CONSULTING FIELD PROJECTS - REAL ESTATE
BUS 295(a)
Fall 2012

Weekly team meetings: T-B-D
Location: T-B-D

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OVERVIEW

Provide students with the opportunity to apply their skills and knowledge to solving actual client problems, assessing client real estate development and investment opportunities and generally adding value to the client's business operations. The course culminates in a final client presentation before the semester ends. The instructor will serve as project manager for all projects. The Instructor will select students and create teams of 3 or 4 students for the various projects before the first class meeting.

The primary student outcome is to gain experience evaluating and analyzing actual real estate projects and working in a real estate company, which will enhance their resume and provide an interesting discussion topic at job interviews. Previous IBS students confirm the importance of this course in being selected for a post-graduate job or internship in the real estate industry.

LEARNING GOALS & OUTCOMES

- Understand how developers identify, analyze and select real estate development projects
- Expose students to the internal operations of real estate companies and real estate decision-making
- Understand how property owners, investors and developers identify and manage opportunities and risks in their business
- Develop consulting skills, specifically:
    - Interacting with a client
    - Team work
    - Making effective executive presentations
    - Conducting interviews with third party sources of information
- Develop skills in real estate market research, real estate financial and investment analysis, land valuation, effective property design, evaluating findings, and developing recommendations for real-world challenges, opportunities and problems.
- Enhance students' resumes with experience working in real companies.

PREREQUISITE: BUS 235f or BUS 35 (for undergraduate seniors only).

COURSE REQUIREMENTS

Attendance and Participation

Attendance and active participation at the weekly team meetings is required. Interaction with team members is an important aspect of a successful consulting experience and students will be expected to demonstrate collaborative teamwork in this course.

Academic Honesty

You are expected to be honest in all of your academic work. Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. For the University policy on academic honesty, please see section 5 of *the Rights and Responsibilities Handbook.*

Disabilities

If you are a student with a documented disability on record at Brandeis and wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

Grading

Grades will consist of 60 percent team grades and 40 percent individual grades. The team grade will be based partly on input from the client and partly on the Instructors assessment of team performance, compared with the agreed-upon team goals and objectives and project plan.

The client input will consider such factors as: would the client hire the team again; did the team meet the client's expectations; did the team meet deadlines; did the team demonstrate diligence and accuracy in its work product? The individual grade will be based primarily on the Instructor's assessment of the contribution of the individual student on the team, and will consider such factors as: contribution to the work product and final client presentation; participation in weekly discussions about the project; proficiency to obtain interviews and vital information from third parties; creativity and initiative in preparing analysis relevant to the project; critical thinking about assumptions and results of analysis; and, collaboration with the other team members. Team grades may be adjusted for individuals if there is a clear and agreed upon difference in the amount of work performed by various team members.

Any student team that has not submitted a copy of the final presentation and supporting documentation to the client and the instructor will receive an Incomplete ("EI") or Failing Grade in the course.

COURSE DESCRIPTION

The projects will be challenging, yet of a size and scope to be accomplished in three-and-a-half months. The projects will involve a variety of client challenges and opportunities, such as:

- Evaluate the highest and best use of additional land a developer owns
- Identify sites where a developer can build a specific property
- Prepare a conceptual master plan for a mixed-use development
- Assess market demand and financial feasibility for a specific property
- Assist with acquisition and asset management analysis of properties
- Identify sources of capital – debt and equity – for a real estate project
- The pros and cons of the client entering a new property sector or market
- The government approval challenges associated with new projects
- The competitive landscape for a target new market or property sector
- Improve financial and risk analysis of the client's property portfolio
- The costs and benefits of converting buildings to LEED certification
- The feasibility of building or financing affordable housing in a target community

The projects will expose students to a wide array of topics essential to operating a real estate organization, such as: cost analysis, market research, fundamental investment analysis, capital markets / finance, and buy vs. build analysis. Sponsoring organizations will include real estate developers and property owners, real estate investment companies, economic development agencies, non-profit real estate organizations and real estate service providers. Sponsoring organizations will range in size from small, locally-based companies to larger multi-region companies; and, private family-owned to publicly traded real estate companies.

Student's work will primarily involve independent research including both on-site work at client organizations and external research. The amount of on-site involvement in a client organization will depend on the nature of the project. Projects involving the evaluation of new business opportunities, for example, might require much more external analysis and less internal time than one focused on internal financial analysis, which would include more time spent reviewing and analyzing client data.

Most projects will require conducting interviews with internal and external parties, sometimes with minimal or no introductions. Accordingly, English language skills and the willingness to contact and interview strangers via telephone or in person are important for the success of the projects.

The Instructor will meet with each team individually for 90 minutes every week to review the Work Plan and monitor team progress. In addition, on a few occasions all students will meet together with the Instructor during the semester to discuss various topics - creating proposals and work plans, making effective presentations, methods for analysis, client relationship management and conducting interviews - which will be an important way for students to learn about the other team's project.

COURSE SCHEDULE

First Week: Initial Instructor / team meetings

- All registered students will meet with the Instructor to review the assigned projects and teams, discuss course expectations and for team members to get acquainted
- Available consulting projects will be discussed and assignments and teams will be identified on that date.
- Discussion about the consulting process, professional conduct, progress reviews, and standard presentations
- Determine a date and time for weekly team meetings with Instructor
- The Instructor will schedule a meeting with the client to introduce the team members
- Prepare for initial client meeting by conducting initial research on the client organization, the topic involved in the project and develop questions to better define the project

Second Week: Initial client meetings to discuss projects and get acquainted.

