

Special Graduate Subject Offering
“Entrepreneurship in Construction and Real Estate Development”
MIT – CRE
11.345J/1.462J
Thursdays, 3:00 – 5:30pm – 9-354
2-0-4 Units, H2 – 10/16-12/4
Fall, 2017

The purpose of this subject is to explain the role of and the opportunities for the entrepreneur in the global built environment. The built environment is defined as all the components and services that go into the structures and infrastructure in which we live with an emphasis on real estate.

We will discuss the definition of entrepreneurship; the concepts, skills, strategic planning, know how, know who, information, attitudes, alternatives and resources that entrepreneurs need. We will then review the evaluation of ideas, opportunities, and how one sorts them into viable entrepreneurial businesses.

We will investigate how to impact emerging markets by unpacking the relationship between developers and national development goals. Property rights, infrastructure, access to credit, cultural history, political power and corruption are all huge variables (relatively constant in formal markets) which need understanding in order to allow innovation and sustainability to enter these markets. Using case studies and real-world examples, students are challenged to develop their individual entrepreneurial traits to recognize new opportunities where others see chaos and to unlock value in the face of market failures. This course will put real estate students into a grey area known as “social entrepreneurship” (between formal private actors and NGO/institutional roles) to analyze real estate development as a means to capture value AND solve development challenges simultaneously by balancing competing interests and pressures and achieving economic, environmental and social achievements with each project.

We will have guest speakers’ address their outlook of what might be the status of the built environment over the next ten years. Entrepreneurs in the built environment will discuss the founding and the current and future positioning of their firms. We will discuss the steps to develop an opportunity into a business.

We will then develop groups within the class to recognize and evaluate opportunities. These groups will then develop a strategic plan to launch that opportunity/business.

In addition to this course we have initiated a collaborative project with the University of Kwa-Zulu Natal to empower rural and local economic development initiatives and to give our students an opportunity to play a vital role in bringing development solutions to the people of South Africa. Called CREATE (Cultural, Research, Entrepreneurship and Technology Exchange), the project scope is to foster economic self-sufficiency through

entrepreneurship and innovation in local markets. The last three years we have brought seven MIT students each year on a two-week trip to Durban, S.A. in May for the CREATE program. CREATE is a volunteer project and builds on the knowledge gained in this course.

Faculty:

John Kennedy has been a Lecturer at MIT's Center for Construction Research and Engineering, and currently a Lecturer at MIT's Center for Real Estate Development, where he has taught courses on Strategic Marketing, Real Estate and Entrepreneurship. He founded and harvested companies in the design construct enterprise and he is currently a Partner of Kennedy Ventures LLC, officer of B.W. Kennedy Company, and Co-Founder of CREATE a nonprofit Entrepreneurial effort in South Africa. Campbell Mayer the Co-founder of CREATE will lecture on this enterprise and the social implications of real estate entrepreneurship.

The TA for the course is Nicolas V. Bolland. His email address is nbolland@mit.edu.

Topics Include:

- Entrepreneurship in New and Existing Firms
- Analytical Framework of Entrepreneurship
- Social entrepreneurship in Real Estate
- Recognizing Opportunities in our Business
- Strategic Positioning of Entrepreneurial Opportunities

Class Readings, Assignments and Guest Lecturers

TEXT: New Venture Creation – Entrepreneurship for the 21st Century, Tenth Edition
by Stephen Spinelli, Jr. and Robert Adams, McGraw-Hill

10/19/17 LECTURE 1: Introduction – Course Topic/ Opportunities

Projects assigned:

- Main project – Description and objectives
- Assignment #1 on STELLAR: “Goals”
- Text – Chapter 3 – “The Entrepreneurial Process”
- Text – Chapter 5 – “The Opportunity Recognition

Introduce Sustainability or Triple bottom (PPP/TBL/3BL) line theory (Social, Environmental, Financial or People, Planets, Profits)

Introduce PPP as a lens to view the entire course, how it relates to final project. (Getting beyond profit)

Overview of MIT entrepreneurial ecology & importance of networking campus (discuss campus resources to test and develop ideas) Show MIT ecosystem.

Entrepreneurial Landscape & Opportunities

Through presentations and workshops, guests will explain the ecosystem at MIT and Assist in Recognition of opportunity the entrepreneurial journey:

Guest Lecturer: Steve Weikal, Head of Industry & Alumni Relations, CRE MIT

Guest Lecturer Dr. Andrea Chegut
MIT Center for Real Estate

Guest Lecturer Matthew Claudel MIT PhD
DESx

10/26/17 **LECTURE 2: Opportunities; Creating, Shaping, Recognizing, and Seizing**

Due:

Readings:

- Reading: Text – Chapter 3 – “The Entrepreneurial Process”
- Reading: Text – Chapter 5 – “The Opportunity Recognition

Assignment Due: Assignment #1 on STELLAR: “Goals”

Projects assigned:

- Main project – Form teams and discuss an idea (in class)
- Assignment #2 on STELLAR: one page paper outlining your opportunity
- Reading: Text –Chapter 6 - Opportunities for Social Entrepreneurship

Guests will review opportunities and the entrepreneurial process and journey

<i>Guest Lecturer</i>	Gilad Rosenzweig <i>Executive Director DESx Accelerator MIT</i>
<i>Guest Lecturer</i>	Bryan Lee, Principal Principal, Transom
<i>Guest Lecturer</i>	Mike Miklavic CTO at TMC Group
<i>Guest Lecturer</i>	Jennifer Cookke, Principal Pending FH French Co, CEO and Founder

11/1/2017 LECTURE 3: Social entrepreneurship in Real Estate Development

Dinner meeting @ 7:00PM Location TBD

The story of AHB- Africa Home Builders A case study in progress.

