**REAL ESTATE INVESTMENT, FINANCE AND DEVELOPMENT**

**UNIVERSITY OF FLORIDA LEVIN COLLEGE OF LAW**

**FALL 2023 SYLLABUS – LAW 6390 – 2 CREDITS**

Professor Nathan S. Collier

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Office Hours: Thursdays, 1:30pm to 2:30p (Office Number \_\_\_\_) I encourage you to call or email me or Angela Tharpe, if you are having difficulties with, or simply want to clarify your understanding of, any of the materials covered in the reading or in class.

**MEETING TIME:** Thursdays, 2:45-4:45pm

**LOCATION:** Holland Hall 285B

**COURSE DESCRIPTION AND OBJECTIVES:**

This course will provide an examination of the real estate development process and legal relationships involved in the process. The course will acquaint the students with such areas as site selection and entity choice, acquisition and disposition transactions, the regulatory process (state and federal), and issues arising during the construction period. This course will be an interactive case study-based course that focuses on multi-family projects currently in development, blending real-life real estate case studies with lessons in personal/professional leadership and law. The course will also touch on the fundamentals of real estate investment and finance.

**STUDENT LEARNING OUTCOMES:**

By the end of this course, students will be able to: create a pro forma, calculate Capitalization Rate and Development Yields, do basic real estate investment analysis, understand more complex development models, be familiar with the development process from land acquisition, design, regulatory approval, construction project and management through final stabilization and permanent financing.

**REQUIRED READING MATERIALS:**

***Real Estate Development Law, 2nd Edition*** by Richard C. Daley

***Getting to Yes: Negotiating Agreement Without Giving In*** by Roger Fisher & William Ury

* **Recommended: *Real Estate Investing Gone Bad*** by Phil Pustejovsky

Please be sure to register for the Canvas course and have any required materials with you in print or easily accessible electronic form in class. You are responsible for checking your Canvas page and the e-mail connected to the page on a regular basis for any class announcements or adjustments.

**CLASS ATTENDANCE POLICY:**  
Students are expected to attend and participate in class. I am assuming that each student enrolled in this course is committing to attend every class to the best of their abilities, and class attendance is required by both the ABA and the Law School.

Nevertheless, to allow for exigencies in life, you are permitted two absences from class without impacting your final grade so long as you still complete the readings and submit any required assignments prior to the subsequent class after the absence. For ease of administration and to respect your privacy, I do not make any differentiation between “excused” or “unexcused” absences, so your absences can be for any reason, including for job interviews, school activities, work tasks, illness or medical appointments, COVID-19, and life. This means that there is no need to tell me why you will be or were absent from class, so long as you have two or fewer absences total. If possible, professional courtesy encourages you to notify me if you will not be in class. Please budget accordingly so that you are not left at the end of the semester with a needed absence and your budget depleted.

Setting aside these exceptions, for each absence beyond two, your grade will be reduced by one-third of a grade (e.g., A- to B+). If you miss four or more scheduled classes, I have the discretion to render you ineligible to receive credit for the course.

This policy starts on the first day of classes, not the end of the drop/add period.

**CLASSROOM ETIQUETTE:**

All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions, chats and in class discussions. Please do not disparage or discourage others’ views and participations.

**COMPLIANCE WITH UF HONOR CODE:**

Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Law Honor Code located [here](https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/additional-information/honor-code-and-committee/honor-code). The UF Law Honor Code also prohibits use of artificial intelligence, including, but not limited to, ChatGPT and Harvey, to assist in completing quizzes, exams, papers, or other assessments.

**COURSE EXPECTATIONS AND GRADING EVALUATION:**

This class is graded. Students are expected to contribute meaningfully to the learning experience and will be graded on preparation, class participation, class attendance, written assignments, and a final exam. Articulate and intelligent engagement will be greatly appreciated. You will be provided with a name plate that will be collected at the end of each class. **PLEASE DISPLAY YOUR NAME PLATE AT EACH CLASS** - **Instructor has a bit of face blindness, name plates help tremendously.** <https://en.wikipedia.org/wiki/Prosopagnosia>

You will be graded in the following manner:

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| Class Participation | 20% Factors that influence your participation grade include preparedness when called upon, willingness to volunteer in class discussions, attendance, and activity in class exercises or completion of in-class problems. |
| Written Assignments | 30% |
| Final Exam | 50% |

**INFORMATION ON UF LAW GRADING POLICIES:**

The Levin College of Law’s mean and mandatory distributions are posted on the College’s website and this class adheres to that posted grading policy. The following chart describes the specific letter grade/grade point equivalent in place:

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| Letter Grade | Point Equivalent | Letter Grade | Point Equivalent |
| A (Excellent) | 4.0 | C (Satisfactory) | 2.0 |
| A- | 3.67 | C- | 1.67 |
| B+ | 3.33 | D+ | 1.33 |
| B | 3.0 | D (Poor) | 1.0 |
| B- | 2.67 | D- | 0.67 |
| C+ | 2.33 | E (Failure) | 0.0 |

The law school grading policy is available [here](https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies).

