

## REAL ESTATE MARKET ISSUES: NEW CHALLENGES IN THE MILLENNIUM

### FACTOID

**APPROXIMATELY 50% OF U.S. WEALTH IS EMBODIED IN REAL ESTATE; THAT INCLUDES COMMERCIAL AND RESIDENTIAL REAL ESTATE AND FARMLAND.**

### WOULD YOU LIKE TO KNOW MORE ABOUT THIS FIELD?

The real estate program, administered by the Guthrie Center for Real Estate Research, is a comprehensive program designed to ensure that students acquire a basic knowledge of knowledge of finance, development, law and investment – as these topics apply to the real estate profession. The curriculum prepares students for high-level professional and managerial careers in the industry. The program is structured to help students adapt to change and become leaders in this emerging industry.



#### PROFILE OF A REAL ESTATE ALUMNI

Virginia Scott  
Northwestern - BA Econ '93  
Kellogg - MBA '98  
First recipient of the Real Estate Investment Association's Scholar in Residence Award, '97

Virginia has worked for Jones Lang LaSalle in a variety of capacities including the underwriting of various investment opportunities.

She is currently working with the U.S. Air Force to provide Privatization Support Contract services to achieve their goal of privatizing housing on a number of U.S. Air Force bases across the United States.

Virginia has also worked with the U.S. Army's Residential Communities Initiative Program to privatize soldiers' family housing on domestic installations.

The Kellogg Real Estate Program addresses all aspects of real estate development – social, economic, and financial. The courses are taught by leading scholars and distinguished practitioners with significant practical experience in the areas of development, finance, planning and law. In addition to classroom activities, students interact with real estate professionals. This interaction provides both a firm analytical foundation and an applied bridge to professional practice. Kellogg Real Estate Club students participate in an annual real estate conference, competitions between leading business / real estate schools around the country, class project competitions, project site visits, *the Real Return* Newsletter, professional development and career networking programs, golf outings, and a variety of other social events.

The impact of real estate extends far beyond bricks-and-mortar. The industry has become a large employer of financial professionals who earlier might have gone into investment banking. The field offers diverse and promising opportunities, whether students wish to form a startup development company or join a globally integrated real estate firm. Recent graduates have taken positions in development, finance, investments, consultancy, residential and commercial, mortgage lending, as well as analyst and management positions with REITs, life insurance companies and investment advisory firms.

## Faculty



### McGuire, Therese

*Professor of Management & Strategy;  
Chair of the Management & Strategy Dept;  
Acting Director of the Real Estate Program*



### Pagliari, Joseph L.

*Clinical Associate Professor of Real Estate;  
Associate Director of the Real Estate Program*



### Lys, Thomas

*Eric L. Kohler Chair in Accounting, Professor  
of Accounting and Information Management  
and Professor of Law (by courtesy)*



## SAVE THE DATE !

Wednesday, November 1, 2006  
Fall Real Estate Conference

Real Estate Management Program

<http://www.kellogg.northwestern.edu/realestate>

Kellogg Real Estate Club

<http://www.kellogg.northwestern.edu/academic/realestate/club.htm>

Kellogg TMP Real Estate Club

<http://www.kellogg.northwestern.edu/student/club/tmprealestate/Club.html>

Kellogg Alumni Real Estate Club

<http://kellogg alumni.northwestern.edu/Affinity/kreac/>

## Affiliates



### Guthman, Jack

*Adjunct Professor of Real Estate*



### Licata, Anthony

*Adjunct Associate Professor of Real Estate*



### Lupiani, Daniel

*Adjunct Associate Professor of Real Estate*



### Mattoon, Richard

*Adjunct Assistant Professor of Real Estate*



### Pepper, Michael

*Adjunct Professor of Real Estate*



### Wardrop, William

*Adjunct Professor of Real Estate*

**Fall 2006**

**MGMT 932 - Local Public Economics and Business Strategy**  
Monday & Thursday    Evanston Campus    3:30 – 500  
Instructor:            Therese McGuire

Why did Chicago win the competition for the relocation of Boeing's corporate headquarters? Did the city give away the store? Why are property values higher in neighborhoods with good public schools? Why do commercial and industrial properties face significantly higher property tax rates than residential properties? In this course we apply tools and concepts of microeconomics to analyze how state and local governments operate and how their decisions affect the business environment. Topics include tax incentives for business, K-12 education finance, local property taxes, and state fiscal crises. Prerequisite: MECN-430 or MECN-436.

