

Real Estate: The Field of Study, The Profession

Tom Davidoff, Sauder CUERE + SBE

Real Estate Is Important

- Residential alone: something like $\frac{1}{3}$ of expenditures
- Largest Asset Class
- Debt markets are gigantic (NHA MBS = appx $\frac{1}{6}$ of TSE)
- Construction tends to move with (be?) the business cycle
- Downturns can lead to recession or depression
 - 1980s Savings and Loan Crisis
 - Read/watch “The Big Short”
 - Canada 2019+: expensive housing deemed a global macro risk
 - Canada 2024: risk of defaults and recession
- “Affordability” becoming a sustainability concern, caused ↓ immigration

Real Estate Is Interesting Because it involves

- Negotiation
- Asset pricing theory from finance
- Urban economics
 - “Location, location, location” is for real!
- Macroeconomics
- Government
 - Reconciliation coming to the fore around Vancouver
 - Front-page debates on land use policy and taxation
- Contracting frictions + negotiation at many levels
 - Brokerage agreements
 - Acquisition
 - Contractors + subs
 - Public officials + NIMBYs...

A job for every skill set

- Acquisition: Identify profitable deals
- A+E: Figure out and draw what can/should go on a site
- Leasing: Sell the space to tenants or buyers
- Financing: Get money from the bank
 - not get ripped off by borrower
- Entitlements: Convince government to approve
- Construction: Get the building built or fixed
- Asset management:
 - Keep the building working well
 - Figure out what goes well with portfolio

Key Courses in the Real Estate Option

- Year 3
 - COMM 306 Urban Land Economics
 - COMM 307 Real Estate Investment
- Year 4
 - COMM 405 Real Estate Finance
 - COMM 407 Urban Public Economics
 - COMM 408 Real Estate Development
- Also: Real Estate Division law
 - You can get licensed to sell!

UBC Alumni in the Real Estate Industry

- Many alumni in:
 - Development and equity investment
 - Grosvenor
 - Mosaic
 - Quadreal
 - ...
 - Lending
 - Recently Acquired CMLS
 - Big banks
 - Funds like KingSett
- Vancouver is a small town
 - We have a fantastic network
 - Join the real estate club!

My own career progression: Exposure to great stuff

- Got to learn at feet of brilliant people
 - Bruce Ratner, Sandeep Mathrani, ...
 - Doing shopping centers in “inner cities”
 - My HS friend Matt Messinger has had great career growth
- Interest in rezoning/ “understored” cities
 - Led to PhD in econ w great advisors
- Taught in California during U.S. boom and bust
 - Got to work for (near) White House on crisis policy
- Came here and able to help with policy. 3 issues stand out
 - 2nd welfare theorem and cash vs in-kind (Eby Freebie, Rustad Rebate)
 - Property vs more distortionary tax (Empty Homes, STR, “Speculation”)
 - Senior government crackdown on NIMBY municipalities

Have questions?

For declaring option or degree planning,
contact the UGO:

Henry Angus 165

604.822.8333

bcomquestions@sauder.ubc.ca

Book an appointment or visit the virtual
office at mybcom.sauder.ubc.ca/ugo

