

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS
II. CLASSES AT THE UNIVERSITY OF WISCONSIN--MADISON
K. Business 847: Management Analysis--Real Estate
1. Assorted Syllabi: 1968-69

Business 847

Problems in Real Estate and Retailing

Spring semester 1968

J. A. Graaskamp

1. Purpose and description of course

The 847 problem analysis course is intended to introduce the student unfamiliar with real estate to corporate real estate problems in general and retailing real estate development in particular. The approach is a novel combination of a progressive case study of twin shopping centers under development in Madison, selected readings in real estate as related to retailing, and general real-estate principles.

2. Study materials

There are two textbooks for the course. The first is required and is entitled A Systematic Guide to Supermarket Location Analysis by Kane and published by Fairchild Press. A second book is optional and is known as The Community Builders Handbook, published by the Urban Land Institute on February 1, 1968.

Additional materials assigned are in limited supply on reserve in the Business School library. Protect the interest of your classmates on these items by observing reserve library rules.

3. Grades

There will be a paper and a final exam which will be weighted equally.

4. Course time table (speakers dates subject to some fluctuation depending travel schedule)

Feb. 7	Course introduction - Professor Graaskamp
Feb. 14	Background history and retail analysis of Eastowne and Westowne - Norman Menz, J.C. Penney Co., Chicago
Week of Feb. 19	Site selection and negotiations of options - Jack Lee, Bockl & Lee, Milwaukee
Feb. 28	Review of appropriate literature on retail location analysis and regional shopping centers - Prof. Graaskamp
Week of Mar. 4	Qualification of site during option period - Wm. Kurtz, J. C. Penney Co., New York
Week of Mar. 11	Traffic patterns - road capacity, access rights - John Finguerra, J. C. Penney Co., New York
Mar. 20	City of Madison viewpoint - Ken Clark, Director, Madison City Planning

- Mar. 27 Annexation problems - Robert Corcoran, Mayor's Office
- Week of Planning leasing and contracting for improvements, Wm. Kurtz
Apr. 1 or developer to be named
- Week of Leasing, financing and management - Wm. Harris, J. C. Penney,
Apr. 8 New York
- Week of Role of the broker, summary, office building feasibility -
Apr. 21 Jack Lee

(Several speakers scheduled tentatively on construction and financing)

Balance of semester will stress readings and problems.

5. Reading assignments

- Feb. 7 Kane, Part 1, Chapters 1 - 7 Business
Wendt, Paul "Real Estate Decisions are Different", Harvard/Review
- Feb. 14 Kane, Part 2, Chapters 8 - 11
Shopping Centers - RED #7, item #4 "Trends and Prospects in Shopping
Centers", a symposium
- Feb. 21 Kane, Part 3, Chapters 12 - 15
"Real Estate as a Corporate Investment" Harvard Business Review;
July, '67, p. 144
- Feb. 28 Kane, Part 4, Chapters 16, 17, and appendixes
Community Builders Handbook, section 2, Planning and Operating
of Shopping Centers - Through Site Evaluation

BUSINESS 847

Remaining Semester Schedule

Spring 1968

Prof. James A. Graaskamp

-
- Wed. April 3 -- Ultimate demand is number of rentable sq. ft.--leasing store space.
Read: Community Builders Handbook, pp. 397-404, Part IV, pp. 405-447, Appendixes F-J.
- Wed. April 10 -- Evaluation of the internal cash flow.
Read: 520 sheet and simulation model mimeograph.
- Wed. April 24 -- Martin Eggers (Guest speaker)--"Financing of a Shopping Center."
Read: Seminole Center case mimeograph.
- Wed. May 1 -- Principles of real estate appraisal.
- Wed. May 8 -- Corporate real estate--the problem of the home office (Employers' case).
Read: Office Building and Office Layout Planning, Chap. 1-3, 16.
- Wed. May 15 -- General contracting risk exposure and control.
- Wed. May 22 -- Two-hour final exam.

