commission to allow for unified recognition of student academic achievements from different countries.

Course Description

This is a hands-on course aiming to provide students with an up-to-date understanding of the various aspects of real estate theory and practice as applied to the North American and specifically the Canadian real estate market. The course will provide a real-life learning experience of the Canadian market: the financial, legal, development, and business facets, research, government policy and regulation, and the private and public sectors. It will include academic and professional lectures, site tours, business case presentations by banks, brokers, real estate developers, pension plans, REITs, law firms, and an intensive one-week field visit to Toronto, the second largest real estate market in North America. The field visit will include company tours and meetings with various real estate players in the Canadian real estate market. The expenses of the Toronto visit will be paid by the program organizers.

A number of academic lectures will be given in Israel, to serve as an introduction to the field visit. Then, students will prepare a review of the main companies they will be visiting in Toronto. Upon returning to Israel, students, in groups of two, will be required to submit a final project report that will include an analysis of a proposed real estate project or subject, applying the knowledge and tools they acquired in the field course. Students will present and discuss their projects in class.

Students are expected to be fluent in English, the language in which the course will be conducted.

Course Objectives

- To provide a real estate learning experience, with particular focus on the real-world practices of the Canadian and North American real estate market.
- To explore the Canadian real estate market and study the major differences between the Canadian and the Israeli real estate markets.
- To provide an understanding of real estate market tools that can be applied within the Israeli real estate arena.

Evaluation of Students and Grade Composition

Percentage	Assignment/Requirement	Date	Group Size/Comments
25%	Two to three preliminary assignments on course-related topics	During the course	Individual
20%	Participation in site tours and all classes *		Individual
55%	Final project report, including project report	Submission of the project report three	Groups of two students

	write-up, class presentation and discussion of the final project report	weeks after returning from the field visit. Presentation four weeks after returning from the field visit	
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* According to University regulations, participation in all classes of a course is mandatory (Article 5). Students who absent themselves from classes or do not actively participate in class may be removed from the course at the discretion of the lecturer. (Students remain financially liable for the course even if they are removed.)

Students will be informed of non-academic requirements (e.g. dress code, expected demeanor, etc.) before the beginning of the enrollment process.

Important notes and technical issues for the project report:

1. Students will submit the final report in groups of two.
2. A week after returning to Israel, students will need to submit the subject of the project report to the lecturer for approval via email.
3. A month after returning to Israel, the class will meet to discuss and present the projects – the exact class date will be announced on Moodle.
4. A week before the class presentations, students will email the lecturer the Word, Excel (xls / xlsx formats, not xlsx format) and PowerPoint files used in preparing the final project report.
5. The report should consist of 5-6 printed pages (double space in font 12), plus appendices, which can include calculations, tables, graphs, clarifications, etc. There is no limit on the number or size of the appendices.
6. Try to keep the report as readable as possible; landscape page setup is welcome, use large fonts, displaying only the relevant numbers, etc.
7. If you make an implicit assumption / calculation, please state it clearly or make a reference to the proper appendix / footnote.
8. Include the main results / calculations within the project report.
9. It is extremely important to clearly specify the calculations you used.

Course Assignments

Please refer to the table above.

Grading Policy

In the 2008/9 academic year the School instituted a grading policy for all graduate courses that aims to maintain a certain level of the final course grades. The policy will be applied to the final grades of this course, accordingly. Additional information regarding this policy can be found on the School website.

Evaluation of the Course by Student

Following completion of the course students will participate in a teaching survey to evaluate the instructor and the course, to provide feedback for the benefit of the students, the teachers and the university.

Course Site (Moodle)

The course site will be the primary tool to communicate messages and material to students. You should check the course site regularly for information on classes, assignments and exams, at the end of the course as well.

Course material will be available on the course site.

Please note that topics that are not covered in the course material but are discussed in class are considered integral to the course and may be tested in examinations.

Course Outline*

Week	Date	Content	Submissions	Comments
1		Course overview, outline and requirements (1 <i>yas</i>).		
2		Overview of the Canadian economy and real estate markets given by a guest speaker [item 2 of Topic #1] (1 <i>yas</i>)		
3 and 4		Various lectures on the different aspects of real estate markets, real estate financing, investments, real estate development and entrepreneurship, and sales and marketing [Topics #3,4,5,6,7,8, and 10] (7 <i>yas</i>).		
5		Preparation for the field visit – a short review of the companies. Preparation of issues for discussion for the field visit meetings.(1 <i>yas</i>).		
6		Individual preliminary reports (each student will be required to write one to three reports) on course-related topics (2 <i>yas</i>).	Submission and presentation of preliminary reports on course-related topics	
7		Field visit to Canada (details below).		

*Subject to change

Required Reading

- Commercial Real Estate Analysis & Investments by D.M. Geltner, N.G. Miller, J. Clayton and P. Eichholtz, 2nd ed., 2007 (henceforth GM).
- Real Estate Finance & Investments by W. Brueggeman and J. Fisher, 14th ed., 2011 (henceforth BF).

Recommended Reading

- Additional readings will be required during the course.

