

Yale School of Management
Mgmt 895: International Real Estate—Fall 2025

SYLLABUS: with Guest Speakers confirmed

Kevin D. Gray, FRICS

Lecturer in the Practice of Real Estate

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Room 2200, SOM (To Be Confirmed)

Schedule:

Fall-1 Semester, six Tuesdays from 4:10 to 7:10 pm; Room 2200, beginning on Tuesday, September 2, 2025, with a review class on Thursday, August 28 from 7 to 9 pm. Three or Four Guest Speakers (subject to change) with dinner at Mory's following.

Course and Grading Structure:

50% of Grade: Attendance and class participation are mandatory

50% of Grade: Primary research assignments; in-class skills assessments; no final exam

Recommended Texts:

Linneman, Peter: Real Estate Finance & Investments, ISBN#0974451835; Cost: \$139-\$145

Lynn, David J., and Wang, Tim, Emerging Market Real Estate Investment: Investing in China, India and Brazil, Wiley, 2014, ISBN#978-0-470-90109-0

Baum, Andrew and Hartzell, David, Global Property Investment: Strategies, Structures, Decisions, Wiley-Blackwell, 2014, ISBN#978-1-4443-3528-6

Shiller, Robert: Narrative Economics: How Stories Go Viral and Drive Major Economic Events, Princeton, 2019, ISBN#9780691182292

Also Recommended (Available online new and used):

Barkham, Richard, Real Estate and Globalization, Wiley-Blackwell, 2014, ISBN#978-0-4706-5597-9

Freidman et al., Dictionary of Real Estate Terms, Barron's, 2000 et al.

Poorvu, W. J. with Cruikshank, J. L., Real Estate Game, Free Press, 1998

Reilly, John, Language of Real Estate, Tenth Edition, 2011, Dearborn

Handouts: Research and Analysis from World Bank, IMF, CBRE, Jones Lang LaSalle, Prudential (US), UBS, etc. and various articles will be posted to Canvas. In addition, copies of actual leases from various countries, in English and other languages, will be posted to Canvas.

Primary Research Assignments:

Three individual Research Projects and two Special Assignments will be required for ownership/transaction analysis, public company analysis and country-level portfolio construction for investment-grade commercial properties located outside of the United States, with benchmarks as follows, due on the following dates at start of class:

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| Sept. 05: | <u>Special Assignment #1:</u> Public Real Estate Portfolio Selection
Note: This is the Friday after the first class. Submit to TA by end of day. Also submit country selection for first research project. |
| Sept. 09: | <u>First Research Project:</u> <i>Preliminary Summary Analysis</i> due for review and comment |
| Sept. 16: | <u>First Research Project:</u> Significant Real Property Asset outside of the United States: Summary of Ownership, Tax, Zoning and Transaction History, Legal Structure, Valuation |
| Sept. 23: | <u>Second Research Project:</u> <i>Preliminary Summary Analysis</i> due for review and comment |
| Sept. 30: | <u>Second Research Project:</u> Private or Public Foreign Property Company Analysis: Structure, Competition, Fair Value and Future Prospects |
| Oct. 03: | <u>Special Assignment #2:</u> Country Lease Comparison and Analysis |
| Oct. 03: | <u>Third Research Project:</u> Discussion and <i>Preliminary Findings</i> (Interim Report) |
| Oct. 07: | <u>Third Research Project:</u> Global Market Comparison and Portfolio Investment Memorandum (Final Class) |

Schedule:

NOTE: Special Review Class: Thursday, August 28 (TBD) , Room and Time to be Announced: Review of Basic Real Estate Metrics and Terminology

1. First Session, 09/02/2025 (Tuesday)

What is a Cross-Border Real Estate Investment? (Part 1)

- Introduction to International Commercial Real Estate
 - i. Review of Course Structure and Requirements
 - ii. Review of Real Estate Analysis and Investment Basics
 - iii. Review of Readings and Assignments
 - iv. Reasons for International Real Estate Investing
 - v. Strategies for International Real Estate Investing

- Property Level Analysis, Topics:
 - i. Domestic Ownership vs. International Ownership
 - ii. Types of International Ownership: Estates and Entities
 - iii. Quality of Information: Cadastral Surveys
 - iv. Deed and Title
 - v. Zoning and Government Limitations
 - vi. Property Level Taxation
- In-Class Assessment: Valuation of Real Property Interests (1)
- First Research Project: Selection of Non-US Commercial Property Asset for Due Diligence and Discussion of Research Product (due 09/16/2025)
- Special Assignment #1: Public Entity Portfolio Selection, submission by Friday, September 5, 2025; submit to TA by 5 pm.
- Readings for Discussion (Read before Class):
 - i. Konkapot et al., The Housatonic Deed, 1724
 - ii. Burton, C., 1900 Time Capsule, Hand-written Letter
 - iii. Todd, W. F., Progress and Property Rights
 - iv. Fraser Institute EFW Index
 - v. JLL Transparency Index and Global Markets Study
 - vi. Doing Business World Survey
 - vii. Baum, Chapter 5 (Not Required but Recommended)