- Mar. 27 Annexation problems - Robert Corcoran, Mayor's Office
- Week of Planning leasing and contracting for improvements, Wm. Kurtz
Apr. 1 or developer to be named
- Week of Leasing, financing and management - Wm. Harris, J. C. Penney,
Apr. 8 New York
- Week of Role of the broker, summary, office building feasibility -
Apr. 21 Jack Lee

(Several speakers scheduled tentatively on construction and financing)

Balance of semester will stress readings and problems.

5. Reading assignments

- Feb. 7 Kane, Part 1, Chapters 1 - 7 Business
Wendt, Paul "Real Estate Decisions are Different", Harvard/Review
- Feb. 14 Kane, Part 2, Chapters 8 - 11
Shopping Centers - RED #7, item #4 "Trends and Prospects in Shopping
Centers", a symposium
- Feb. 21 Kane, Part 3, Chapters 12 - 15
"Real Estate as a Corporate Investment" Harvard Business Review;
July, '67, p. 144
- Feb. 28 Kane, Part 4, Chapters 16, 17, and appendixes
Community Builders Handbook, section 2, Planning and Operating
of Shopping Centers - Through Site Evaluation

February 19, 1968

MEMORANDUM

TO: Professors Andrews
Silbey
Bodge
Fina
Westing
Wolfe

FROM: James A. Graaskamp

SUBJECT: Re Penney's Easttowne and Westtowne

In regard to the seminar visits of specialists from the J. C. Penney Co., travel schedule conflicts have produced a special program schedule. On Wednesday, March 20, William Kurtz, the development specialist, Norman Meuz, their mid-western real estate manager, and Joseph Finguerra, their traffic analyst will conduct a special seminar session at the Wisconsin Center.

The seminar will meet from 3:30 to 5:30 and then break for dinner to reconvene from 7:00 until 8:30. I have reserved a private dining room at the Center and dinner will be \$3.00. The only available classroom at the Center has a capacity of 50 so that participation will have to be limited to the 17 students in 847, the 23 students in 935 and any members of the faculty who would like to sit in.

If you plan to attend and you would like to stay for dinner, please let me know as soon as possible.

JAG:lw

Business 347
MANAGEMENT ANALYSIS - INDUSTRIAL REAL ESTATE PROBLEMS
COURSE OUTLINE AND READING LIST

Spring Semester - 1969

Prof. James A. Grasskamp

Textbook: (MK) Industrial Real Estate, Professor William H. Kinnard

Supplementary Readings:

- RED #3 Industrial Real Estate (Real Estate Department Readings xeroxed and bound in Business Library)
- RED #5 Office buildings (Real Estate Department Readings xeroxed and bound in Business Library)
- C Real Estate Desk Book, William J. Casey
- LB Real Estate Sale - Leaseback - A Basic Analysis, authors are Korb and Trimble, published by the Society of Industrial Realtor
- BM Corporate Real Estate Management, American Management Association
- SIR Society of Industrial realtors newsletter
- SRAI A Guide to Industrial Property Appraisal, William Shenkel, published by the Society of Real Estate Appraisers.
- BLI Community Builders Handbook

Format of course:

Basic material of this course is contained in the reading assignments for which there will be a final exam weighted at 40% of semester grade.

Two short problem sets to be written out and handed in will be weighted at 20% of semester's grade. A research paper on a specialized aspect of industrial real estate or finance is required and will be weighted at 40% of the semester grade.

Week of February 9: Corporate Real Estate Decision

1. Maizer, Arthur H., "Real Estate Decisions Are Different," Harvard Business Review, November-December 1966.
2. MK - Chapter 1

Week of February 16: Corporate Real Estate Policies and Their Impact

1. MK - Chapter 2
2. KA - entire pamphlet

Week of February 17: Alternative Methods of Site Selection and Feasibility Analysis

1. "Elements of a Feasibility Analysis", mimeo handout
2. MK - Chapters 3 & 4 (scan-read)
3. Stewart, Oswald, "Plant Site Selection Guide", Factory Management and Maintenance, May, 1967, #3 RED #2
4. "Industrial building", Architectural Record, June, 1965, p. 173-186 #4 RED #3

Week of February 24: Alternative Methods of Site Selection (continued)

1. "Relationship of an Industrial Site Investment to Manufacturing Cost and Return on Capital" (mimeo handout)
2. Appendix C, The Michigan Economy, Its Potentials and Its Problems, p. 241-54
3. "Relocation: The Right Way to Pick a New Location", Business Management, April, 1963, p. 41-42, seq. #7 RED #3
(For those interested in computer systems there are a number of good term-paper subjects related to mathematical systems for locating warehouses, filling stations, hamburger stands and the like).

