2012 COMPETITION PACKET

FOR STUDENTS OF ALL UNIVERSITIES AND COLLEGES IN UTAH
Proprietary Information (2012)
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David Eccles School of Business – Ivory Boyer Real Estate Center
www.utahrealestatechallenge.com
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Utah Real Estate Challenge administered by:
Ivory Boyer Real Estate Center
University of Utah – David Eccles School of Business
The Utah Real Estate Challenge

Overview

The Utah Real Estate Challenge (UREC) is an intercollegiate real estate development competition for undergraduate and graduate students throughout the state of Utah. The competition fosters the understanding of real estate development at the college and university level by giving students a chance to organize, direct and present a real estate development plan to a panel of judges. The UREC provides students who register for the competition with educational forums, and other resources to aid them in the creation and implementation of their Real Estate Development Plan. A grand prize of $20,000 will be awarded to the student or student team with the most plausible, promising, and economically viable Real Estate Development Plan. Second, Third, and Fourth prizes are $5,000, $3,000, and $2,000 respectively.

The UREC is administered by a committee comprising the director of the Ivory-Boyer Real Estate Center, volunteer members of the real estate community, and graduate assistants in the Master of Real Estate Development program at the University of Utah. The administrative committee manages the following functions for the UREC:

- Events
- Sponsor Relations
- Judges
- Marketing
- Mentors
- Public Relations
- UREC Outreach

The UREC is making great strides to include all educational institutions throughout the State of Utah. This tremendous undertaking has been made possible by generous support from sponsors, mentors, judges and faculty members of participating schools.

Team Eligibility and Registration

Each submitting team must have at least two members and no more than five members. At least one team member must be a matriculated student at a college or university in the state of Utah and be enrolled in at least nine credits during the Fall and Spring semester of the competition school year. It is possible to participate if the student was enrolled for at least nine credit hours in the Fall semester and completed all of their requirements for graduation that semester (student standing will be verified by the UREC administrative team or by individual university representatives). Teams may utilize any outside consultants or mentors as part of their registered team, but only registered team members will be eligible for award money. Teams may present more than one plan; however, only the highest scoring plan submitted by your team may qualify for the finals. Successful teams have a strong combination of finance, construction, land planning
and real estate development skills. All projects must be original ideas and/or concepts created by the team. Projects that have been created by others or that have been used in any previous competition or school assignment will not be accepted.

THE TEAM NAME AND TEAM MEMBERS MUST BE REGISTERED ON THE WEBSITE BY THE DEADLINE TO BE ELIGIBLE FOR PRIZE MONEY. ONLY REGISTERED WINNING TEAM MEMBERS WILL BE AWARDED PRIZE MONEY.

Kickoff Forums
The UREC administrative committee will hold several kickoff forums at various university and college campuses throughout the state. These forums will include a presentation to students to introduce the UREC and to answer questions. For dates and locations of these kickoff events, please see www.utahrealestatechallenge.com.

Competition Timeline
Team Registration Opens: Thursday, January 12, 2012
Team Registration Deadline: Thursday, February 9, 2012
Development Proposal Submission Deadline: Thursday, February 16, 2012
Judging Panel Meets to Select 4 Finalists: Thursday, March 1, 2012
Announcement Event of Four Finalists: Thursday, March 1, 2012
Assignment of Mentors for Finalists: Thursday, March 8, 2012
Development Business Plan Submission Deadline: Tuesday, March 27, 2012
Oral Presentations of Four Finalists: Thursday, April 5, 2012
Awards Banquet: Friday, April 13, 2012

The Competition Process

Registration
All contestants must register their team before the registration deadline by clicking on the team-registration link at www.utahrealestatechallenge.com and filling out the required form before 10:00pm on the submission deadline.

Round One: Development Proposal
The Development Proposal is an executive summary which highlights the most important aspects of the proposed development. The summary should identify the highest and best use for the site and provide market support for why the development would succeed. For more specific
information about the minimum requirements for the Development Proposal, refer to the section below. Four finalist teams will be selected to move on to the Final Round. The decision for finalists will be based on the Development Proposal submitted to the development proposal judging panel. At the discretion of the judging panel, two teams that were not selected as finalists may be awarded an honorable mention. The four finalists and honorable mentions, if any, will be announced following the judging panel’s decision at a lunch event. This event will provide an opportunity for students to meet the Round One judges and network with other contestants and industry professionals. Each team will be responsible to bring one poster showcasing their development proposal. This poster will be displayed at the finalist-announcement lunch event following the judging panel’s decision.

