

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

V. INDUSTRY SEMINARS AND SPEECHES - SHORT TERM

I. Other Presentations In Which Either The Date And /
Or Sponsoring Organization Is Missing

5. Market Analysis/Urban Economics/Real Estate
Process

c. "Housing Economics Lecture" no date

- I. Definition of Property Development and Management
 - A. The commodity 'real estate' is manufactured space with service amenities
 - B. The manufacturing process is termed property development
 - C. Maintenance and services to create environment can be termed property management.
 - D. Development includes great variety in type and scale of project
 - E. In the long term view development is not distinct from management
- II. Feasibility Process giving form to Residential Development
 - A. The grand strategy - value framework - objectives - criteria
 - B. Identification of opportunity areas in demand sectors
 - C. Selection of merchandising target
 - D. Determination of legal-political feasibility
 - E. Ethical and social acceptability
 - F. Determination of physical-technical feasibility
 - G. Elements of financial feasibility
 1. Profit centers
 2. Calendar of financial events
 3. Capital budget
 4. Pattern of operating revenue and expense
 5. Financial package
 6. Tax strategy
 7. Measures of yield - opportunity cost & compound interest factor
 8. Measures of risk - payback of equity rate - default point
 - H. Execution of development plan
 - I. Operation of project
 - J. Monitoring process for feedback cycle

III. Property Development and the Time Constraint

- A. Time is critical resource to be controlled through planning and management according to plan
- B. Capital cost and revenue schedule equated by timeline of development
- C. Value is a function of time lapse between outlay dollar and revenue dollar
- D. Capital budget schedules, operating schedules, and time schedules
 - 1. Lead time for planning and regulatory review
 - 2. Construction in process time
 - 3. Start-up or rent-up time
 - 4. Receipt schedule - the collection lag
 - 5. Schedule for refinancing of equity buildup
- E. A nightmare of deadline dates: For example:
 - 1. Option date to acquire site
 - 2. Regular meetings of regulatory boards
 - 3. Lead time dates to meet completion dates to serve a market
 - 4. Take-down dates on loan agreements
 - 5. Seasonal limitations on construction factors
 - 6. Occupancy clauses in tenant leases
 - 7. Repayment dates on temporary financing
 - 8. Employment dates for staff
- F. Cost of money takes many forms
 - 1. Trade talent for money in partnerships
 - 2. Trade future gross for present capital
 - 3. Vertical integration of land, materials, marketing, and money