Week of March 5: Office Space - Form Follows Function

1. Rippen, Kenneth H., Office Building and Office Layout Planning, Chapters 1, 2, 3, & 4 - at reserve desk.
2. "Flexible Spaces for Paperwork in the Country", Architectural Record, May 1962 #7 RED #5
3. "Analysis Establishes Owner Requirements", Architectural Record, May 1962 #6 RED #5
4. "Planning Leads to Flexibility, Economy", Architectural Record, May 1962 #6 RED #5

Week of March 10: Leasing of Industrial and Office Space

1. WK - Chapter 10 (read Appendix 10/A, 10/B with care)
2. Hitchcock & O'Keefe, Leases, Percentage, Short and Long Term, 5th edition, Chapters 2, 3, 4, 5, 15 & 16

Week of March 17: Leasing Strategies (continued)

1. "Shopping Center Leases", Benjamin Pollack (mimeo handout)
2. Anderson, Paul; Tax Factors and Real Estate Operations, Chapter 6, p. 269

Week of March 24: Industrial Real Estate as an Investment

1. WK, Chapter 5
2. "Look Who's Rushing Into Real Estate", Fortune, October 1963, p. 150 - (reprints on reserve)

Business 347
MANAGEMENT ANALYSIS - INDUSTRIAL REAL ESTATE PROBLEMS
COURSE OUTLINE AND READING LIST

Summer Semester - 1969

Prof. James A. Graaskamp

Textbook: (WK) Industrial Real Estate, Professor William R. Kinnard

Supplementary Readings:

- RED #3 Industrial Real Estate (Real Estate Department Readings xeroxed and bound in Business Library)
- RED #5 Office Buildings (Real Estate Department Readings xeroxed and bound in Business Library)
- RH Corporate Real Estate Management, American Management Association
- C Real Estate Desk Book, William J. Casey
- ULI Community Builders Handbook
- LE Real Estate Sale - Leaseback - A Basic Analysis, authors are Korb and Trimble, published by the Society of Industrial Realtor)
- SIR Society of Industrial Realtors Newsletter
- SRAI A Guide to Industrial Property Appraisal, William Shenkel, Published by the Society of Real Estate Appraisers.

Format of course:

Reading assignments form the basic core of the course.

Two 50-minute quizzes will test you on coverage of the reading and comprehension of lectures. Exams count 40% each, of semester grade.

A financial problem will be written and valued for 20% of the semester grade.

Assignment and Lecture Schedule:

Date:

- 6-24 basic definitions and introduction
- 6-25 Weiner, Arthur H., "Real Estate decisions are Different," Harvard Business Review, November-December 1966.
- 6-26 WK- Chapter 1
- 6-30 WK- Chapter 2
- 7-1 RH- entire pamphlet
- 7-2 WK- Chapters 3 and 4 (scan read)
- 7-3 Stewart, Oswald, "Plant Site Selection Guide," Factory Management and Maintenance, May, 1967, #3 RED #3.
- "Industrial Building," Architectural Record, June, 1966, p. 173-180. RED #4.

