Capstone Course for Master's of Real Estate Development
Real Estate Development Proposal

Course Overview
The goal of the capstone course is to provide real estate development graduate students with an opportunity to apply acquired classroom knowledge to real world conditions. Each student in the class will work separately to create their own unique development proposal for undeveloped property located at: ________________. The feasibility study will address the market analysis, entitlement process, design, construction and financing for the project.

The Project

DESCRIPTION

This Capstone Course entails students acting in the role of Development Director for the project. The role will simulate a project from conception to preparing a final presentation that typically would be submitted to the client's Board of Directors (or the owner of the Company) requesting approval for a major redevelopment project. The Development Director is the one person responsible for delivering the overall project.
Over the 15 week Fall Term, students will work with ________________

After the marketing, entitlement process and costs are established for your project, you will prepare the financial pro-forma outlining all the costs and income in order to establish the potential yield or return of investment for the project. Detailed analysis will be prepared outlining IRR, Cost on Cost Return, Yield, and Valuations. A Sensitivity Analysis with clear assumptions, will be included as well as identifying, an Exit Strategy, Sources of debt and equity capital.

Each student will be provided the services of a young architect for up to 15 hours – The uses for the project and design concept must be the student’s, the drawings and renderings are done by the architect. Your grade will not be affected by the design, but may impact the Competition.

The final step will be preparing a 12-minute Presentation at the Capstone Colvin Competition at the end of the Term

Each Student will create their OWN VISION OF THE PROJECT. THIS is NOT A GROUP PROJECT.

Course Objectives
- Demonstrate an understanding of the zoning, other regulatory processes, and requirements applicable to the site – the entitlements process.
- Demonstrate an understanding of the interplay of the financial constraints, and financing mechanisms that would be applicable to any redevelopment proposal and opportunities/constraints arising from those processes;
- Demonstrate an understanding of the design and construction processes and their impact on development and finance decisions; and
- Demonstrate that you have mastered the basics required of all developers in projecting what it would take to move a project from site identification to completion and operation, with a particular emphasis on the QUADRUPLE Bottom Line, of Environmental Sensitivity, Social Responsibility, Financial Viability and Sustainable Design

Course Structure
Each student will assess the development potential of the site and produce a development proposal based on this assessment. It is expected that each student will visit the site as required to understand the existing dynamics and create a vision for the future. THE CLASS May or May Not VISIT THE AREA Together?

Each student is required to produce draft chapters of their report produced in sections over the course of the term, as well as the impact of that chapter on a draft pro forma that is revised every two weeks, as well as a final written report and make an oral presentation to a "jury" of professionals

Each development proposal shall include the following seven sections (not necessarily in this order):
• **General Context/Market Analysis:** Demographics, background and history of the site and community, uses and conditions affecting the site, economic profile of the community, planning context for the site, stakeholders, etc.

• **Project Vision:** Considerations should include demographic and psychographic analysis of who the users and customers will be and what they are looking for in a uses and designs. Traffic and pedestrian flow should also be considered along with architectural character.

• **Design/Environmental Analysis:** Block out square footage of uses, heights, materials in simple plan diagrams for the site. The project should meet basic LEED level at a minimum, but winning proposals will consider sustainability in all aspects broadly from siting to operations. (you will have 15 contract hours of a young architect to provide up to 4 images of your vision.)

• **Regulatory Context and Public Approval Processes:** The zoning and other regulatory contexts of the site; a description of the approvals processes for the site as well as the processes for changing zoning; address how to develop community and stakeholder buy-in for redevelopment

• **Construction Costs/Management/Scheduling:** Project a construction cost and set a project schedule. Will the project be done in phases? Discuss type of materials to be used, type of parking, and impact on financing and design.

• **Financial Analysis and Project Financing:** A Pro forma for financing (what you could take to the bank). Including Analysis of project yield, Cost on Cost returns, IRR, and increased value as well as sources of capital for the debt and equity you project to be needed to make the project financially viable. The assumptions supporting the financing, as well as a sensitivity analysis and exit strategy (timeline) must be included. This is the most critical part of your proposal, and unless it is adequate you will not be able to successfully complete this course for your MRED degree.

• **Marketing and Management Proposal:** You should have considered and include a marketing plan that ties your vision to the market analysis and considers the management structure and operational aspects (lease-up etc) of your proposal.