Round Two: Development Business Plan
The four finalist teams must submit a complete Development Business Plan (DBP). The DBP is a detailed expansion of the Development Proposal. It should include, at a minimum, the details of why the proposed project is feasible based on market analysis and cost support. The DBP is due to the UREC office by 10:00pm MST on the submission deadline. For more specific information about the DBP, refer to the Development Business Plan section below. The judging of the final round will be based on the criteria set forth under the DBP section as well as an oral presentation given to the judges. For details regarding judging, refer to the Judging section below. The winning team, as well as 2nd, 3rd, and 4th place, will be announced at a banquet which will honor the winning team and the finalists. The Prize money may take up to 180 days to be made available to the winning students.

Qualifications for Project Eligibility
In order for the project to be eligible as a property that can be used for the UREC, it must meet the following standards:

**Location:** The Proposed Project must be within the state of Utah.

**Project Size:** The Proposed Project must have a minimum development budget of $3,000,000. The cost for the project can include land cost, on- and off-site work, building construction costs and all soft costs associated with the development of the project.

**Property Type:** Any legal real estate development that maximizes the highest and best use of the site.

**Originality:** The project must be an original plan and/or concept developed by the team. Teams may not use ideas or projects created by a third party or projects submitted as a prior class assignment. (Note: The plan is allowed to be created as part of or for a class assignment during a semester that the competition is active.) Projects that have been submitted to a prior Real Estate
Submittals

Round One: Development Proposal

The Development Proposal is an executive summary that outlines the fundamental issues that would be of interest to someone looking to invest in the proposed real estate development. The summary should highlight the most important and interesting points of your development that would give potential investors a general understanding of the scope of the project, the financial risks and rewards, the market support for the project, and why this is the highest and best use for the property.

Minimum Standards for the Development Proposal

The Development Proposal should not have more than 10 pages, including exhibits. A penalty of 10% will be applied for submittals over this limit. Exhibits typically include site plans, elevation plans, and maps. Pro-forma’s, construction cost detail, and financial breakdowns do not qualify as exhibits. The front cover page must identify the Team Name only. No names or identity of any team members should be on the front cover page or anywhere in the Development Proposal. Font size must be 12-point and the page must be set with one-inch margins on all sides. Font type is to be Arial or Times New Roman. No compressed type is permitted. Teams need to submit the Development Proposal for the project via the Submit button on the Team Page. The format for the submittal of the Development Proposal should be in PDF format. The minimum content for the Development Proposal is outlined below:

Summary of Salient Facts

This section is to be a brief overview of the project and may include the total budget amount for the project, the location of the project, land area included, proposed use(s), proposed building square footage, gross leasable area, land to GLA ratio, land to building footprint ratio, current and/or proposed zoning, and other information deemed pertinent by the submitting team.

Deal Economics

This section may include a development budget for the project with a breakdown of all the development costs. The budget may include land cost, site work (both on and off), hard construction costs and soft costs. Development proposals may also include details of the projected income and expenses and other pertinent factors. Contestants should include an operating pro-forma that outlines projected revenues, operating and management expenses, net operating income, debt service, and net cash flow for the project.
Property Description

The Property Description section should give a good understanding of the scope of the project. It must include an area map, a site plan of the development, a schematic drawing of the floor plan of the proposed building(s), a schematic drawing of the elevation of the project along with any other exhibits the contestants feel are necessary to help the judges understand the project. The extra pages required for this section such as the site plans and schematic drawings will be considered as exhibits towards the 10-page maximum rule.

Feasibility Study

This section is to explain and support why the proposed project will be successful in the marketplace. Be sure to support your explanations with market data and comparables. It should show the demand for uses proposed, support for projected income, rational for estimated costs, and an explanation for the land planning and overall use of the property.

Poster

Each team is required to bring one poster that showcases their Development Proposal. This poster will be on display during the finalist-announcement lunch event during which teams will have the opportunity to meet and network with the judges, other contestants, and industry professionals.

Round Two: Development Business Plan

The Package

The Development Business Plan (DBP) is, in short, a detailed explanation of the Development Proposal. It will be required for each of the finalists. The DBP will count as 83% of the final score. The DBP will have the same general categories as the Development Proposal but will require much more detail and support for the assumptions and postulations outlined in the Development Proposal. For example, the DBP would include a detailed discounted cash flow (DCF) analysis, including absorption and inflation projections.

