Expected Outcome 1: Comprehensive Understanding of Real Estate Development Process

MRED students will be able to prepare a comprehensive feasibility study for a development project.

Assessment Method 1: RDEV 7636 Capstone Project

Assessment Method Description

Students are enrolled in RDEV 7636 Capstone in their final semester. The capstone project provides students with a Request for Proposal (RFP) of an actual project under consideration for development at the time and asks students to conduct a comprehensive feasibility analysis and submit a formal response to the RFP. Students were required at the end of the course to make a verbal presentation and submit a written proposal report for review by a national panel of practicing real estate development executives. Students have substantial review periods with faculty during their semester residency and during the semester using synchronous and asynchronous technologies.

The following evaluation criteria were used to assess each project. These criteria were stated in the Request for Proposal, which formed the detailed structure of the course.

The Jury was asked to evaluate each proposal in relationship to the selection criteria stated below.

There were 14 students enrolled during the Spring Semester.

1) Development Approach.

Each proposed development proposal was evaluated in light of several factors, including, without limitation: (a) the Development Guidelines;
(b) land uses and space program; (c) conceptual building and site design; (d) on- and off-site community uses or benefits; (e) impacts on the neighborhood; (f) traffic and parking approach and impacts; (g) and permitting requirements; and low impact site development and high performance building characteristics.

2) Community Uses and Benefits.

Students were asked to describe in detail the extent, nature, and location of all community uses and benefits included in the Proposal; describe any programs or services currently provided by or proposed to be provided by the Proposer or its proposed tenants that would directly or indirectly benefit the larger development district and neighborhood; and describe the benefits to the City.

3) Financial Feasibility

Proposals were favored that could demonstrate that the proposed project is currently feasible and that construction of Phase One (no less than twenty-five percent of the Master Plan’s Development Summary of Space and Amenities) may commence within 12 (twelve) month of signing a Purchase and Sale Agreement with the Developer/Owner.

4) Financial Proposal.

The Jury considered the acquisition proposal included in the Purchase and Sale Agreement.

A. Development Financial Planning.
   The Jury considered the financial feasibility of the proposed development as presented by the developer. This included review of the credibility and feasibility of the pro forma financial projections, projected development costs, proposed sources of financing, and lender and equity investor interest. These Phase One projections must include:
   B. Development Budget
   C. Operating Pro-forma (10 year projections)
   D. Investment Analysis
   E. Project Equity/Financing
5) **Market Research and Analysis**

The jury considered the completeness and competence of an analysis of the local market and projections for your proposal.

6) **Presentation**

The jury considered the quality and completeness of the overall presentation. Did the presentation fully illuminate the team’s proposal?

Did the presentation tell a compelling story about the team and the development approach? Did the team explain the Team’s financial and market analysis in a logical sequence?

7) **Overall Project Proposal**

Was the jury convinced that the team could deliver the project as proposed?

The Capstone Project had 14 students in the Spring Semester.

**Findings**

The following is the four team distribution of grades by review criteria on a 4.0 grading scale:

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How did you use findings for improvement?
While all teams performed at a very high level, the review panel and faculty felt that there were two areas that could use improvement in the criteria 2 and 4.

Criteria 2

Students didn’t put sufficient emphasis on Community Use and benefits. This subject will be emphasized more in the design and planning portions of the curriculum.

Criteria 3

In our design, planning, construction and management courses, we will have to insert more problem sets on budget and scheduling.

Additional Comments
We use an industry panel to review the capstone projects, pick a winning team, and provide input for grading the student work. We also had a discussion with them about the qualities of the program and any problem areas, no matter how minor, in the curriculum. They were generally in concurrence with the findings.

Assessment Method 2: Case Feasibility Analysis RDEV 7146 Real Property Analysis

Assessment Method Description
Students in RDEV 7146 have a final case analysis in which they are required to complete eleven exhibits that form the structure of a full financial and investment analysis of a project in the profession. They are asked to analyze four development projects and make recommendations to two potential investors.

Students were evaluated on the following criteria:

1) Completion of All Exhibits in the Case

2) Comprehensive Analysis of Each Property

3) Comprehensive Investment Analysis of Each Property and
Each Potential Investor

4) Accuracy of the Financial Analysis

This assessment was made on the basis of the eleven exhibits found in the Harvard Business School Case Study: Angus Cartwright III.