**Class Schedule**
The class will meet Tuesdays from 7:00 – 9:40

**Deliverables, Due Dates, Grade Percentage**
DRAFTS – The draft of each of the 7 chapters, is 35% of your grade (5% per chapter, 3% for content; 2% for writing and formatting)
FINAL REPORT – 15% for Content; 15% for business writing/format)
FINAL PRESENTATION – 15% (assigned by Executive Skills Instructor )

Drafts of the sections will be due in class on the following dates or may be submitted to the instructor electronically no later than 3 pm on the due date: All Project Classes will be held
FINAL SUBMISSIONS

There is no FINAL EXAM in this Course.

The final WRITTEN report of no more than 60 pages in length will be developed from the revised draft sections and will be due in hard copy to your Instructor on the ________________.

One hard copy of your written report must be submitted to the MRED program within one week (or earlier as designated by the program each term) of your presentation.

An electronic copy of your Power Point Presentation AND your Report must be submitted to the MRED Program Director in order to meet the Program Requirements for Granting of your MRED Degree.

All work written for the course shall be at a level appropriate for graduate students. Grammar and spelling matter in this course. Written work is expected to be well-organized and readable. Please type and proofread all assignments carefully. All assignments must be typed, double-spaced, and in 12 point Times or Times Roman font. Use standard spacing and margins.

[In case of an emergency that results in the closing of the University for a period of time, due dates will be extended per policies developed for the school and program.]

PARTICIPATION/ASSIGNMENTS/GRADING:
Grades will be issued on a plus/minus basis, according to University policy. Late assignments will drop one-half letter grade-level per day they are late from the original due date, i.e. B+ drops to a B after one day. Unexcused absences will also adversely affect one’s grade and it is highly recommended that no one miss any class sessions.

It is the student’s responsibility to inform the instructor in advance of any intended absences from assigned work schedule or class meetings for religious observances or other reasons. Any missed assignment due to a religious observance can be handed-in without penalty at a time specified by the instructor.

When necessary or appropriate, the instructor and/or faculty advisor reserves the option to change scheduled classes or due dates.

Much of the work for this course will be done independently and the instructor and faculty advisor assume that the student has the background necessary to undertake the work.

Course Guidelines

Academic Integrity
The University’s Code of Academic Integrity provides the guiding principles under which this work shall be carried out. Please refer to http://www.studentconduct.umd.edu/aca/honorpledge.html. Plagiarism or other forms of cheating will not be tolerated in this course.

"The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information on the Code of Academic Integrity or the Student Honor Council, please visit the web site noted above.

On every examination, paper or other academic exercise not specifically exempted by the instructor, the student shall write by hand and sign the following pledge:

I pledge on my honor that I have not given or received any unauthorized assistance on this examination.

Failure to sign the pledge is not an honors offense, but neither is it a defense in case of violation of this Code. Students who do not sign the pledge will be given the opportunity to do so. Refusal to sign must be explained to the instructor. Signing or non-signing of the pledge will not be considered in grading or judicial procedures. Material submitted electronically should contain the pledge, submission implies signing the pledge.

Accommodation for Students with Disabilities
Please notify the faculty advisor within the first two weeks of the semester if you require accommodation due to a disability. The University’s Disability Support Service will help make arrangements to provide an appropriate accommodation in response to the student’s need.

Contact Information
Please make sure the instructor and the faculty advisor have your current e-mail address and telephone number.

Course Evaluations

University Evaluations
You are responsible for submitting the formal University course evaluation for this course at CourseEvalUM in order to help faculty and administrators improve teaching and learning at Maryland. Please make a note now of the dates for ___________ and the link at which you can access the submission system (www.coursesevalum.umd.edu). If you submitted all of your evaluations in the fall or are a new student, you can also access all posted results from Fall 2007 forward via Testudo under CourseEvalUM Reporting. To retain this access, you must submit all of your evaluations each semester. If you do not have access right
now, you can gain it by submitting all of your evaluations. More information is at: https://www.irpa.umd.edu/Assessment/CourseEval/stdt_faq.shtml.

*MRED Program Evaluations*
You also will be asked to do a MRED Program evaluation for this course at one of the last sessions of the course (See the syllabus schedule). As a new program, the MRED program and its unique approach to real estate education is greatly assisted by your comprehensive responses, and particularly the open ended questions at the end of the Evaluation Form.