

# The Real Estate Concentration

## Overview

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The Real Estate Concentration at UNC's 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, 5-15% 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 (David\_Hartzell@unc.edu, 919-962-3160). Faculty members teaching in the concentration include David Hartzell, Steve Cumbie (Executive Director of the Center for Real Estate Development), Wally Boudry, Dave Godschalk, and others.

**Concentration Leader:** David Hartzell

**Curriculum Advisor:** David Hartzell

**Career Advisors:** David Hartzell, Steve Cumbie

## Advisory Board

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The Concentration will have two Advisory Boards, one focusing 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.

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 event.

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 to discuss their careers throughout the year. An annual two week real estate focused Global Immersion Elective in May combines relevant and timely international real estate business issues with nuts-and-bolts discussions of how to do business in targeted countries or regions.

## 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. It is recommended that students take the following Custom Core course: Managerial Accounting (Module IV).

Students in the Real Estate concentration take four required courses in the real estate sequence. Additional electives are taken depending on the individual student's area of interest.

### Required Three-Course Sequence in Real Estate

- MBA 852, Real Estate Process
- MBA 853, Real Estate Capital Markets
- MBA 854, Real Estate Development Process
- MBA 857, Site Planning

# The Real Estate Concentration

## 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 provides a framework that gives students understanding of real estate finance, real estate investment, and the operation of 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.

### Site Planning

In this class, students learn the fundamentals of site planning for use in the development process. This class is project based, and students have the opportunity to learn how local land use regulations impact what a developer can do with a site, detailed analysis of how to develop a site plan for a project given topographical and other constraints, and to use appropriate software for developing professional designs.

In addition to the required courses, electives from across the university are recommended based on which aspects of real estate students have an interest. Relevant courses are offered in UNC’s Kenan-Flagler Business School, the Department of City and Regional Planning, the Law School, and the Political Science Department. (Please refer to the MBA Policy Manual for information on how to take courses outside the MBA Program)

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## Sample Course Recommendations for Two Career Options

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### Real Estate Development

- MBA 822, Negotiations
- MBA 813, Business Demographics
- MBA 777, Fundamental Principles of Corporate Finance
- MBA 710, Project Management
- MBA 843, Buyouts & Creative Deal Structures
- MBA 817, Venture Capital Valuation & Deal Structure
- MBA 847, Sales
- MBA 846J, Business Plan Analysis
- MBA 733, Financial Statement Analysis
- \*MBA 782, Financial Management Decisions and Applications
- \*\*PLAN 740, Land Use and Environmental Policy
- \*\*PLAN 763, Urban Neighborhood Revitalization
- \*\*LAW 270, Real Estate Finance
- \*\*POLI 731, The Politics of Development and Change

### Real Estate Investments and Finance

- MBA 738C, Topics in Advanced Financial Reporting
- MBA 777, Fundamental Principles of Corporate Finance
- 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 790, Financing Deals and M&A
- MBA 735, Taxes in Finance
- \*MBA 782, Financial Management Decisions and Applications

### Other Suggested Electives

- MBA 825, Applied Improvisation for Communication
- MBA 836, Entre & Minority Development
- MBA 839 or 839S, Power, Politics & Leadership
- MBA 818, Venture Capital Management
- MBA 748, Data, Tools & Decisions
- MBA 811, Strategy & Uncertainty
- MBA 824, Managing Workplace Diversity
- MBA 870, Global Immersion led by Dave Hartzell

\*Subject to being offered

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

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### Sample Concentration Sequence

## The Real Estate Concentration

Year One				
	Module I	Module II	Module III	Module IV
<b>Required</b>	MBA Core Curriculum		MBA Core & Custom Core -Real Estate Process (Module III-IV)*	
<b>Electives</b>	n/a		<i>electives below also available</i>	-Managerial Acctg <i>electives below also available</i>

Year Two				
	Module I	Module II	Module III	Module IV
<b>Required</b>	-Site Planning	-Real Estate Development Process		
				-Real Estate Capital Markets
<b>Electives</b>	-Negotiations -Applied Improv for Comm -Entre & Minority Dvlpmnt -PP&L -Complex Deals -VC Mgmt -PLAN, Land Use and Environmental Policy -PLAN, Urban Revitalization -POLI, The Politics of Development and Chang	-Business Demographics -Negotiations -Applied Improv for Comm -Private Equity -Applied Corp Fin -Financial Modeling -Topics in Adv Fin Rptg	-Buyouts & Creative Deal Structure -Data, Tools & Decisions -Project Mgmt -VC Valuation & Deal Structure -Sales -Financial Statement Analysis -Investments (Mod 3-4) -Financing Deals and M&A** -PP&L** -Negotiations** -LAW, Real Estate Finance	-Strategy and Uncertainty -Mgmt of Workplace Diversity -Taxes in Finance -Investments (Mod 3-4) -Business Plan Analysis* -Investment Banking* -PP&L, one-day seminar** -Negotiations**

\*open to 1<sup>st</sup> years only

\*\*open to 2<sup>nd</sup> years only