- 7-7 "Relationship of an Industrial Site Investment to Manufacturing Cost and Return on Capital" (mimeo handout)
- Appendix v, The Michigan Economy, Its Potentials and Its Problems, p. 341-54.
- 7-8 "Relocation: The Right Way to Pick a New Location," Business Management, April 1968, p. 41-et. seq. #7 REV #3.
- 7-9 SRAI- p. 11-44.
- 7-10 WK- Chapter 12, pp. 391-420.
- 7-14 WK- Chapter 12, pp. 420-440 (Including appendix A).
- 7-15 WK- Chapter 13.
- 7-16 Review
- 7-17 First 50-minute quiz
- 7-21 "A Commercial Computer Service for Financial Analysis of Rental Income Property Decisions" (Mimeo handout)
- 7-22 Compraisal case study and report (mimeo handout)
- 7-23 Federal Taxation of Real Estate Summary (mimeo handout)
- 7-24 Mortgage payment computations (mimeo handout)
- 7-28 Financial Problem Due! (No late papers!)
- 7-29 Rippen, Kenneth H., Office Building and Office Layout Planning, Chapters 1, 2, 3 and 4.
- 7-30 WK- Chapter 10 (read appendix 10/A and 10/B with care)
- 7-31 "Shopping Center Leases," ULI part IV, pp. 405-427 and appendix i- p. 506.
- 8-4 "Shopping Center Leases," Benjamin Pollack, (mimeo handout)
- 8-5 WK- Chapter 5
- 8-6 "Look Who's Rushing into Real Estate," Fortune, October 1968, p. 160-
- 8-7 Lender-Developer Participation Financing (mimeo handout)
- 8-11 WK- Chapters 14-15
- 8-12 Corporate City Builders (to be assigned)
- 8-13 Real Estate Corporation Stocks (to be assigned)
- 8-14 Final 50-minute quiz.

Business 847

MANAGEMENT ANALYSIS - INDUSTRIAL REAL ESTATE PROBLEMS
COURSE OUTLINE AND READING LIST

Summer Semester - 1970

Prof. James A. Graaskamp

Textbook: (WK) Industrial Real Estate, Prof. William N. Kinnard

Supplementary Readings:

- RM Corporate Real Estate Management, American Management Association
C Real Estate Desk Book, William J. Casey
ULI Community Builders Handbook
LB Real Estate Sale - Leaseback - A Basic Analysis, authors are
Korb and Trimble, published by the Society of Industrial
Realtor
SRA A Guide to Industrial Property Appraisal, William Shenkel,
Published by the Society of Real Estate Appraisers.

Format of the course:

Reading assignments form the basic core of the course.

Two 50-minute quizzes will test you on coverage of the reading and comprehension of lectures. Exams count 40% each, of the semester grade.

A financial problem will be written and weighted 20% of the semester grade.

Date:

6-23 Basic Definitions and Methods of Real Estate Analysis.

WK - Scan Chapter I, Read Chapter II.

6-24 Value, Feasibility, and Social Objectives vs. Individual Alternatives.

Weimer, Arthur M., "Real Estate Decisions are Different," Harvard Business Review, November-December, 1966 (mimeo).

6-25 Macro Urban Economics - Urban Form and Function.

"Evolution of Human Settlements," Doxiadus (mimeo). Taken from The City and Urban Renewal.

"The Changing Principles of Land Economics," Homer Hoyt (mimeo). Taken from the 25th anniversary publication of the Urban Land Institute.

6-29 Macro Urban Economics - Water-Air - Energy Impasse

"Proceedings of the 44th Annual Conference of the American Industrial Development Council, Inc." (mimeo)

"Transportation and the City," Architectural Forum, 1963 (mimeo).

- 6-30 Real Estate Law - A Dynamic Definition of "Rights"
"The Social Control of Urban Space," Charles M. Haar (mimeo). Taken from Law and the Land.
WK - Chapter IV
- 7-1 Introduction to Individual Decision-Making.
"Investment Analysis and Capitalization" (Mimeo). Guest speaker, Professor Clettenberg
- 7-2 Investment Analysis (continued).
"Computer Analysis of Variable Real Estate Cash-Flows"
"School of Business Mini-model"
WK - Chap. V.
- 7-6 Cash Flow and the Federal Income Tax.
"The Tax Reform Act of 1969 As It Affects Real Estate, R.W. Sandison and C.O. Livingston, The Real Estate Appraiser, 1970 (mimeo).
WK - Chapter V.
- 7-7 Basic Real Estate Finance.
WK - Chapters VIII and IX.
- 7-8 New Wrinkles in Real Estate Finance.
"Lender-Developer Participation," The Mortgage Banker, September, 1968. (mimeo).
"Lease Guarantee Insurance" - William N. Kinnard, Jr., Stephen D. Messner (mimeo).
"Illustrations of Various 'Kickers' and Their Relative Yields as Applied When Lender Shares in Income Flow" (mimeo).
"Loan 'Kickers'," The Wall Street Journal, July 15, 1969 (mimeo).
- 7-9 Industrial Leasebacks and Buybacks.
WK - Chapter X.
- 7-13 The Low and Moderate Income Housing Dilemma.
"Low Income Housing: Goals, Actors and Economics," Robert O'Block (mimeo).
- 7-14 Low and Moderate Income Housing (continued).
"Open Letter to the President," House and Home Magazine, December 1969 (Commerce Library).
- 7-15 Appraisal Assumptions vs. Investment Decision Reality.
WK - Chapter XII
"Approaches to Value," AIREA, Gerald E. Schmitz (mimeo).