Third Week: Each team will prepare a Project Charter and Weekly Work Plan, meet with the Instructor to review the Project Charter and Work Plan, and for a discussion of challenges, scope of work, resources to gather information, deadlines and progress review.

After Third Week: Each team will separately meet with the Instructor every week. All weekly meetings are mandatory.

IMPORTANT THINGS TO KNOW

This class differs in many ways from the conventional course, which will create a number of challenges during the semester. In particular, unlike the traditional class with its well-defined student-instructor role, you must deal with multiple people relationships. First, my role is more of a project manager than a traditional lecturer and, depending on how well the project is progressing, I will have anywhere from moderate to heavy involvement in your project. You must also deal with your team members who may have different ideas and work styles. You also have the client organization, with multiple people playing different roles in the project. Your success in this course will depend on your ability to cooperate, motivate, and otherwise work with a number of people as opposed to working independently, as in a traditional course.

In taking this class you will experience a number of real-world frustrations, including:

- Delays in getting data from clients
- Delays in setting up interviews
- Delays in approvals of interview guides and other materials
- Changing project scopes: bigger, narrower, or different
- Clients are unsure of what they are seeking from the project
- Your project does not seem important to your client
- Clients not responding to calls and emails and requests for project reviews
- Interviews are hard to do; people may not want to talk to you
- Client sponsors leave their organizations (especially in this economy)
- The numbers do not support the conclusion – ***go back to the drawing board***

I want to assure you that this is the reality of consulting and the business world. Clients are very busy and, in some cases, various individuals in the client organization might be in survival mode to keep their jobs. **It is essential that you apply critical thinking to your work – question assumptions; change course, when necessary; ask if the data supports the hypothesis; and, think about implications of your findings.**

This course will expose you to these real-world challenges and frustrations, and more importantly, teach you how to deal with them. For example, you will learn how persistence and diplomacy are needed to get others to cooperate with you, especially when they may not have an incentive to do so. You will also learn how to deal with frustrating impasses and seeming dead ends in research by finding alternative approaches for working around the impasse to achieve the project objectives. **I encourage you to resist re-sending emails when you don't get a response you need; phone calls often have a higher probability of connecting you to someone.**

EXPECTATIONS

The following is an elaboration of what the instructor expects from student teams and how grades will be determined (note that the first two items are of paramount importance to client satisfaction and avoiding getting a low grade). **Remember, in this course you are each an ambassador of Brandeis, IBS and the client company you are representing – so always leave favorable impressions.**

- Error-free work: facts, figures, and spreadsheets must be error-free. The instructor and - - in particular - - the client must not become the quality control department. Consistent errors in work will lead to a loss of client confidence and a low grade in the course.
- Professional conduct: Teams must maintain a high level of professionalism in undertaking their work including: maintaining client confidentiality; quickly responding to client inquiries; showing up for meetings and conference calls on time; dressing appropriately for meetings; and fulfilling commitments (e.g., deadlines and deliverables).

- Steady work pace: Teams must start their work early in the semester and sustain a steady work pace throughout. Work pace will be judged by a master work plan and a weekly progress review. Cramming at the end of the semester will inevitably lead to poor performance. **Based on IBS expectations for four-credit courses like Consulting Field Projects – Real Estate, a student should spend six to eight hours a week on their project in addition to the weekly meetings**. Midterms, papers, presentations, and other requirements in other classes are no excuse for not fulfilling commitments to your client and to your project.
- Substantial research: Teams should push hard and deep into their research efforts by collecting and analyzing key data that sheds new light on clients' issues and opportunities. This includes conducting interviews, creating databases, preparing comprehensive analyses, finding valuable reports, and other non-trivial research efforts. Relying exclusively on Google searches will be judged to be a minimal effort.
- Adherence to standard documentation and presentation standards. The class has standard documents/formats for work plans and progress reviews. Of particular importance is the standard format for making presentations. It is important to stick to these standards throughout the course.
- Self-motivation: Students should be eager to pursue their project work as a matter of self-interest in helping the client and learning about the nature of consulting work and the real estate industry, in particular. Accordingly, students should be self-motivated to work at a steady pace pursuing deeper research and analysis. The need to continually prod teams to accomplish various tasks will negatively affect their grades.
- Willingness to listen to instructor and/or client recommendations. A team's resistance to incorporating the instructor's suggestions and/or the wishes of clients will negatively affect their grades.
- Independence: The ability of teams to work self-sufficiently is a positive attribute, depending on the circumstances. To the extent that the scope of work requires instructor input - - as most do - - then instructor/team brainstorming is important, with the team working independently week to week on the research task. The need for intensive instructor input on matters that should be within the team's capabilities will be negatively evaluated.
- Team work: Team work is an essential aspect of consulting work. Teams are expected to collaborate and split up the work on an equitable basis. Dysfunctional teams will be graded lower, and free riders will receive lower grades than their team mates. If a team member is not pulling his or her weight, then the other team members need to discuss it with that team member. If no progress is made, you should not hesitate to mention it to the Instructor.
- Financial model proficiency: Most projects require developing financial models. I expect that students know how to create Excel models for income and expense statements, cash flow projections, return calculations and sensitivity analysis. Excel will be the primary software tool. Financial models should be presented dynamically to clients using a projector, enabling clients to participate in the finishing touches to the model. Before such a meeting, the team should do a draft presentation for the instructor about a week in advance of the client presentation.

APPOINTMENTS

Outside of weekly team meetings, I will be available to meet with students in the afternoon on Tuesday, Wednesday and Thursday (and other times as needed). If you need to speak to me, send me an email or call me at (781) 736 – 4825. If you do not reach me, please leave me a message indicating a time and number to call you back. I can most easily be reached via email at: echazen@brandeis.edu.