

# MBA

## REAL ESTATE CONCENTRATION

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### INTRODUCTION

The Wharton School has offered a real estate major for MBA students and undergraduates since 1985. The major has grown and developed both in size and scope.

The major consists of two required credit units and three electives. While the required courses focus on real estate development, and finance, the electives allow students to explore a variety of issues related to real estate. These include real estate economics, urban fiscal policy, real estate law, housing markets, the relationship between government policy and private development and international real estate markets.

The real estate major prepares students to be leaders in the real estate industry and provides the quantitative and qualitative tools necessary for their roles in shaping the future of the industry. To keep students informed of current issues in Real Estate, the Real Estate Department and Samuel Zell & Robert Lurie Real Estate Center sponsors conferences, seminars, and special programs on vital public policy issues relevant to the field.

Professor Gilles Duranton is the Chair of the Real Estate Department. Professor Todd Sinai is the MBA curriculum advisor. He can be reached at: [sinai@wharton.upenn.edu](mailto:sinai@wharton.upenn.edu). The department is located in 1400 Steinberg Hall-Dietrich Hall, and the main phone number is 215- 898-9687.

### THE REAL ESTATE MAJOR

Two required c.u s:

REAL 721 /FNCE 721  
REAL 821

Real Estate Investment: Analysis and Financing  
Real Estate Development (The above is a prerequisite for this course)

Three c.u..s selected from the following:

REAL 705  
REAL 708 /BEPP 708  
REAL 724  
REAL 730 /FNCE 730/BEPP773  
REAL 804 /LGST 804  
REAL 836 /BEPP 836  
REAL 840  
REAL 875\*  
REAL 890\*  
REAL 891\*  
REAL 899

Global Real Estate: Risk, Politics and Culture  
Housing Markets  
Urban Real Estate Economics  
Urban Fiscal Policy  
Real Estate Law  
International Housing Comparisons  
Advanced Real Estate Investment and Analysis  
Real Estate Disruptions  
International Real Estate Comparisons  
Real Estate Entrepreneurship  
Independent Study

*\*mini-course*

**Pass/Fail Option:** Please note that no real estate class that is taken pass/fail can count toward the real estate major.

## COURSE DESCRIPTIONS

### **REAL 705 Global Real Estate: Risk, Politics and Culture**

Wong

*Cross-listed with REAL 205*

**Description:** This is an introductory course to global real estate markets, with a focus on income-producing real estate assets. Globally, estimates suggest the value of investable real estate assets in the world exceeds \$60 trillion. We will discuss the basics of valuation and risk management, emphasizing concepts that are salient in the global context, including political risk, currency risk, property rights, and culture. The course will cover markets outside the United States, except for one special topic on international investors in the United States. We will focus more on the qualitative aspects of real estate investment analysis and less on the quantitative aspects. As firms expand their ventures across borders, there is a growing emphasis on the ability to assess and manage risk in a global business environment. Many of these decisions have implications on real estate assets. In this class, we will discuss the real estate business decisions of global firms, such as Blackstone, Hilton, AirBNB, WeWork, Prologis, Walmart and Amazon. This is a full semester course, open to undergraduates and MBA's.

Prerequisites: There is no pre-requisite for the course. No prior real estate experience is needed and no prior financial modelling experience is needed.  
Format: Lecture with discussion required.  
Offered: Will typically be held in the Fall term.

### **REAL 708 Housing Markets**

Gyourko

*Cross-listed with REAL 208/BEPP208/BEPP 708*

**Description:** This course is designed for students interested in the economics and operations of housing markets. It is primarily a U.S. focused course, but does include a limited amount of international material for comparative purposes. The class is divided into four sections: (1) supply and demand for housing, including the operations of homebuilders and rental landlords; (2) house prices, including cycles and price dynamics; (3) international comparisons; and (4) public policy analysis applied to a current housing markets-related issue. This course presumes knowledge of intermediate economics, as we will apply that knowledge throughout the semester. For Wharton students, this means you must have passed BEPP 250 (undergrads) or MGEC 611/MGEC612 (MBAs). Non-Wharton students should have taken the equivalent course in the College.

Prerequisites: Microeconomics for Managers (MGEC 611) and Microeconomics for Managers (Advanced) (MGEC 612) or equivalent.  
Format: Lecture with discussion required.  
Offered: Spring Term

### **REAL 721 Real Estate Investment: Analysis and Financing**

Ferreira, Handbury, Harari, Keys, Sinai, Wong

*Cross listed with FNCE 721*

**Description:** This course provides an introduction to real estate with a focus on investment and financing issues. Project evaluation, financing strategies, investment decision making, and capital markets are covered. No prior knowledge of the industry is required, but students are expected to rapidly acquire a working knowledge of real estate markets. Classes are conducted in a standard lecture format with discussion required. The course contains cases that help students evaluate the impacts of more complex financing and capital markets tools used in real estate.

