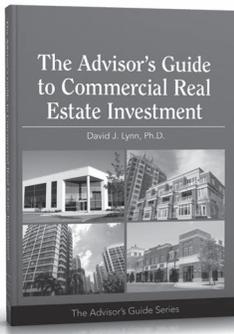


# The Advisor's Guide to Commercial Real Estate Investment

by David J. Lynn, Ph.D., CRE, with contributions from Peter C. Burley, CRE; Victor Calanog, CRE; Howard C. Gelbtuch, CRE; Kenneth P. Riggs, Jr., CRE; and Roy J. Schneiderman, CRE; and other experts  
(© 2014, *The Advisor's Guide Series*, The National Underwriter Company, 400 pages)

REVIEWED BY CHARLES NOEL SCHILKE, JD, AM, CRE, FRICS



THERE ARE LOTS OF GOOD books (and some bad books) on real estate investment, but the market has been waiting for a topflight book written by senior practitioners who are also gifted explainers to convey the essentials of this ever-vital field concisely, clearly and authoritatively to a wide audience.

*The Advisor's Guide to Commercial Real Estate Investment* is written by a galaxy of stars, including a constellation of CREs—lead author David Lynn, Peter Burley, Victor Calanog, Howard Gelbtuch, Ken Riggs, and Roy Schneiderman. It has the kind of clarity that only practitioners with decades of experience who know what is really important in real estate, and who have a strong sense of graphics, can offer. Because it is clear, the book is a great way for students and others unfamiliar with real estate investment to learn about the field. But because it is written by highly experienced practitioners, even advanced real estate investment professionals can learn a lot from it.

The book takes a standard “four quadrants,” public/private, equity/debt approach to conveying the range of real estate investment and capital markets vehicles. In describing the four quadrants and each chapter of the book so as to convey the essence of real estate investment with a kind of aesthetic simplicity, the eight-page introduction alone is worth the price of admission.

## About the Reviewer



**Charles Noel Schilke, JD, AM, CRE, FRICS**, is director of the Edward St. John Real Estate Program and senior lecturer at Johns Hopkins Carey Business School in Washington, D.C. and Baltimore. At Hopkins, he teaches courses in Real Estate Development, Real Estate Transactional Law, Real Estate Environmental and Land Use Law, Business Law, Financial Institutions,

Economics for Decision Making, *The Firm and the Macroeconomy*, and *Financial Crisis and Contagion*. Schilke has created commercial mortgage-backed securities (CMBS) on Wall Street, performed the real estate legal due diligence for the Exxon-Mobil merger, and financially restructured the real estate holdings of The American National Red Cross. He has developed major office buildings, large blood processing facilities, hotels, and mixed-use projects. He also frequently consults as an expert witness in real estate cases. Schilke earned a bachelor of arts degree from the University of Chicago, a master of arts degree from Harvard University, and a juris doctorate degree from Cornell Law School. He is currently completing his doctoral degree at Harvard University, where he is writing a detailed financial analysis of the development of CMBS as his dissertation.

While all of the chapters are at the very least solid, several are outstanding.

Chapter 1, “Why Real Estate as an Investment,” gets the book off to a good start and answers this question quickly and with verve. This chapter, and the other chapters with David Lynn as the lead author, are particularly straightforward and exhibit the same kind of focus and grace as Lynn’s earlier books on real estate private equity.

## The Advisor's Guide to Commercial Real Estate Investment

In Chapter 4, “Tax Considerations for Real Estate Investments,” William Byrnes and Robert Bloink elucidate the basics of real estate tax for tax-inexpert real estate professionals in about as appealing a manner as possible, with a particularly good rundown of Section 1031 exchanges.

In Chapter 9, “Private Equity Real Estate,” Jacques Gordon and Richard Kleinman have collected a handy list of “Key Performance Metrics” in Figure 9.3.

Glen Mueller’s Chapter 13, “Investing in REITs,” is particularly strong at conveying how REITs pass through the real estate business cycle.

Anatole Pevnev’s Chapter 16, “The Importance of Yield,” is a particularly sophisticated and creative effort to explain cap rates, and particularly to address the complicated issue of conveying how cap rates change over time. His “3-D” graphics make a strong effort to capture the dynamism of cap rates, although you may have to stare at them for hours to truly grasp Pevnev’s arguments.

For such a concise work, this book is extraordinarily comprehensive, at least touching upon all significant aspects of real estate investment. Admirably, the book addresses international real estate in a robust fashion (chapters 11 and 14). Perhaps the only significant topic missing is investing in corporate real estate, although there is at least brief allusion to even this (page 277).

Generally, this book is well-edited. Though each chapter is written by one or more authors, for example, the sequencing and logic of chapters makes it read mostly as if there were a single author, and there is relatively little

repetition among the chapters—unlike many multi-author works of this kind. There is, however, some mostly stylistic and graphic variance among the chapters.

In its high-level clarity, readability and accessibility to those just getting into real estate investment, the book is reminiscent of William Poorvu’s *The Real Estate Game*. In time, perhaps, this book will do for real estate investment what Poorvu has done for the basic real estate purchase and sale transaction.

There are more scrivener’s goofs than a fine book like this should have (i.e. Figure 2.4 on page 27 has a category of “Second Wave Boomers” whose birth years are described as “1965–1964”), perhaps reflecting a backward-looking nostalgia of Baby Boomers for their youthful past, but (barring time warps) clearly not a correct category. Similarly, Figure 6.2 on page 138 has a heading “Real Estate Investment Trusts (REITs) & Real (REITs) & Real Estate Operating Companies”—some proofreader forgot to delete REITS the second time.

But these are minor nits and flits in a publication that promises to become a standard that will be revised at regular intervals in any case—they can be tidied up for the second edition.

On the whole, in *The Advisor’s Guide to Commercial Real Estate Investment*, a lot of smart people just get real estate investment right, without muss or fuss. You’ll want to be sure that you have a copy of this book in your library so you can readily brush up on those investment areas where a refresher is in order before the big presentation. ■