

Course Outline:
Transaction Management & Mitigating Risk

The anticipated schedule for covering the course material is as follows:

Week 1 Transaction Management: Managing Risk in the Marketing Process

The overall process of marketing an asset is delineated, from inception- analyzing the market, positioning the asset & establishing its brand, creating a marketing strategy, attracting occupants through advertising & promotion methods- through the transaction process, as the culmination of these efforts. Various types of transactions will be introduced to illustrate differences in risk to the various parties: land leases, ground leases, leases, 1031 exchanges, green leases & sales. The various roles of the responsible participants are defined: Buyer, Seller, Landlord (Lessor) Tenant (Lessee), Asset Manager, Marketing Manager, Leasing/Sales Manager, Broker& Transaction Attorney.

Week 2 Market Analysis & Positioning an Asset

The week focuses on the process of evaluating the market to understand market economics & the demand drivers for various product types. The purpose of market analysis and market studies is discussed, as is the general methodology for preparing them, including where to source market metrics & procuring studies through third parties. An overview of how assets are positioned to meet demand within various market segments is explored. The concept of missing the market by offering the wrong attributes will be explored, along with the opportunity for a following owner to create value by investing in improvements that address the right market need.

Week 3 Attracting Occupants & Purchasers

The process of marketing commercial property is illustrated, from differentiating through branding, to crafting marketing plans, promotional programs & advertising campaigns. Various vehicles for selling are also identified and detailed: bulk sales, offering memorandum, auctions, online listings & other techniques for generating awareness & attracting users (lessees or owner occupants).

Week 4 Managing Broker Agents & Transaction Attorneys

Activities that require licensed real estate brokerage services are described. The process of selecting, retaining & overseeing broker agents is delineated, along with their usual roles & responsibilities. The need for & role of legal counsel in facilitating transactions is outlined, as is the process for engaging this expertise. State licensing law is emphasized, along with the process for tracking deal progress. Various reporting methods are detailed.

Week 5 Analyzing & Qualifying Deals for Approval

The week will focus on qualifying transactions using various deal analysis models. A range of transaction types is shared, to illustrate the different approaches to evaluating various kinds of transactions. The process of establishing deal evaluation criteria & setting hurdle rates is highlighted.

Week 6 Negotiating & Documenting Deal Terms

The week will focus on the activities resulting from an interested lead that's been qualified and the process of advancing to the contract stage. Establishing a deal timeline at the beginning of the negotiation phase initiates the process of documenting the transaction. Items to document will be highlighted, including records of discussed deal terms, copies of correspondence, offer letters & letters of intent. Areas of risk within the communication chain & contract negotiation are revealed.

Week 7 Documenting Lease Transactions

The anatomy of a Lease Agreement will be covered in detail. The need for documenting TI's & Landlord Work Letters is reviewed. Key provisions are explained & highlighted, as is the importance of providing appropriate timing within the agreement. An example of an executed lease transaction is the basis for the presentation. Ground leases are differentiated from leasehold interests. *

Week 8 Documenting Sales Transactions

The anatomy of a Purchase & Sale Agreement will be covered in detail. The need for documenting initial deal terms in Letters of Intent is reviewed. Land sales versus real property sales are differentiated. Key provisions are explained & highlighted, as is the importance of meeting critical hurdle dates in order to close the transaction. The Due Diligence process is explored. The various points at which a transaction can "die" are emphasized, along with extensions and other contract amendments.

Week 9 Executing the Transaction: Transferring Occupancy, Ownership, or Both

The process of transferring occupancy and/or ownership within the transaction is delineated. The closing process is specifically emphasized, including: typical documents required in a closing package; the roles of title company, escrow agent, attorney, paralegal, owner & agent; when the legal transfer has occurred; and how & when funds are disbursed.

Week 10 Students present their project results.

Students share their marketing plan, qualified lead & documented transaction for the assigned asset, demonstrating how they've reduced risk along the way.