There will a maximum number of 50 pages for the DBP, including exhibits. Details that will support and document the project should be included. Detailed items could include detailed comparable market rent studies to show support for projected income, cost analysis report that coincides with the cost budget, additional feasibility to demonstrate market demand for the proposed use(s) within the project, more detailed site plans and drawings of what is to be constructed, and so forth.

Any specific additional requirements will be given to each of the finalists at the time they are chosen to compete in the final round. The website will also have updates and information. The finalists must submit the DBP in a PDF format online on or before 10:00pm MST on the submission deadline.
The Oral Presentation

The four finalist groups will be required to prepare a poster display and an oral presentation for the Oral Presentation banquet. Each team must submit a PowerPoint presentation on the project no later than one week prior to the Oral Presentation Banquet. There is a ten-slide maximum for the PowerPoint presentation. Each team will be given 10 minutes to present the project to the judges and there will then be 10 minutes given for question and answers by the judges. Each finalist team must come early to the Oral Presentation Banquet and come prepared with a poster-size display (24”x36”) summarizing the project.

Judging

There will be two Judging panels.

Development Proposal Judging Panel

There will be a development proposal judging panel consisting of 10 to 20 members including University representatives from the various colleges and universities involved, as well as industry professionals such as real estate developers, mortgage bankers, contractors, real estate brokers, etc. All judges will have experience in the real estate industry or in teaching real-estate-related curriculum. The development proposal judging panel will meet together to judge all development proposal submissions and select the four finalists. Competitors advancing as a finalist will be provided feedback from the development proposal judging panel in order to modify and improve their proposal. Additionally, all entries not selected as a finalist will also receive feedback on their project. This feedback will be invaluable considering the real-world expertise of the judging panel.

Development Business Plan Judging Panel

The DBP judging panel will consist of the development proposal judging panel as well as additional judges selected from generous sponsors and other industry professionals. Judges will not be affiliated with, or involved in the preparation or funding of any participating team.

The decision of the judging panels will be final and will not be subject to appeal. The overall selection of winners is based on the viability and likely success of the proposed project. The judging results will be available on the website at www.utahrealestatechallenge.com. The weighing for the judging criteria was developed by professional real estate business people from the community and is indicative of the emphasis that investors place on real estate investment opportunities.

Each criterion is evaluated in consideration of creativity, effort, written communication, and verbal presentation. Since UREC is educationally-based, particular attention will be given to the level of student participation in these areas. The top scores from the first round will advance as finalists. Details of the judging criteria are available on the website under Panel of Judges.
Awards

The award breakdown is as follows:
- Grand Prize: $20,000
- Second Place: $5,000
- Third Place: $3,000
- Fourth Place: $2,000

The cash prizes will be awarded at the finalist’s banquet. Prize money will only be awarded to registered team members of the winning team. It will be equally divided among each registered team member. Prize money cannot be given to anyone not registered as a team member. Please note that it may take up to 180 days for the prize money to arrive.

Resources

The Challenge Website

UREC will provide important reminders of upcoming events, forums, key submission, deadlines and judges’ decisions through electronic e-mail and the Challenge website. Your team will automatically subscribe to this e-mailing when you register.

Online Resources

Under the Links and Resource headings you will find judging guidelines, and resources for aiding you in the competition. These resources should provide you with adequate help in putting together your competition entries. If you need more assistance or have questions regarding entries and judging contact the Challenge via the website.

Mentors

Finalists may draw on the expertise and experience of our team of qualified mentors in preparing the Development Business Plan and the Final Oral Presentation. Mentors have been selected for their experience in a variety of areas, including: development, construction, legal, land planning, leasing, financing etc. Most of them have successfully developed, financed, planned or been a significant part of the development process and completed many real estate development projects. Team members work directly with the assigned mentor(s) and seek guidance in the development of the business. Teams will be matched with mentors by related industry/field and by skills. Mentors are not involved in the judging of the competition and the use of mentors by UREC participants, while encouraged, is optional. The mentor role is as follows:
- Provide focus and help identify strengths/weaknesses
- Discuss development strategies, land planning, highest and best uses etc
- Resource for market information on costs and income
- Help find technical expertise and advice on proforma’s and site planning issues
- Offer suggestions to improve the Real Estate Business Plan and Final Presentation
- Suggest contacts and resources