GEOG 4460G: Real Estate and the Cities

Winter 2016

Course Outline

Location: SSC 2322
Days/Hours: Tuesdays 7-10pm

Instructor Information
Name and title: Joseph Shaw
Contact information: josephshawcfa@gmail.com
Office hours: By Appointment
Teaching Assistant: Joannah Campbell, jclift@uwo.ca
Course webpage: Posted via WebCT

Course Syllabus
Description
The objective of the course is to expose students to various forms and categories of investment in commercial real estate. It seeks to explore real estate portfolio theory, direct vs. indirect ownership, real estate private equity, specific theories of location and the performance of real estate in a broader investment world. The course format provides for an interactive and peer-based discussion synthesizing previous knowledge and skills acquired in urban development and their practical application.

Objectives
To introduce students to the principal concepts and theories in real estate portfolio management building on the student’s academic background in investment analysis; to understand the role of real estate in an institutional portfolio; to understand various forms of real estate ownership and syndication.

Prerequisite(s):
GEOG 3464F

Antirequisite(s):
The former GEOG 377F/G, the former GEOG 378F/G, and the former GEOG 333E. Please consult the calendar for updated information.
### Approach
The course is run as a series of weekly discussion where we reflect on the material read, almost all delivered remotely.

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Readings Due</th>
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| 1    | January 5<sup>th</sup> | Introduction  
The Case for Real Estate Investment | Firstenberg – Real Estate: The Whole Story  
Watkins – Avoiding Yogi Berra  
Kaiser – The Long Cycle in Real Estate |
| 2    | January 12<sup>th</sup> | Allocation to Real Estate in Institutional Investment Management | Lindahl - Making an Allocation to Real Estate  
Fisher & Sirmans - Real Estate and Multi Asset Portfolio  
Conner et al - Value and Stability  
Worzala & Bajtelsmit - Real Estate Asset Allocation  
Gaines et al - Pension Fund Investments in Real Estate |
| 3    | January 19<sup>th</sup> | Optimal Allocations, Diversification and Strategies | Findlay - Optimal Real Estate Portfolios  
MacKinnon - Optimal Allocation to Real Estate  
Morguard - Optimal Real Estate Portfolio  
Cheng - Optimal Diversification |
| 4    | January 26<sup>th</sup> | Public vs. Private Real Estate Investing  
REITS | Craft - Public and Private Real Estate in Pension Plan Portfolios  
Conner & Falzon - Rational Differences between Public and Private Real Estate  
Kaiser - Public REITs vs. Private Real Estate  
Peyton et al - REITs and Directly Owned Real Estate |
| 5    | February 2<sup>rd</sup> | Private Equity | Kuzmicki & Suminac - Real Estate Private Equity Funds  
Baum - Indirect Real Estate Risk and Return |
| 6    | February 9<sup>th</sup> | Diversification Theories and Investment Styles | Mueller - Economic Diversification  
Nelson - Regional Models for Portfolio Diversification  
Baczewski et al - Real Estate Investment Styles |
<p>| 7    | February 16&lt;sup&gt;th&lt;/sup&gt; | No Class | Reading Week |</p>
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<tr>
<th>No.</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
</tr>
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| 8   | February 23rd | Collection of Interesting and Practical Readings | Wurtzebach et al - Impact of Inflation and Vacancy on Real Estate  
Wheaton et al - Evaluation Real Estate Risk - Debt Applications  
Liow - Asset Pricing – Risk  
Young – NCREIF |
| 9   | March 1st     | Office                 | Thorton - Skyscrapers and Business Cycles  
Peyton et al - Office - Picking Winners and Avoiding Losers |
| 10  | March 8th     | Retail                 | Brown - Retail Location Theory  
Miron – Spatial Competition in Retail Stores - Race and Age |
| 11  | March 15th    | Residential            | Mok - Life Stages and Housing Decisions |
| 12  | March 22nd    | Course Review          |                                                                 |
| 13  | March 29th    | Presentations          |                                                                 |
| 14  | April 5th     | Term Paper Due         |                                                                 |

**Course Materials**

Course readings  
The course has no required course pack. Readings can be viewed from the course webpage.

There is no principal text for this course. See the above schedule for mandatory readings. Students are expected to have read the readings before class and be ready to discuss and debate them in the lectures. Additional suggested readings for the course are listed as below:


Brooks, Michael J. 2006. Canadian Real Property -Theory and Commercial Practice

Deloitte REIT Guide. Deloitte and Touche

**Methods of Evaluation of Assignments**

The course has 4 components: Class Participation, Final, Term Essay and Presentation.

(a) **Class Participation.** Class participation is worth 15% towards the final course grade. The lectures involve class discussions of geographic concepts and urban economic theories.

(b) **Final.** The final is worth 35% towards the final grade. The tests will be short answer and multiple choice and survey material from the readings and class discussion.
(c) Term Paper. The term paper is worth 35% towards the final course grade. The term essay is a mini-research exercise. The objective of this exercise is to provide a learning experience for students to conduct a thesis-like research and to write professionally. Students should pick a topic related to the course content and obtain approval from the course instructor. The topic should be within a manageable scope with an empirical component. Students are also expected to find the best available data to conduct this mini-research exercise.

(d) Presentation. Learnings from the term paper will be shared in a short presentation to classmates. This presentation represents 15% of the final grade.

In sum, the breakdown of the course grades is given as follows:

<table>
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<tr>
<th>Grading scheme</th>
<th>Grade</th>
<th>Date due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class participation</td>
<td>15%</td>
<td>NA</td>
</tr>
<tr>
<td>Presentation</td>
<td>15%</td>
<td>March 29th</td>
</tr>
<tr>
<td>Term Paper</td>
<td>35%</td>
<td>April 5th</td>
</tr>
<tr>
<td>Final</td>
<td>35%</td>
<td>April 9th-30th</td>
</tr>
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Students are responsible for the content of any lectures that they have missed. The material will not be re-taught.

Late assignments will be penalized at 10% per day, including weekends. Assignments more than a week late will not be graded.

The case study and presentation slides are to be submitted to Mr. Shaw to his email address (josephshawcfa@gmail.com).

Requests to have an assignment re-read, re-checked, or re-graded must normally be made no later than two business days following return of the assignment, and must include a brief written explanation. The instructor reserves the right to adjust the grade both upward and downward, where appropriate.

For UWO Policy on Accommodation for Medical Illness and a downloadable SMC see: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf
Students seeking academic accommodation on medical grounds for any missed tests, exams, participation components and/or assignments worth 10% or more of their final grade must apply to the Academic Counselling office of their home Faculty and provide documentation. Academic accommodation cannot be granted by the instructor or department.
**Additional Statements**

**Statement on Use of Electronic Devices**
No electronic devices will be allowed during tests and examinations.

**Statement on Academic Offences**
Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: [http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf).

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com ([http://www.turnitin.com](http://www.turnitin.com)).

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

**Mental Health**
If you or someone you know is experiencing distress, there are several resources here at Western to assist you. Please visit the site below for more information on mental health resources: [http://www.uwo.ca/uwocom/mentalhealth/](http://www.uwo.ca/uwocom/mentalhealth/).

**Western's commitment to accessibility**
The University of Western Ontario is committed to achieving barrier free accessibility for persons studying, visiting and working at Western.

Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact Services for Students with Disabilities (SSD) at 661-2111 x 82147 for any specific question regarding an accommodation.

**Support Services**
Registrarial Services: [http://www.registrar.uwo.ca/](http://www.registrar.uwo.ca/)
Student Development Services: [http://www.sdc.uwo.ca/](http://www.sdc.uwo.ca/)