**OBSERVANCE OF RELIGIOUS HOLIDAYS:**

UF Law respects students’ [observance of religious holidays](https://catalog.ufl.edu/ugrad/1617/regulations/info/attendance.aspx).

* Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith.
* Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence.
* Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances.

**EXAM DELAYS AND ACCOMMODATIONS:**

The law school policy on exam delays and accommodations can be found [here](http://www.law.ufl.edu/student-affairs/current-students/forms-applications/exam-delays-accommodations-form).

**STATEMENT RELATED TO ACCOMODATIONS FOR STUDENTS WITH DISABILITIES:**

Students requesting accommodations for disabilities must first register with the Disability Resource Center (<https://disability.ufl.edu/>). Once registered, students will receive an accommodation letter, which must be presented to the Assistant Dean for Student Affairs (Assistant Dean Brian Mitchell). Students with disabilities should follow this procedure as early as possible in the semester. It is important for students to share their accommodation letter with their instructor and discuss their access needs as early as possible in the semester. Students may access information about various resources on the UF Law Student Resources Canvas page, available at <https://ufl.instructure.com/courses/427635>.

**STUDENT COURSE EVALUATIONS:**

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Click [here](https://gatorevals.aa.ufl.edu/students/) for guidance on how to give feedback in a professional and respectful manner. Students will be notified when the evaluation period opens and may complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students [here](https://gatorevals.aa.ufl.edu/public-results/).

**RECORDINGS OF CLASS:**

All classes will be recorded via Mediasite in case students must miss class for health reasons. The Office of Student Affairs will work with faculty to determine when students may have access to these recordings, and the recordings will be password protected. It is the student’s responsibility to contact the Office of Student Affairs as soon as possible after an absence.

**ABA OUT-OF-CLASS HOURS REQUIREMENTS:**

ABA Standard 310 requires that students devote 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. Each weekly class is approximately 2 hours in length, requiring at least 4 hours of preparation outside of class including reading the assigned materials and writing assignments.

**COURSE SCHEDULE OF TOPICS AND ASSIGNMENTS:**

This syllabus is offered as a guide to the direction of the course. Our pace will depend in part on the level of interest and the level of difficulty of each section and is subject to change.

**REQUIRED WRITTEN ASSIGNMENTS:**

You will be asked to prepare a Letter of Intent for a potential sale of an asset and a legal memorandum addressing potential risk issues in a Purchase and Sale Agreement. In addition, you may be asked to complete basic investment analysis and create a simple pro forma. All assignments should be E-MAILED by 11:59pm on the due date. You are encouraged to write your assignment in the email as well as send as an attachment. Late assignments will receive point deductions.