Format: Lecture with discussion required.  
Requirements: Vary by instructor. May include two Midterms, or final exam, and case studies.  
Prerequisites: FNCE 611 OR FNCE 612  
Materials: Coursepack and recommended texts.  
Offered: Both Terms

### **REAL 724 Urban Real Estate Economics**

Wachter

*Cross listed with REAL 215*

**Description:** Urban Real Estate Economics uses economic concepts to analyze real estate markets, values, and trends. The course focuses on market dynamics in the US and internationally, with an emphasis on how urban growth and local and federal government policies impact urban development and real estate pricing.

A group development project gives hands on experience, and invited guest speakers bring industry knowledge. Besides the group project and presentation, problem sets are required along with a midterm and an optional second exam.

Format: Lecture.  
Requirements: Midterm, market analysis project, and second exam.  
Prerequisites: MGEC 621, Managerial Economics.  
Materials: Coursepack.  
Offered: Both Terms

### **REAL 730 Urban Fiscal Policy**

Inman, Ferreira

*Cross listed with FNCE 730, BEPP 773, REAL 230, FNCE 230, and BEPP 230*

**Description:** The purpose of this course is to examine the financing of governments in the urban economy. Topics to be covered include the causes and consequences of the urban fiscal crisis, the design of optimal tax and spending policies for local governments, funding of public infrastructures and the workings of the municipal bond market, privatization of government services, and public financial systems for emerging economies. Applications include analyses of recent fiscal crises, local services and taxes as important determinants of real estate prices, the infrastructure crises, financing and the provision of public education, and fiscal constitutions for new democracies using South Africa as an example.

Format: Lecture, discussion.  
Requirements: Exams.  
Prerequisite: MGEC 621  
Materials: Journal articles  
Offered: Fall Term Only

### **REAL 804 Real Estate Law**

Staff

*Cross listed with LGST 804 and REAL 204 and LGST 204*

**Description:** This course examines the fundamentals of real estate finance and development from a legal perspective. The course serves as a foundation course for real estate majors and provides an introduction to real estate for other students. It attempts to develop skills in using legal concepts in a real estate transactional setting. The course will be of interest to students contemplating careers in accounting, real estate development, real estate finance, city planning, or banking. The main topics covered may include the following: land acquisition, finance; choice of entity; tax aspects; management (leasing, environmental); disposition of real property (sale of mortgaged property, foreclosures, wraparound mortgages, sale-leasebacks); and recent legal developments.

Format: Although some of the material is presented by lecture, the instructor expects considerable class participation.  
Requirements: May include midterm exam, final exam and/or group projects.  
Prerequisites: None.  
Materials: Textbook and/or course pack.  
Offered: Both Terms

## **REAL 821 Real Estate Development**

Staff

*Cross listed with ARCH 768 and REAL 321*

**Description:** This course evaluates “ground-up” development as well as re-hab, re-development, and acquisition investments. We examine raw and developed land and the similarities and differences of traditional real estate product types including office, R&D, retail, warehouses, single family and multi-family residential, mixed use, and land as well as “specialty” uses like golf courses, assisted living and fractional share ownership. Emphasis is on concise analysis and decision-making. We discuss the development process, including market analysis, site acquisition, due diligence, zoning, entitlements, approvals, site planning, building design, construction, financing, leasing, and ongoing management and disposition. Special topics like workouts and running a development company are also discussed. Course lessons apply to all markets but the class discusses U.S. markets only. Throughout the course, we focus on risk management and leadership issues. Numerous guest lecturers who are leaders in the real estate industry participate in the learning process.

Format: Predominantly case analysis and discussion, some lecture, project visits.  
Requirements: Class participation, multiple papers. Readings include articles, books, and related materials as well as the case studies.  
Prerequisites: REAL/FNCE 721. This prerequisite is STRICTLY enforced for this class unless it is undersubscribed.  
Materials: Coursepack  
Offered: Both terms

## **REAL 836 International Housing Comparisons**

Wachter

*Cross listed with BEPP 836, REAL 236 and BEPP 236*

**Description:** This course analyzes housing finance systems and housing market outcomes across the globe. In the US, the course focuses on development of securitization markets and addresses current challenges of housing finance reform, including the future of Fannie Mae and Freddie Mac. Internationally, the course covers issues of access to housing and housing informality in developing countries, financial crises arising out of the housing sector, and potential market-oriented and public policy solutions. The course features a wide array of speakers in finance, government and academia who contribute their perspectives to pressing issues of mortgage market design.

Format: Lectures, guest speakers and discussion  
Requirements: Paper, Homework assignments, Midterm exam, and a Second exam  
Prerequisites: FNCE 613 Macroeconomics and the Global Economic Environment  
Offered: Spring Term Only  
Other: Real Estate major preference

## **REAL 840 Advanced Real Estate Investment and Analysis**

Sinai

**Description:** Advanced Real Estate Investment and Analysis is designed for majors in Real Estate, but is also open to finance-oriented students who wish a deeper analysis of real estate investment and investment analysis issues than that offered in REAL/FNCE 721. The class will contain a mixture of lectures, guest speakers and case discussions. Academic research is paired with recent industry analysis of key issues in order to marry sound theory and empirical results with current events and practices. Several classes will include lectures outlining what economics and finance tell us about a number of topics. Generally, these will be followed by guest lectures from industry professionals who will focus on a specific application of the principles introduced in the lectures.

