

URBAN DEVELOPMENT PROJECT REVIEW STUDIO

UAP5434-15108

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Purpose: This studio focuses on techniques for evaluating physical development projects, including market potential, economic impact and fiscal impact. The course provides advanced instruction on evaluating development through the application of various assessment techniques. This is primarily a course in analytical discovery and problem solving. It requires an eagerness to think about markets, developers, consumers, and public policy. The course requires the ability to work with spreadsheets and statistical software.

The course includes lecture sessions and work sessions. Lectures will review estimation models and applications to real estate development. The purpose of the lectures is for quick review and students are expected to obtain in-depth knowledge of models either through other coursework or independent study. The work sessions will be team meetings to discuss and review the direction and progress of the team project.

Project: The class conducts a team project related to estimating the potential for development and the impact of development. The class will prepare a workplan and schedule for the project, and will deliver an integrated project report. The project for this semester is on infill and redevelopment in urban core areas, focusing on Portsmouth, VA in the Virginia Beach-Norfolk-Newport News MSA. Infill and redevelopment are important to revitalizing the built environment of cities and to providing an alternative to greenfield development on the metropolitan periphery.

Texts: All material for the course is posted to the class web page on Blackboard (<http://www.learn.vt.edu/>) Urban Development Project Review Studio.

Bibliography:

DiPasquale, Denise and William C. Wheaton. 1996. *Urban Economics and Real Estate Markets*. Prentice Hall.

Thrall, Grant Ian. 2002. *Business Geography and New Real Estate Market Analysis*. Oxford.

Knaap, Gerrit J., editor. 2001. *Land Market Monitoring for Smart Urban Growth*. Lincoln Institute of Land Policy.

Fanning, Stephen F., Terry V. Grissom, and Thomas D. Pearson, 1994. *Market Analysis for Valuation Appraisals*. The Appraisal Institute.

Siegel, Jacob S. 2002. *Applied Demography Applications to Business, Government, Law and Public Policy*. Academic Press.

Clapp, John M., 1993. *Dynamics of Office Markets*, Urban Institute Press.

Miles, Mike E., Richard L. Hanley, Jr., and Gayle Berens, *Real Estate Development: Principles and Process*, 2nd edition. Urban Land Institute, 1996; (or most recent edition)

Burchell, Robert, et al., 1994. *Development Impact Assessment Handbook*, Urban Land Institute.

Grading: Overall grade is the average (50/50) of an individual grade and team grade. The individual grade is based on homework assignments, contributions to the work plan, progress reports, and points for exceptional contributions (leadership & content) to the team project report.

The team grade is my evaluation of the final project report. Excellent (90-100 points) reflects a highly professional report in style, clarity and content. Only minor copyediting required. Content is uniformly of high quality. Typically this is achieved by a team effort that expects high performance by all members. You will need to review and critique each other's work in order to reach this level.

Above average (80-89 points) reflects a final report that requires more than occasional copyediting changes, including formatting, style and grammar. Occasional problems might exist with organization, logical flow and content (clarity, depth and breadth). An above average report can include minor problems in content, but the errors are more of omission than commission. This likely will be the case if insufficient time is allowed for internal (team) review and revision prior to the delivery date. I would, nonetheless, be comfortable sending such a report to a client without further revision.

Average (70-79 points) reflects a potential adequate professional report that has some substantive, but not fatal, flaws in content, style and formatting. Reflects generally first draft material needing significant copyediting. I would not be comfortable sending such a report to a client without revision or DRAFT stamped on every page.

Wk1: Introduction & Overview of Course;
1/17 Discuss Schedule & project; introduce team members
Review course content
Discuss macro/micro (market area, *situs*, site) market analysis; demand and supply; types of models (Notes: RE1)

Wk2: Intro Market Analysis and Investment Analysis

Readings: Notes RE2, RE3
Roulac, Strategic Real Estate Framework
Thrall, Chapters 1 & 2
Wikipedia, Discounted Cash Flow
Asabere_Huffman, Roads-Apt Values
Brasington, Capitalization of Schools
Rodriguez, et al. GIS in RE Analysis

1/22 Introduction to Market Analysis; Property productivity and site selection; market area; data sources

1/24 Returns to equity and returns to finance capital; Risk and reward;
Pro Forma Analysis & Discounted Cash Flow
Estimating current value; estimating sales price; relationship between cap rate and discount rate;

ASSIGNMENT 1: use the pro forma as an analytical tool to assess property development (see web page)

Wk3: Infill and Redevelopment: Project Overview

1/29 Video: Quality Hill, Kansas City redevelopment
ASSIGNMENT 1 DUE

1/31 In-fill & Redevelopment Models
Readings: Landis, Urban Land Capacity
Moudon, Supply and Capacity of Infill and Redevelopment Lands
Landis, Demand Estimates for Infill
Reading PA Report
ULI Report Portsmouth
California Report V1 & V2
CDHCD, Infill Biblio

Wk4: Market Analysis & Work Plan

2/5 Market Analysis
Readings: RE4; Thrall, Chapters 4 & 5
Fanning, Demand Estimates

2/7 Project Discussion and Work Plan Session

Wk5: Demographics & Economics

2/12 Demographics
Household projections; residential demand projections; migration analysis
Readings: Applied Demographics Ch 1 & 2
VCHR, Tidewater Demand Projections

2/14 Real Estate Economics
Readings: DiPasquale, Ch 2 & Ch 3
Smersh, Factors Affecting Residential Property

Wk6: Residential Market Analysis

2/19 Review of Demand Models (led by demand team)
Fanning, Residential Analysis
DiPasquale, Ch 9 The Market for Housing Services
Thrall, Ch 5
Landis, Demand Estimates for Infill (detailed review of data requirements, ability to replicate for Tidewater)
VCHR Demand Projections for Tidewater and Portsmouth
VCHR Portsmouth report

2/26 Review of Infill/Redevelopment Supply Models (led by supply team)
Landis, Urban Land Capacity
California Reports
Richmond, Reading,

Legal Issues Affecting Redevelopment
Alexander, Renewing Public Assets

Wk 7 Hold for Review or Lecture

3/3
3/5

wk8: SPRING BREAK

Wk9: Economic Impact Analysis

3/12
3/14

Wk10: Fiscal Impact Analysis

3/19
3/21

Wk11: Hold for Review or Lecture

3/26
3/28

WK12: PROJECT MEETINGS & REVIEWS

4/2
4/4

Wk13: Review Draft

4/9
4/11

wk14: Review Final Draft Report and Presentation

4/16
4/18

wk15: Project Presentation

4/23 Work Session to Finalize Presentation

4/25 Project Presentation

wk16: Wrap-up

4/30 Course Evaluation (attendance required)

May 9: Final Report Delivery Date