

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
 - 6. Real Estate Finance/Mortgage Banking/Mortgage
Guaranty Insurance
 - cc. "Monroe Clinic Seminar - Real Estate
Investments", no date

Monroe Clinic Seminar
January 29, 1973

I. Investment Attributes of Real Estate

A. Cubage over time

1. Immobility
2. Inflexibility
3. Durability
4. Marketability

B. Legal attributes of private interest

1. Common interest, specified public interest, unspecified public interest, private interest
2. Shrinking legal equity residual
3. Equity - the right to control disbursements

C. Mythology of wealth through real estate

1. Creative vs. passive investment
2. Services vs. capital returns
3. Future patterns vs. past successes
4. Selectivity vs. fad

II. Basic Elements of Financial Assumptions

- A. Time line of financial events for investor
- B. Profit centers available within time line
- C. Capital budget
- D. Operating pattern of receipts and expenditures
- E. Financing package
- F. Basic tax strategy
- G. Selected measures of yield comparison
- H. Selected measures of risk qualification

III. The Risk Management Approach to Real Estate

- A. Risk - potential variance between assumptions and realization
- B. Identification of points of significant variance
- C. Estimate consequences of variance
- D. Selection of risk management method
 1. Better information
 2. Lock-in customer
 3. Contract escalators, floors and ceilings
 4. Participation incentive clauses
 5. Contract stop-loss features
 6. Choice of investment media
 7. Pleasure, pain, and bailout review

IV. Feasibility is Matching Investment Form to Context of Constraint

- A. Strategic objectives and tactics
- B. Market trends and opportunity areas
- C. Merchandising targets with monopoly characteristics
- D. Legal-political constraints
- E. Ethical-esthetic constraints
- F. Physical-technical constraints
- G. Financial constraints