We will discuss the challenges and opportunities of Business and Real Estate development for the residents of underdeveloped areas.
The steps one goes through to establish a business in underdeveloped Area
A similar analysis in a area of Boston undergoing transformation.

Due:

- Reading: Text –Chapter 6 - Opportunities for Social Entrepreneurship
- Assignment #2 on STELLAR: one page paper outlining your opportunity
- Review of STL Lab Case Study - Panama

Projects assigned:

- Main project – Presentation of the opportunity by team (on a voluntary basis)

Guest Lecturer: Campbell Mayer
Partner AHB and Co- Founder CREATE

Guest Lecturer; Vimala Palaniswamy - CEO and Co-founder
Demeter Network

Guest Lecturer: Kate Mytty
Executive Director CREATE- Advisor MIT Ideas Global
Challenge

Guest Lecturer: Danya Sherman
Executive Director STL Case Studies-

11/2/2017 LECTURE 4: Selecting Business Opportunities

- Using the PPP lens for evaluating opportunities

Due:

- **Main project – Presentation of the opportunity by team (on a voluntary basis)**
Assignment Due: Assignment #2 on STELLAR: “Paths & Traits”

Projects assigned:

- **Reading: Text – Chapter 13 – “Obtaining Venture and Growth Capital”**
Optional – chapters 12 and 15

Guest Lecturer: Sridhar Rao
MIT Graduate Sloan Fellow; Serial Entrepreneur

Guest Lecturer: Dip Patel
MIT Graduate Sloan Fellow; Serial Entrepreneur

Guest Lecturer: Stephen Lynch, Partner YES
King Street Properties, LLC

11/9/2017 LECTURE 5: Venture Capital/ Real Estate Capital/Funds Capital

Due:

- Main project: One-to-one meeting with John F.Kennedy/Nicolas Bolland to discuss the opportunity (1 of 2)
- Reading: Text – Chapter 13 – “Obtaining Venture and Growth Capital”
Optional – chapters 12 and 15

Projects assigned:

- Reading: Text – Chapter 8 – “The Entrepreneurial Leader and the Team
- Reading: Text – Chapter 9 - “Ethical Decision Making and the Entrepreneur

Guests discuss attaining and cost of Real Estate Capital

Guest Lecturer: Len Hafetz, Founder
Investors Collaborative

Guest Lecturer: Ed Walters, Partner
Tamarisc Ventures

Guest Lecturer: David Ferrero, Partner
Venture Capitalist

Guest Lecturer Mark Geyser Serial Entrepreneur
Durban, South Africa

11/16/17 LECTURE 6: Start Up, Global Real Estate & Construction

Due:

- **Main project: One-to-one meeting with John F.Kennedy/Nicolas Bolland to discuss the opportunity (2 of 2)**
- **Reading: Text – Chapter 8 – “The Entrepreneurial Leader and the Team**
- **Reading: Text – Chapter 9 - “Ethical Decision Making and the Entrepreneur**

Projects assigned:

- **Main project – draft presentation 10 slides**
- **Reading: Text – Chapter 16 – “Leading Rapid Growth, Crises, and Recovery”**
- **Reading: Text – Chapter 18- “The Harvest and Beyond”**

Operating a business in emerging markets- capital flows/banking, legal liabilities, and local partnerships. Personal well-being- living & working in foreign markets? Importance of incentivizing local partners- mitigating unforeseen variables

Guest Lecturer: Emrah Ergelen, Founding Partner,
ARGE Construction & Trade, Inc.
Istanbul, Turkey

Guest Lecturer Emre Camlibel, CEO Soyak Holding
Istanbul, Turkey

Guest Lecturer: Brad Greiwe Co- Founder
Fifth Wall- Technology Investor

**11/30/2017 LECTURE 7: Local & Global Real Estate
Deal Structure / Managing Growth**

Due:

- Main project – draft presentation 10 slides (teams will be selected randomly to present their opportunity to class)
- Reading: Text – Chapter 16 – “Leading Rapid Growth, Crises, and Recovery”
- Reading: Text – Chapter 18- “The Harvest and Beyond”

Projects assigned:

- Main project – final presentation 10 slides

Guests will discuss the issues involved in managing growth: including customers, clients, procurement, and supply chain. How will you move from concept to scale-up?

Guest Lecturer: Thomas Ragno Partner
King Street Properties, LLC

Guest Lecturer Peter Merrigan, Founder & Partner
Taurus Investment Holdings

Guest Lecturer John Kennedy

12/7/17 **LECTURE 8: Student Presentations of Strategic Business Plans**

Due:

- **Main project – final presentation 10 slides**

Dennis Frenchman, Professor, MIT

Jennifer Cookke, CEO & Founder F.H. French

Karin Brandt, Co-Urbanize

Ted Tye, Founding Partner, National Development