2. Second Session, 09/09/2025 (Tuesday)

Guest Speaker: The Institutional Investor:
Francois Trausch, CEO, Pimco Prime Real Estate, Paris, FR

What is a Cross-Border Real Estate Investment? (Part 2)

- Entity Level Analysis, Topics:
 - i. Principles of a Successful Investment--Introduction
 - ii. Investments by Ownership Format
 - iii. Investments by Property Type
 - iv. Investments by Country/Market
 - v. Deal Structure
 - vi. Liquidity/Exit Strategies
 - vii. Entity Level Taxation
 - viii. Trends in Ownership Interest
- In-Class Assessment: Valuation of Real Property Interests (2)
- First Research Project Review: *Preliminary* Due Diligence of Non-US Commercial Property Asset and Discussion of Research Limitations
- Readings for Discussion (Read before Class):
 - i. Lynn, Chapters 1 and 2
 - ii. Baum, Chapters 10, 11 and 12

3. Third Session, 09/16/2025 (Tuesday)

Guest Speaker: The Family Office:
Paraj Tyle, CEO, PTA Ventures, Delhi, IN

Investment Cycles

- Timing Analysis, Topics:
 - i. Timing
 - ii. Cyclical
 - iii. Definitions of Value
 - iv. Value by Interest
 - v. Value by Property Type
 - vi. Methods for Determining Value
 - vii. Value Creation
- In-Class Assessment: Valuation of Property Types (1)
- Readings (Read before Class):
 - i. Baum, Chapters 2 and 3
 - ii. Lynn, Chapter 3, 4 and 5 (Overview and Real Estate Market sections)
- First Research Project Due (Final): Significant Real Property Asset outside of the United States: Summary of Ownership, Tax, Zoning and Transaction History, Legal Structure, Valuation
- Presentation of Selected Property-Level Due Diligence by Continent/Country Groupings
- Second Research Project: *Preliminary* Private or Public Foreign Property Company Analysis: Structure, Competition, Fair Value and Future Prospects (interim report due 09/23/2025; final due 09/30/2025)

4. Fourth Session, 09/23/2025 (Tuesday)

Country/Macro Analysis

- Topics
 - i. Overview of Macro Analysis
 - ii. General Economic Factors
 - iii. Space Market Factors
 - iv. Capital Market Factors
 - v. Debt Importance
 - vi. Specific Country Factors, Tax Treaties
- In-Class Assessment: Valuation of Property Types (2)
- Readings:

- i. Baum, Chapter 15
- ii. Various Research Reports from Cushman, JLL, UBS, PREI, etc.
- Second Research Project (Preliminary Report): Private or Public Foreign Property Company Analysis: Structure, Competition, Fair Value and Future Prospects (final due 09/23/2025)
- Special Assignment #2: Country Lease Comparison and Analysis (due 09/30/2025)

5. Fifth Session, Sept. 30/2025 (Tuesday)

**Guest Speaker—The Start-Up:
Andrea Pizziconi, Founder and CEO, Africa Integras Fund, New York, NY**

Micro-Market Analysis

- i. Topics
 - ii. Elements of Micro-Market Analysis
 - iii. Space Market Factors
 - iv. Importance of Leases
 - v. Tenancy—Cross-Border and Domestic
 - vi. Types of Leases by Property Type
 - vii. Types of Leases by Country
 - viii. Lease Documents
 - ix. Estoppels
 - x. Credit-Tenant Leases: De-Real Estating the Real Estate
- Readings:
 - i. Baum, Chapter 6
 - ii. Lynn, Chapters 3, 4 and 5 (Property Markets, Primary Sector and Secondary Sector sections)
 - iii. Various Case Studies and Research Reports by Country/City
 - Special Assignment #2: Presentation of Country Lease Comparison and Analysis (due Oct. 3, Friday)
 - Second Research Project: Second Research Project Review (Final): Findings and Discussion of Company Research and Analysis
 - Presentation of Company Level Analysis by Country Groupings
 - Third Research Project: Global Market Comparison and Portfolio Investment Strategy Memorandum (final due 10/07/2025)

6. Sixth Session, 10/07/2025 (Tuesday)

Portfolio Theory and Practice

- Topics:
 - i. Institutional vs. Individual Risk/Return Mindset
 - ii. External Risks: Positive and Negative, Risk Premium

- iii. Internal Risks: Transparency, Taxes, Depreciation, Interest, Gain as Market Distortions
 - iv. Environmental Issues
 - v. Public/Private Issues
 - vi. Direct/Indirect Issues
 - vii. Security/Insurance
 - viii. Portfolio Level Due Diligence
- Readings:
 - i. Baum, Chapters 4, 17, 17 and 18
 - ii. Lynn, Chapters 3, 4 and 5 (Investment Strategies Sections)
 - iii. Various Case Studies and Research

International Real Estate Investments—Summary and Presentations

- Topics:
 - i. Review of Portfolio and Market Factors
 - ii. Review of Public Entity Portfolio Performance and Prize
 - iii. Presentations of Model Portfolios by Continent/Country Groupings
- Third Research Project Review (Final): Global Market Comparison and Portfolio Investment Strategy Memorandum
- Award: Best Public International Real Estate Stock Performance