7-16 Industrial Real Estate Appraisal.

WK - Chapter XIII

"Mortgage-equity Capitalization, Ellwood Method," James E. Gibbons, Appraisal Journal.

7-20 Mid-term Exam !!!

7-21 Cash-Flow Theory and Industrial Location.

"Measuring the Productivity of Alternative Industrial Sites in Terms of New Return on Equity to the Corporation." (mimeo).

7-22 Industrial Building Siting and Design.

"Industrial Buildings," Architectural Record, June 1966.

7-23 Attribute Analysis and Industrial Location.

WK - Chapter III.

"The Right Way to Pick an Office Location" (mimeo).

7-27 Offices and Office Layouts.

Chapters 1, 2, 3, and 4 of Office Building and Office Layout Planning, Kenneth Rippen (Commerce Library).

"Specimen Short and Long Term Leases" (Mimeo). WK- Chapter X.

7-28 Retail Site Selection.

Sec. 2, 3,4: Guide to Store Location Research, Kornblau and Applebaum (pp. 13-63). Commerce Library.

7-29 The Retail Lease.

"Outline of Clauses in a Shopping Center Lease," Benjamin Pollock, Business and Legal Problems of Shopping Centers (mimeo).

7-30 Caveats on Purchase of Real Estate or Buyer Beware of Information Available.

8-3 Where to find Public Information about Real Estate.

City Hall field trip with Prof. Clettenberg.

"Source Data - a guide to source material for store location research" (mimeo).

8-4 Corporate Real Estate Investment Strategy.

"Real Estate as a Corporate Investment," Samuel L. Hayes, III and Leonard M. Harlan (mimeo).

"Discounted Annual After-Tax Yield on Hypothetical Income Property Investment"

8-5 Corporate Real Estate (continued).

"Look Who's Rushing into Real Estate," Fortune, October 1968, p. 160.

8-6 Disposal of Surplus Corporate Real Estate.

WK- Chapter XI.

8-10 Mini Model Office Problem Due !!!

8-11 Corporate Building of New Cities

Slide lecture on Columbia, Maryland.

8-12 Industrial Land Development.

WK- Chapters XVI and XVII.

8-13 Final Exam !!!

MANAGEMENT ANALYSIS - INDUSTRIAL REAL ESTATE PROBLEMS
COURSE OUTLINE AND READING LIST

Spring Semester - 1971

Prof. James A. Graaskamp

Supplementary Readings in Reserve Library

- (WK) Industrial Real Estate, Prof. William N. Kinnard
- (RM) Corporate Real Estate Management, American Management Assoc.
- (C) Real Estate Desk Book, William J. Casey
- (ULI) Community Builders Handbook
- (LB) Real Estate Sale - Leaseback - A Basic Analysis, authors are Korb & Trimble, published by the Society of Industrial Realtor
- (SRA) A Guide to Industrial Property Appraisal, William Shenkel. Published by the Society of Real Estate Appraisers.

Format of the course:

1. Reading assignments and lectures form the basic core of the course. One 2-hour exam will test you on coverage of the reading and comprehension of lectures.
2. Two financial problems will be assigned for written exercises.
3. A term paper topic will be developed by each student to develop creative thinking about real estate decisions.

Each component above will count 1/3 or 100 points.

Date by weeks:

Feb Basic Concepts of Real Estate
8-12

1. Weimer, Arthur M., "Real Estate Decisions are Different," Harvard Business Review, November-December, 1966 (mimeo).
2. "Real Estate as a Corporate Investment," Samuel L. Hayes, III and Leonard M. Harlan (mimeo).