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| |  |  | | --- | --- | | 1  8/24 | ***Class 1: Real Estate Finance Fundamentals: Terms & Definitions***  ***Hour One: Introduction/Background***  ***Hour Two: Real Estate Terms and Definitions***  *Required Readings:*   * *Real Estate Terms and Definitions Handout* * *Real Estate Development Law, 2nd Edition Chapter 1 - pages 1-26, What is Real Estate Dev Law* | | 2  8/31 | ***Class 2: The Development Process: An Overview***  Land/Site Acquisition; Preliminary Economic Feasibility Determination; Letter of Intent/LOI; Purchase & Sale Agreement/PSA; Due Diligence/Soft Deposit Period; Post Hard Deposit/Pre-Land Closing; Regulatory/Permitting Process; Bidding/General Contractor (GC) Negotiation/Selection; Securing Construction Loan; Site Work; Going Vertical/Project Mgt: Draws, Draws, Draws & Change Orders, Change Orders, Change Orders, Weekly Site Visits; Certificates of Completion: Clubhouse 1st!; Lease Up; Stabilization/Permanent Financing  ***Special Guest: Jennifer L. Clince, CEO of The Collier Companies & TCC’s DevTeam***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 2 - pages 27-40, The Ten Stages of a Real Estate Development Project* | | 3  9/7 | ***Class 3: Negotiating the Letter of Intent/Purchase & Sale Agreement, Closings Investment Analysis***  ***Hour One: Jennifer Tobin, Partner, Real Estate Board Certified, Shutts & Bowen, LLP***  ***Hour Two: Understanding the Mechanics of the Development Model, Line by Line***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 5 - pages 89-168 and Chapter 8 - pages 311-340,*   *Stage 1: Gaining Control of the Site and Stage 4: Closing the Land Acquisition*  *Homework: Letter of Intent Due by Friday 9/8* | | 4  9/14 | ***Class 4: Navigating the Regulatory/Permitting Process; Surviving Nimbyism***  ***Hour One: Matthew H. Scott, Partner, Dunay, Miskel & Backman, LLP***  ***Hour Two:*** ***Proformas & Other Lies***, ***Understanding the Dev Model, Cont.; Working the Numbers/Case Study***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 3 - pages 41-80 and Chapter 6 - pages 169-211,*   *What the Real Estate Development Lawyer Needs to Know About Project Economics and*  *Stage 2: Securing Governmental Approvals and Incentives* | | 5  9/21 | ***Class 5: Development Programs: Many Paths to the Mountain Top***  ***Hour One: Tim Burns, Apex Partner, Chief Investment Officer: The Syndication Approach***  ***Hour Two: Real Estate Development Returns: One Off v. Programmatic***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 7 - pages 213-255 and Chapter 12 - pages 627-633, Stage 3: Forming and Capitalizing the Project Entity and Stages 8-10: Selecting the Exit Strategy* | | 6  9/28 | ***Class 6: Forming and Capitalizing the Project***  ***Hour One: Ted Starkey, Senior Managing Director, Osprey Capital***  ***Hour Two: Understanding Elements of Real Estate Risk***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 7 - pages 256-309, Stage 3: Forming and Capitalizing the Project Entity*   *Homework: Letter of Intent Due by Friday 10/6* | | 7  10/5 | ***Class 7: Corporate Development Process; Securing Financing: Construction & Permanent Loans***  ***Hour One: Tim Peterson, Chief Investment Officer, Altman Development***  ***Hour Two: Bidding & Negotiating the CG Contract; Lump sum/fixed price v. guaranteed maximum price (GMP). Project Management/Change Orders***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 10 - pages 431-475, Stage 6: Designing and Constructing the Project* | | 8  10/12 | ***Class 8:***  ***Selecting the Design Team, Dealing with Regulatory Authority, Entitlements, Living with Constraints: Site Plans & Other Headaches***  ***Hour One: General Contractor Presentation, Rex B. Kirby, CEO/President, Verdex Construction***  ***Hour Two***: ***Case Study: You Make Your Money on the Deals You Do; You Keep it on the Deals You Don’t Do***  *Required Readings*:   * *Real Estate Development Law, 2nd Edition Chapter 9 - pages 341-355, Stage 5: Obtaining Construction Financing* | | 9  10/19 | ***Class 9: Designing & Construction of the Project: A GC Perspective and an Owner’s***  ***Hour One: Andrew Hogshead, Principal, Realty Income Capital Group, a RE Equity Investment Firm - The Upside, the Downside: Deals gone Wrong… & Right!***  ***Hour Two***: ***Securing Financing: Construction & Perm Loans; Commercial Banks, Life Companies, GSE, Conduits***  *Required Readings:*   * *Real Estate Development Law, 2nd Edition Chapter 9 - pages 356-429 and Chapter 12 - pages 593-618,*   *Stage 5: Obtaining Construction Financing and Stages 8-10: Selecting the Exit Strategy* | | 10  10/26 | ***Class 10: Development/Investment Case Studies***  ***Hour One: Cary White, Managing Director, Wells Fargo***  ***Hour Two***: ***The Numbers behind the Numbers: Mtg Control Doc, Refi Spreadsheet, Liquidity Model, 2023 Financial Plan, NAV Report***  *Required Readings:*   * *Getting to Yes, Chapters 1 thru 4*   *Homework: Legal Memorandum Due by Friday 11/3* | | 11  11/2 | ***Class 11: Making the Hard Decisions***  ***Hour One: Guest Speaker To Be Determined***  ***Hour Two***: ***Case Study: There is a reason to do every deal, there is a reason not to do every deal.***  *Required Readings:*   * *Getting to Yes, Chapters 5 thru 8* | | 12  11/9 | ***Class 12: Federal Income Tax and Real Estate***  ***Hour One***: ***John VanDuzer, CPA:*** ***Tax Benefits of Real Estate, Classification of Expenses, Cost Segregation, Capital Gains v. Ordinary Income, Depreciation, Recapture, Forgiveness of Debt Income***  ***Hour Two:*** ***The Good, The Bad, The Ugly: Gainesville Place Foreclosure/Enclave & Seminole Grand/The Standard***   * ***Recommended: Real Estate Investing Gone Bad, by Phil Pustejovsky*** | | 13  11/16 | ***Class 13: Class Review***  ***Hour One: Civil Engineers & Architects: You are only as good as your team.***  ***Hour Two: Review/Summary of Course*** | |
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**Final Exam – During 12/5 to 12/15**