Details of the Topics Included in the Course

Topic	Details	Readings
#1	<p><u>Introductory Lectures (Israel)</u></p> <ul style="list-style-type: none"> ▪ Course overview, outline and requirements (1 <i>yas</i>). ▪ Overview of the Canadian economy and real estate markets given by a guest speaker (1 <i>yas</i>). ▪ Various lectures on the different aspects of real estate markets, real estate financing, investments, real estate development and entrepreneurship, and sales and marketing [Topics #3,4,5,6,7,8, and 10] (7 <i>yas</i>). ▪ Preparation of the visit – a short review of the companies. Prepare issues for discussions for the field visit meetings.(1 <i>yas</i>) ▪ Individual preliminary reports (each student will be required to write one to three reports) on course-related topics (2 <i>yas</i>). 	TBA
#2	<p><u>Market Analysis and Research with an Overview of the Canadian Market</u></p> <ul style="list-style-type: none"> ▪ Economic overview. ▪ Commercial and residential development, investment and leasing markets. ▪ Supply & demand, new development, prices, vacancies & cap rates, take-up & absorption rate, etc. ▪ Introduction to research platforms; research process, market reports & statistics, and performance tracking. 	GM: <i>Ch. 1-2,6</i> BF: <i>Ch. 11</i> (p. 345-351)
#3	<p><u>Real Estate Financing and Debt Markets</u></p> <ul style="list-style-type: none"> ▪ Overview of the Canadian debt market. ▪ Types of mortgages and mortgage basics (first, second etc.). ▪ Overview of financing methods in Canada (bank financing, institutional financing, investment banking, etc.). ▪ Financing commercial & residential real estate development projects. ▪ Financing commercial & residential real estate repositioning projects. ▪ Financing commercial & residential real estate investments in an income-producing property. 	GM: <i>Ch. 16-20</i> BF: <i>Ch. 12</i> BF: <i>Ch. 16-17</i>

#4	<p><u>REITs and Real Estate Capital Markets</u></p> <ul style="list-style-type: none"> ▪ Rationale for investing in REITs, the Israeli REIT market. ▪ REIT valuation. ▪ Management structures of REITs, financial highlights & performance; growth strategy. ▪ Managing a real estate portfolio. ▪ REIT case studies. ▪ Overview and history of the Canadian REIT market. ▪ Performance of REITs, financial profile of Canadian REITs. 	BF: <i>Ch. 21</i>
#5	<p><u>Real Estate Planning and Zoning (Israel compared to Canada)</u></p> <ul style="list-style-type: none"> ▪ Zoning and urban planning. ▪ Planning a project from an architect's point of view, complying with regulatory requirements, analyzing the real estate market's design needs, meeting the developer's requirements. ▪ The buildings permit process. 	TBA
#6	<p><u>Real Estate Transactions from a Legal Perspective</u></p> <ul style="list-style-type: none"> ▪ Foreign investors in Canada. ▪ Tax issues. ▪ Structure and acquisition vehicles. ▪ Offers to purchase and agreements of purchase and sale; due diligence. ▪ Analyzing property rights and the effect on transaction structure. ▪ Closing real estate transactions. 	BF: <i>Ch. 1-2</i>
#7	<p><u>Real Estate Investment</u></p> <ul style="list-style-type: none"> ▪ Overview of investment styles: core, core-plus, value-added, opportunistic, etc. ▪ Overview of investor types: individuals, funds, REITs, pension funds. ▪ Investment and exit strategy and business plans. ▪ The nuts & bolts of the investment decision process: due diligence, pro forma analysis (revenues, rents, costs and cash-flow analysis), feasibility and financial analysis. ▪ Investment in existing properties ▪ Tenant analysis & operations. ▪ Common mistakes in real estate investing. ▪ Case studies and site tours of various properties and projects. ▪ Managing a real estate portfolio. ▪ Asset and property management: <ul style="list-style-type: none"> ✓ Internal vs. external asset and property management. ✓ Managing a property management firm. 	GM: <i>Ch. 7-12</i> BF: <i>Ch. 11</i>
#8	<p><u>Real Estate Development and Entrepreneurship</u></p> <ul style="list-style-type: none"> ▪ Overview of real estate development and entrepreneurship market. ▪ Development strategy, business plan and exit strategy. ▪ The nuts & bolts of the development decision process: due diligence, pro forma analysis (revenues, rents, costs and cash-flow analysis), feasibility and financial analysis. ▪ Management & oversight of a development project. 	GM: <i>Ch. 28-29</i> BF: <i>Ch. 16-17</i>

	<ul style="list-style-type: none"> ▪ Common mistakes in real estate development and entrepreneurship. ▪ Case studies and site tours of various projects. ▪ Real estate entrepreneurship from A to Z – a case study of developing a project from scratch. 	
#9	<p><u>Real Estate Investment from a Pension Plan Perspective</u></p> <ul style="list-style-type: none"> ▪ Real estate allocation; total portfolio approach; investment criteria; managing a real estate portfolio; opportunities & challenges. 	BF: <i>Ch. 22</i>
#10	<p><u>Real Estate Sales and Marketing</u></p> <ul style="list-style-type: none"> ▪ Project sales and marketing strategies (residential, commercial and offices); branding the project; branding the company. ▪ The effect of the sales and marketing on the financing of the project. 	TBA
#11	<p><u>Final Project Presentations and Discussion (Israel)</u></p> <ul style="list-style-type: none"> ▪ Presentations and class discussions of the various project reports (2 <i>yas</i>). 	