Feb Attributes of Real Estate Analysis
15-19

1. A Guide to Feasibility Analysis, James A. Graaskamp, Chapter 1, pages 1-17.
2. "The Changing Principles of Land Economics," Homer Hoyt (mimeo). Taken from the 25th anniversary publication of the Urban Land Institute.

Feb. Urban Form and Function - Economic and Political Impasse
22-26

1. "Evolution of Human Settlements," Doxiadis (mimeo). Taken from The City and Urban Renewal.
2. "Transportation and the City," Architectural Forum, 1963 (mimeo).
3. "Proceedings of the 44th Annual Conference of the American Industrial Development Council, Inc." (mimeo).

Business 847 Spring 1971

Mar. Real Estate Law - A Dynamic Definition of "Rights"
1-5

1. "The Social Control of Urban Space," Charles M. Haar (mimeo).
Taken from Law and the Land.
2. (WK) - Chapter IV

Mar. Introduction to Real Estate Valuation
8-12

1. "What is an Appraisal," American Institute of Real Estate Appraisal (mimeo).
- 2. "Approaches to Value," AIREA, Gerald E. Schmitz (mimeo).
3. "A Complete Guide for Real Estate Consultants and Investors" Ernest Buckels and James Decot (mimeo).
4. "Cash Forecasting and After-Tax Real Estate Investment Analysis" James A. Graaskamp (mimeo).

Mar. Cash Flow Problems
15-19

1. School of Business Mini-Model
2. Factory Building Investment Model Problem #1
3. (LB) Real Estate Sale - Leaseback - A Basic Analysis (mimeo).

Mar. Cash Flow and the Federal Income Tax
22-26

1. (WK) Chapter V
2. "The Social Control of Urban Space," Charles M. Haar (mimeo).
Taken from Law and the Land.

Mar. The Low and Moderate Income Housing Delemma
29-

- Apr. 2
1. "Low Income Housing: Goals, Actors and Economics," Robert O'Block (mimeo).
 2. "Open Letter to the President," House & Home magazine, December 1969 (Commerce Library).
 3. "Mortgage Credit and Residential Real Estate".

Apr. Basic Dilemmas of Real Estate Finance
5-7

1. (WK) Chapters VIII and IX
2. "New Risks in Mortgage Finance" John Green, MGIC News Letter (mimeo).

Spring Vacation

Apr. New Wrinkles in Real Estate Finance
19-23

1. "Lender-Developer Participation," The Mortgage Banker, September, 1968 (mimeo).
2. "Lease Guarantee Insurance" - William N. Kinnard, Jr., Stephen D. Messner (mimeo).
3. "Illustrations of Various 'Kickers' and Their Relative Yields Applied When Lender Shares in Income Flow" (mimeo).
4. "Loan 'Kickers'," The Wall Street Journal, July 15, 1969 (mimeo).
5. "Financing New Towns" - Charles Haar (mimeo).

- April 26-30 New Wrinkles in Real Estate Finance (continued)
1. "Limited Partnerships - Their Use in Real Estate Syndications", RF #14 (mimeo)
 2. RF#71, "Hot Sales in Property Shares", (mimeo)
 3. RF#102, "Joint Venturing: The Smaller Builder Gets a Bigger Chance", (mimeo)
 4. RF#101, "The Strategy Behind Wall Street's Move into Real Estate", (mimeo)
 5. RF#72, "Discounted Annual After-Tax Yield on Hypothetical Income Property Investment, (mimeo)
- May 3-7 Leasing Considerations for Business
1. "The Operating Staff", Journal of Property Management, "How to Rent a Building", (mimeo).
 2. "Drafting a Shopping Center Lease," Benjamin Pollack. Business and Legal Problems of Shopping Centers. (mimeo)
- May 10-14 Shopping Center Development Trends
1. Community Builders Handbook, pp. 262-399. (Reserve)
- May 17-21 Term Projects Are Due With Brief Class Presentation.
- May 24-28 Comprehensive Examination on Readings and Lectures (In One Evening Session or Two Parts)