In addition to the eleven exhibits, a three page reflection paper was required to assess the needs of “potential investors.” The paper was assessed on the basis of: A) conclusions made regarding which proper fit of property with each investor, B) the critical nature of their thinking, and C) proper use of grammar and syntax.

There were 15 students in the Course in the Fall Semester.

Findings

The following is a disbursement of grade made around each criteria for the Exhibits:

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Criteria 1: All students completed all eleven exhibits. Only 50% of the students used Excel worksheets to perform their calculations. The remained filled in the exhibits by hand and did calculations with a hand held calculator.

Criteria 2: Over 90 percent of the students evaluated the physical characteristics of the property properly. Minor errors were made by the remained indicating a lack of attention to detail.
Criteria 3: All students completed the four exhibits associated with financial analysis in the Angus cartwright Case Study. The majority (over 50%) completed all exhibits correctly. The rest had made minor mistakes which rippled throughout their spreadsheet analysis. The remained had a major flaw in their assumptions. This deficit showed a lack of understanding about how they should properly set up a proforma and how to evaluate what critical data should to be input into the spreadsheet.

This indicated that additional lectures need to be given on financial analysis, valuation, and investment analysis.

Students were also asked to evaluate four property investment and make recommendations to two investors with different needs. In the HBS Case Study format, there are no wrong or right answers. The quality is determined by the nature of the critical thinking that determined their conclusions. All students made compelling case for their alignment of invests with investors, even if their numbers were not completely correct.

Criteria 4: As stated in criteria 2, above, more than 80 percent of the students made no errors or minor errors on their financial analysis.

**How did you use findings for improvement?**

The student will be given videos to review regarding financial and investment analysis prior to entering the program. It is believed that having some exposure to the language of real estate development will make their Excel boot camp more productive.

This course revealed that the Principles of real Estate Development course taught concurrently, needs to better integrated into this course. And, it suggests that additional lectures need to be provided in the Principles Course that explores critical components of financial analysis in more detail.

An obvious weakness showed up in the students’ ability to employ digital programs such as Excel to complete their financial analysis. This indicated inadequacies in the Excel Boot Camp run during the first two days of the student residency week.

It suggests that we change instructors and move the Boot Camp to the end of the residency week.

There was a sufficient deficit in the group’s language skill. We will
have a writing workshop delivered in our first course residency that discusses essay content and format. We will ask the Campus Writing Center to conduct the workshop.

**Additional Comments**
The program has recognized that programs such as Excel require the general awareness of real estate fundamentals to being able to gain the knowledge need to master financial analysis during the first semester. We have tried several different workshop formats with greater or lesser success. We have determined that it is a real estate terminology issue as much as a technology issue.

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**Expected Outcome 2: Formal/Technical Mastery**

1. MRED students will demonstrate a competence in critical observation and analysis of projects currently under development in a field setting and then communicate their findings in a compelling manner using text, images, drawings, and video.

**Assessment Method 1: Field Studies RDEV 7126**

**Assessment Method Description**
Students enrolled in the course RDEV 7120 have six field trips a year; five are domestic trips to cities such as Philadelphia, Washington, DC, Boston, Los Angeles, Portland, Seattle and others. One field study travels to an international location such as Buenos Aires, Melbourne, Auckland, and others. During the field trip, students are asked to write a blog post about one of the events on the itinerary. Upon their return, students are asked to write a three to four page paper on their experience.

Students were assessed using the following rubric:

1) Delivery of a central message

2) Ability to tell a compelling and coherent story in an academic format

3) Overall organization of the content and format of the paper

4) Course attendance and participation in discussions with
developers, contractors, and architects.

This course had 15 students enrolled in the Fall Semester.

**Findings**
The following is the four team distribution of grades by review criteria on a 4.0 grading scale:

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The general grading rubric for the course was that 75% of the evaluation focused on student attendance of and participation in discussions on site. The remaining 25 percent was based on a short reflection paper..

**How did you use findings for improvement?**
While the success of students in this course indicates the importance of these field studies to the hands on development of knowledge in this discipline, we found the following weakness. Some of our students are not able to tell compelling and coherent stories in an academic format.

We will have a writing workshop delivered in our first course residency that discusses essay content and format. We will ask the Campus Writing Center to conduct the workshop.

**Additional Comments**
Beginning with the incoming class in 2014, we will employ an introductory writing workshop during the students’ first executive residency to assist them in writing more effective academic papers.