

The 2nd Annual REAL Bowl: Student Outline

Competition Process for Teams

- The REAL Bowl begins 01/04/2010
- Educational Event – Real Estate Finance 101 – 1/14/2010
- Each team submits its Initial Project Summary – 2/5/2010
- Educational Event – Construction: Start to Finish – 2/9/2010
- Educational Event – Sales & Leasing Commercial Real Estate - TBD
- Each team submits its Project Outline – 3/26/2010
- Each team submits its Full Report – 4/8/2010
- Each team appears to make its Live Presentation – 4/15/2010
- Winners recognized – 4/15/2010

Site Guidelines

Each team shall select a site for submission and approval that meets the following guidelines:

- The site must be a reasonable candidate for development of a new student housing facility of at least 50 units, but not more than 300 units. This implies that the site must be of sufficient size to warrant an appropriate density to generate the required unit count.
- The site must be located in sufficient proximity to the college from which the team is registered.
- The site does not have to be vacant; if not vacant, demolition costs should be considered in the report.
- The site does not have to be currently entitled for student housing; if not currently approved, the costs and timing associated with gaining the necessary approvals should be considered in the report.
- For the purpose of this competition, the team should assume that the site will be purchased at fair market value in its existing condition; any alterations to the site's status, approvals, condition, ability to be financed, etc., should be considered a project cost that will be scrutinized by the team in their analysis.
- The selected site should have a development horizon that reasonably suggests that the project could be constructed over the next two years and delivered in time for the Fall Semester 2012.
- The site must have sufficient parking; the parking can be on-site (either surface or deck), adjacent (define the ownership / use of the parcel) or attached via walkway (explain). Ensure that all costs related to parking are included.

Component Description

- ***Team Registration***
 - Information required for each team member:
 - Name / Address / Phone for each member
 - Educational status: year of study, major field of study, expected degree, expected graduation date
 - Team name

- ***Initial Project Summary***
 - One page summary that helps the Committee affirm that the project is on the right track.
 - Approximate project description: units, size, style
 - Approximate project cost estimate
 - Approximate project capital stack
 - Final question: what issues related to this site would you like to discuss with the Mentoring Committee; Committee follows up (e.g. conference call, emails)

- ***Project Outline***
 - Five page summary; enables the Committee to offer final suggestions
 1. Project Description / Executive Summary– location, unit count and style, total cost, capital structure, approximate return to investors
 2. Project Site Plan – conceptual drawing of described project on site
 3. Project Cost Budget – major cost categories defined
 4. Market Analysis – fundamental support for estimated rents
 5. Marketing Plan – the resultant plan to lease the facility
 6. Project Income Statement at stabilization – one year calculation of cash flow
 7. Exit strategy – the final component in determining the project’s overall rate of return to the investors.
 - Final question: what issues related to this site would you like to discuss with the Mentoring Committee; Committee follows up (e.g. conference call, emails)

- ***Full Report***
 - Limited to 20 pages with a table of contents
 - Team must submit 5 copies of report, bound and covered in standard format, plus a full set of pages electronically
 - This will be the submission that is judged by the Committee for final award

- ***Live Presentation***
 - Entire team must attend and be introduced, although only 2 can speak until the Q&A period, when all are eligible
 - Formal business attire is appropriate
 - Limited to 15 minute presentation, followed by 15 min Q&A (Committee will have already read each team’s Full Report and should have questions ready to ask);
 - Committee takes 15 minutes immediately after 30-minute team presentation to discuss privately. Each presentation essentially lasts 45 minutes; 4 presentations in 3 hours for Committee to consider.
 - Encouraged to use PowerPoint slides (Committee will provide laptop and projector; students bring presentation on flash drive)
 - Theme of presentation: reinforce points made in Full Report, but be ready to respond to questions. Displays and other props should be electronic if possible.

Judging Criteria

Fundamentally, each team is presenting its project to a committee that makes the equity investment decision for a local real estate investment collaborative. The collaborative is smart, nimble, well capitalized and visionary in its nature. They are attracted to successful people and they can be persuaded, but they do their homework and read all background material carefully. They are interested in “green” components of the development to the extent that elements enhance marketing. They have the ability to employ capital from a variety of sources, but the analysis should be offered using readily available, conventional financing. They certainly consider expected return (the higher the better), but they also carefully consider risk. They prefer a lower return on a well supported project than a higher return on a highly speculative or poorly supported project.

- Each team will receive two scores that will be added together for a final score:
 - Full Report – up to 60 points
 - Live Presentation – up to 40 points
 - Best Possible Total Score – 100 points
- Judges will use the “must” system:
 - One team must be awarded 60 points for their Full Report, then all other teams will be graded against that standard
 - One team must be awarded 40 points for their Live Presentation, then all other teams will be graded against that standard
- The Full Report will be graded as follows:
 - 20 points - Thoroughness – evident attention to detail, careful consideration of key issues, broad grasp of the process
 - 20 points – Market Analysis – strength of conclusions – how well they are supported by market information
 - 15 points – Pro Forma Analysis – correct application of the cash flow model, readability of results
 - 5 points – Creativity – how well the team overcame challenges, evidence of problem solving, reasonableness of potential solutions
- The Live Presentation will be graded as follows:
 - 15 points – Clarity – ability to outline the basic story, identify the key issues, define the projected outcome
 - 5 points – Presentation – quality of visuals, organization of materials
 - 20 points – Strength of Q&A performance – evidence that the team understands their project, enthusiasm, ability to think on their feet