[http://www20.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=MGMT-932-0](http://www20.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=MGMT-932-0)

**REAL 442 - 81**

Real Estate Finance  
Wednesday            Evanston Campus    6:30 – 9:30  
Instructor:            Thomas Z. Lys

The objective of this course is to develop students' understanding of real estate assets and the major drivers that affect real estate values. The course is organized in two parts. The first part focuses on the impact of taxes on real estate valuation and the tax implications of different organizational forms of real estate ownership. The second part focuses on sources of capital for real estate investments.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-442-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-442-0&dept_seqno=30)

**Winter 2007**

**REAL 443 - 81**

Urban Economic Development and Real Estate Market Analysis  
Wednesday    Evanston Campus    6:30 – 9:30  
Instructor:     Richard Mattoon

This course examines why cities exist, where they are located and grow, and how real estate values flowing from such urban development are sustained or eroded. It explores economic base analysis, multiplier/accelerator, leading indicators and other tools of high value in local real estate market analysis. The concepts are applied to office, retail, industrial, hotel and residential properties through cases, problems and specific property analysis.

**REAL 444 – 81**

Real Estate Development  
Tuesday            Evanston Campus    6:30 – 9:30  
Instructor:        Michael Pepper

Taught by a developer of significant Chicago real estate, the course introduces the student to the dynamics of the development process using real world examples. Students develop a thorough understanding of how the development process works, from the inception of an idea to income-producing real estate. Emphasis is placed on identifying opportunities for developers in a rapidly changing real estate environment.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-444-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-444-0&dept_seqno=30)

*RE Developments Around the World*



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Port Authority of NY  
© Skidmore, Owings & Merrill LLP  
Port Authority Office Tower Competition  
This new mixed-use development comprising of an office building, merchandise mart, restaurant and retail components is located at the prominent corner of Eighth Avenue 42<sup>nd</sup>



Aramco Corporate Headquarters  
square meters) corporate office headquarters complex incorporates new office and mixed-use buildings within an existing campus of technical, research, and administrative buildings. Saudi Arabia '93

## REAL 446 – 81

### Real Estate Investments I

Thursday Evanston Campus 6:30 – 9:30

Instructor: Joseph L. Pagliari, Jr.

This course is designed to familiarize students with real estate equity investments and the tools used to evaluate them. The course introduces students to the practical knowledge of a multidisciplinary setting (e.g., accounting, economics, finance, and mathematics) in which real estate operates. Prerequisite: FINC-430.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-446-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-446-0&dept_seqno=30)

## Spring 2007

## REAL 442 - 31

### Real Estate Finance

Monday Chicago Campus 6:00 – 9:00

Instructor: Daniel Lupiani

This course examines both the residential and commercial real estate markets and the economics valuation and underwriting methods that support financing in these markets. Traditional mortgage and securitized debt and equity financing will be discussed. Case studies will be used to apply and expand on the concepts presented. Prerequisites: FINC - 430-0 or FINC -440-0

## REAL 447 – 31

### Legal Issues in Real Estate

Tuesday Chicago Campus 6:00 – 9:00

Instructors: Jack Guthman and Anthony Licata

Taught by distinguished practitioners and participants in the field, this course introduces potential managers to legal issues as they relate to real estate, zoning and development. The course presents an overview of the legal issues that are essential elements of real estate transactions.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-447-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-447-0&dept_seqno=30)

## REAL 464 – 81

### Real Estate Investments II

Wednesday Evanston Campus 6:30 – 9:30

Instructor: Joseph L. Pagliari, Jr.

This course continues Real Estate Investments I. Much of the course's emphasis is on various types of financial modeling. The course reviews taxation and structuring, mixed asset portfolios, equity REITS, opportunity funds, international real estate, time sharing, low-income housing tax credits, and synthetic leases. Prerequisite: FINC-430.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-464-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-464-0&dept_seqno=30)

## REAL 499-0

### Independent Study

Students who have established superior records and who wish to study a significant phase of real estate in more depth than is provided in regular courses may register for independent study with a selected instructor. Permission of the instructor and the department is required.

## REAL 913 – 81

### Real Estate Fundamentals

TBA Evanston 6:30 – 9:30

Instructor: William Wardrop

This course offers an introduction to the main topics of the study of real estate for students with little or no background or experience in real estate.

[http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course\\_id=REAL-913-0&dept\\_seqno=30](http://www1.kellogg.northwestern.edu/dpco/offdtl.asp?course_id=REAL-913-0&dept_seqno=30)



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Shenzhen International  
Trade Center – China

4 million sf trade exposition complex containing exhibition halls, a hotel, an office, residential towers, a large retail center, a public garden public garden and a "floating" riverfront restaurant.



Jordan Creek Town Center  
West Des Moines, IA.

A two million square foot retail and entertainment destination including hotel, restaurant, theater and residential.



Residences of Sherman Plaza – Evanston, IL  
Tallest residential building in downtown Evanston.  
- 253 condominiums, lofts, penthouse residences, a garage and retail space.