

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

II. CLASSES AT THE UNIVERSITY OF WISCONSIN--MADISON

P. Assorted Bits from Additional Classes Taught by
Graaskamp

4. Business 649 (Recreational Land Development):
Lecture Notes

Business 649
Recreational Land Development
Tuesday, June 1, 3:00 p.m.
142 WARF Building

- I. Real estate development covers a multitude of sins from duplexes to new towns. It covers a continuum from scientific farming to planning to construction to management to replacement.
 - A. Defining the following basic units:
 1. The real estate product
 2. A cash cycle enterprise
 3. The real estate enterprise
 4. The control of land to control a customer for services
 5. The real estate process
 6. Equilibrium achieved when consumer, producer, and public infrastructure all achieve solvency
 - B. Development strategies mix entrepreneurship and management
 1. Passive land speculation
 2. Creative land speculation
 3. Construction of land improvements
 4. Construction of finished space-time product
 5. Marketing and management of space-time product
 - C. As an organized undertaking, a development enterprise system:
 1. Sets goals and objectives
 2. Converts objectives to measurement criteria
 3. Searches for alternative market opportunities
 4. Selects specific opportunity most consistent with criteria
 5. Prepares a program to capture selected opportunities
 6. Constructs program intended to capture opportunity
 7. Provides on-going management of program
 8. Provides feedback and monitoring to modify goals, objectives, and criteria
 - D. As a cash cycle enterprise the real estate development is concerned with
 1. Relationship of receipts to outlays in amount and time
 2. Preparation of a budget to establish financial plan
 3. Risk is the variant between plans and realization
 4. Holding power for surprise potential
 5. Maximum potential loss factor
 6. Cash breakeven point for consumer, community, and development group
 7. Adequacy of future profit centers relative to present risk
- II. A project is "feasible" when the real estate analyst determines that there is a reasonable likelihood of satisfying explicit objectives when a selected course of action is tested for fit to a context of specific constraints and limited resources.
 - A. Strategic objectives
 - B. Market trend opportunity areas
 - C. Selected merchandising targets
 - D. Legal-political constraints

- E. Ethical-aesthetic constraints
- F. Physical-technical constraints
- G. Cash-budgeting constraints

III. The form any enterprise takes is a concensus at a particular point in time between the forces outside the enterprise which can influence its behavior and the talents within the enterprise which can successfully direct its behavior toward their own goals.

A. The issues in this course can be divided among:

1. Those factors which society must control to survive in the foreseeable future
2. Those factors which the developer must control to survive in the future
3. Those factors which are negotiable to provide some equilibrium between long term social priorities and short term individual priorities
4. What is the relative contribution of protagonist-antagonist advocacy as opposed to synthesis by identification of common constraints and objectives among confronting viewpoints

B. Where will equity be found in the windfall-wipeout nature of "winner take all" which characterizes current land use regulation disputes.