Format: Lecture, industry speakers.  
Materials: Coursepack  
Offered: Spring Term only  
Prerequisites: REAL/FNCE 721

### **\*REAL 875 Real Estate Disruptions**

Duranton, Staff

*Cross listed with REAL 375*

**Description:** Real Estate is changing dramatically for the first time in perhaps one hundred years. This class will examine how technology is changing in many facets (all) of the industry. This course will address how technology has already changed the demand for real estate, how it will likely change in the future the way real estate is used, designed, developed, constructed, managed, leased, maintained, and financed. Among many questions to be considered are: Can you crowd fund real estate development? Will the office business become a part of hospitality? Can we build new buildings like we assemble legos? How will autonomous vehicles affect the demand for space and property values? What is the future of new data analytics services?

This is a team-taught mini half credit course that will bring together a recognized industry leader and Wharton faculty. Included will be a broad set of guest lecturers (Start-up entrepreneurs, incumbents, VCs, non RE technology specialists, etc). We believe there is no one single approach to gain insight about disruptions and change under uncertainty so we will propose a mix of approaches including, in-depth case-studies, interactions with guest lecturers who handle those issues daily, learning from economic history and other industries, and drawing from core economic concepts.

Format:	Team-taught mini half credit course that will bring together a recognized industry leader and Wharton faculty. Included will be a broad set of guest lecturers. It is a first quarter mini.
Prerequisites:	Students are responsible for knowing the material covered in Real Estate Investments (REAL/FNCE 209 AND 721). The class will be taught assuming you have mastered these topics. This pre-requisite is STRICTLY enforced unless the class is under-subscribed.
Offered:	Fall Term only
Grading/evaluation:	2 memos: 20% each, 40% in total 1 business plan for a disruptive RE tech start-up due at the end of the class: 40% (with equal weight to the presentation and the paper) Class participation/attendance: 20%

*\* This course counts as one half of an elective course.*

### **\*REAL 890 International Real Estate Comparisons**

Staff

*Cross listed with REAL 390*

**Description:** As a truly non-U.S. focused course, we explore the world of cross-border real estate development, with a focus on fast growing emerging market economies. Topics will emphasize the importance of strategy and implementation in cross-border real estate investment, and include: the rationale, opportunities and risks of international real estate investing; the macro factors that influence the performance of real estate markets across countries; market specific factors that impact RE investment performance (property rights, taxes, transparency, planning procedures); the qualitative aspects of identifying and achieving successful projects; and the growing market for international RE securities and strategies for portfolio management. Classes will combine a lecture on specific aspects of global cross-border RE in the first half of the class and an international case presentations in the second half. Cases will be presented by leading executives in charge of major international RE projects or funds. Cases have been selected to cover different types of RE development – residential, office, retail, hospitality and logistics - important emerging market countries/continents (East / South Asia, Latin America, Sub-Saharan Africa, the Middle East) and different development and investment strategies.

Format:	This course allows for the interaction of faculty lectures, student presentations, case analyses, and leading industry speakers. It is a second quarter mini.
Prerequisites:	REAL/FNCE 721 or comparable knowledge/work experience
Materials:	Course pack
Offered:	Fall Term only

*\* This course counts as one half of an elective course.*

**\*REAL 891 Real Estate Entrepreneurship**

Staff

*Cross listed with REAL 396*

**Description:** What makes a successful entrepreneur in the real estate industry? This half semester mini-course exposes undergraduates and MBA students to the broad entrepreneurial aspects of creating and executing real estate investments. The course consists of lectures by the professor, case discussions, and guest lectures by leading entrepreneurs. Lectures and discussions will emphasize real estate entrepreneurship, leadership and challenges often encountered in creating successful real estate investments rather than development processes. Cases will be used to illustrate investment decision making and financial evaluations. Short written responses to questions raised in each case will be assigned. Class members are expected to engage the speakers with questions and discussion as well as explain their views on cases. Class participation and writings will each represent 50% of the grade.

**Format:** This course consists of lectures by the professor; case discussion and guest lectures by leading entrepreneurs. It is a first quarter mini.

**Materials:** Course pack

**Offered:** Fall Term

*\*This course counts as one half of an elective course.*

**REAL 899 Independent Study**

Staff

**Description:** All independent studies must be arranged and approved by a Real Estate Department faculty member.

**Offered:** Both Terms

**Other:** Real Estate major preference (both graduate & undergraduate)

**ADDITIONAL INFORMATION**

Additional information on the opportunities and resources available to students majoring in real estate at The Wharton School can be found on the following web pages:

**The Wharton Real Estate Department:**

- <http://real-estate.wharton.upenn.edu/> (World Wide Site)
- **The Wharton Real Estate Club:** <http://dolphin.upenn.edu/~realclub/>
- **The Wharton Geographic Information Systems (GIS) Lab:** <http://gislab.wharton.upenn.edu/>
- **The Samuel Zell and Robert Lurie Real Estate Center at Wharton:** <http://realestate.wharton.upenn.edu/>