Real estate mergers and acquisitions and restructuring deals require consummate deal-making skills and a thorough understanding of the underlying business, legal, financial, and strategic frameworks. This workshop will explore the relevant skill-sets and underlying frameworks through a combination of class discussions and hands-on exercises.

The REIT and commercial real estate sectors have emerged from the financial crisis, poised for a new phase of consolidation and M&A. In addition, on a technical note, the last decade saw significant legislative improvement in the tax scheme that governs REITs, which has provided REITs with greater operating and transaction flexibility. Many REITs have now shored up their balance sheets, regained the confidence of investors, and built up cash stockpiles and access to capital required to grow through acquisitions. At the same time, large pools of over-levered assets continue to wind their way through restructuring and recapitalization (i.e., deleveraging) transactions, as the industry continues to work through the hangover from the last cycle’s boom period of liquidity and leveraged M&A. These waves of transactional activity provide an ideal case study approach for learning the strategy and tactics involved in sophisticated real estate deal making, as well as the underlying legal and business building blocks.

The class will take a multi-disciplinary approach, based on the premise that an effective transactional lawyer must understand the business and financial goals and implications of the deal and, similarly, that an effective business or finance executive must have a solid grasp of the legal and structural underpinnings for the transaction.
Course Themes:

1) Real estate M&A transactions occur in both the public and private equity and debt markets; this duality creates arbitrage opportunities that, in turn, shape M&A activity; it also creates clashes of cultures and deal structures.

2) Real estate M&A transactions are influenced by the cyclical nature of real estate, equity and debt capital markets.

3) The legal and structural differences among investment vehicles for owning real estate affect the strategy and structure of M&A transactions.

Readings and Materials

Readings for the course are laid out in two ways: required and recommended. We expect you to have read the required readings prior to class. The materials are available on the Canvas site for the course, which Business and Law students can access: http://canvas.gsb.columbia.edu. If you experience any difficulties with accessing Canvas, please contact ITG: http://www4.gsb.columbia.edu/itg.

There is more reading overall than might be customary in MBA classes. Keep in mind that this is both a business and law course, and reading rather than intense numerical calculations is the norm for class preparation. We will, however, be focusing on the key financial metrics that drive boards of directors and real estate investment managers to do transactions. Class discussion and effective participation in the assigned exercises is based on the assumption that you have thoroughly read these materials and are prepared to answer questions and pose questions in class.

Course Expectations and Assignments

- Readings in advance of each class;
- Active class participation including in connection with the role playing exercises; and
- Pre-class assignments designed to prepare you for intensive in-class learning; and
- Final assignment: TBA (most likely an analysis of an ongoing or recently completed M&A transaction)

Grading

Grading will be based on the written assignments (class assignments = 40%, final paper = 60%) and class participation will count in the final grade.
B8339
REAL ESTATE MERGERS & ACQUISITIONS AND RESTRUCTURING
DEAL WORKSHOP
URI 140
Mondays, 4:30pm to 7:45pm

Course Schedule (Class dates and materials are subject to change)

**Pre-Class: January 25** Overview of M&A Concepts and REITs

**Mandatory attendance for the pre-class by law students; highly encouraged to attend in person by business students; and mandatory to review tape recording of the class by business students who do not attend prior to Class

Class 1: February 1 Overview of Real Estate REIT M&A
Class 2: February 8 Selling a REIT
Class 3: February 15 Buying a REIT
Class 4: February 22 Hostile Takeovers of REITs
Macerich/Simon Properties Case Study
Class 5: February 29 Merger of Equal Transactions; Interested Director Transactions
*Class 6: TBD* Lehman Brothers and the Archstone Transaction
*Class 7: TBD* Session to Review Final Paper
B8339
REAL ESTATE MERGERS & ACQUISITIONS AND RESTRUCTURING DEAL WORKSHOP

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II. Class 1 (February 1, 2015): Overview of Real Estate REIT M&A
   (Guest Lecturer: Alex P. Russo, Vice President, Lazard Frères & Co. LLC)
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[TBD]