

# **REPORT**

## **Master of Science in Real Estate (MSRE)**

### **Review Committee**

**May 31, 2013**

A. Steven Holland, Professor, UW Bothell School of Business (Committee Chair)

Roland E. Dukes, Professor, UW Foster School of Business

Margaret McFarland, Director, Colvin Institute of Real Estate Development, School of  
Architecture, Planning and Preservation, University of Maryland

Charles C. Tu, Daniel F. Mulvihill Professor of Commercial Real Estate, Burnham-Moores Center  
for Real Estate, School of Business Administration, University of San Diego

## EXECUTIVE SUMMARY

### Strengths

- Strong support from the Seattle real estate industry
- Excellent students and successful alumni
- Commitment to an interdisciplinary curriculum and academic rigor
- Potential for increased enrollment

### Issues

- Declining enrollment
  - Lack of visibility
  - Concerns with effectiveness of marketing
  - Increased competition from other universities
- Curriculum
  - Desire for a more cross-disciplinary program
  - Concerns about schedule and length of program
  - Concerns about the relationship between the MSRE program and the certificate program in real estate offered by Professional and Continuing Education
- Quality of instruction
- Clarity of roles and accountability
  - MSRE Program
  - Runstad Center for Real Estate Studies
  - Department of Urban Planning
- Role of research
  - “Academic” vs. “Professional”
  - Connection to classroom instruction
  - Connection to needs of industry
- Relationship with the Department of Urban Planning
- Shortage of faculty
- Space for students

## Recommendations

- Continue the MSRE program with the expectation that changes will be made as soon as possible to significantly increase enrollment
- Conduct the next Academic Program Review in five years (rather than the usual ten years)
- Clearly identify the students the MSRE program is trying to serve
  - Consider evening schedule for local working students
  - Consider an internationally-focused daytime or evening program, possibly with a study abroad option
  - Consider whether the program could be shortened, especially for students who have completed the certificate program or other training in real estate
- Clarify the relationships between the MSRE Program, the Runstad Center, and the Department of Urban Planning
- Consider alternative administrative structures such as a cross-disciplinary program housed in the Graduate School

## THE REVIEW PROCESS

The Review Committee received its charge in a letter of March 6, 2013 from Interim Vice Provost and Dean Gary Farris and Associate Dean Rebecca Aanerud of The Graduate School. The review process consisted of

- review of the self-study of the MSRE program within the Department of Urban Planning and the College of Built Environments
- review of a memo from Stephen O'Connor, Director of The Runstad Center, in response to a set of questions asked by the review committee
- review of the GPSS graduate student survey results
- on-campus site visit from May 2-3, 2013.

## COMMITTEE FINDINGS AND RECOMMENDATIONS

### Strengths

#### *Strong support from the Seattle real estate industry*

The Runstad Center for Real Estate Studies and the Master of Science in Real Estate (MSRE) Program enjoy enviable support from the Seattle-area community of real estate professionals. As a result of the generosity of Jon and Judy Runstad and others, the Center has a seven-figure endowment that generates income to fund a portion of the faculty salaries and student services for the MSRE program. There is a strong commitment by the Center's Advisory Board of approximately 30 prominent real estate professionals toward high-quality real estate education and the MSRE program in particular. Students benefit greatly from the networking and mentoring opportunities provided by Advisory Board members and other supporters. The Runstad Center staff provides various services to the MSRE program including career services, advising, and administrative support.

#### *Excellent students and successful alumni*

The MSRE program has recruited students of high ability and strong motivation. Students praise the responsiveness of the faculty to their concerns and also like the small classes, interactions with faculty, industry professionals and other students, and the helpful staff. Alumni who have been part of the Affiliate Fellows Program, which allows two students per year to work for a year with industry mentors, speak very highly of the experience. The self-study reports strong placement of graduates in positions in the real estate industry.

### *Commitment to an interdisciplinary curriculum and academic rigor*

There is a strong commitment on the part of all stakeholders to an interdisciplinary program. They recognize the importance of connecting real estate with law, public policy, finance, architecture, urban planning, construction management, and other disciplines. As one of the longer master's degree programs in real estate in the country, it is designed to provide academic rigor and depth as well as breadth of coverage of real estate topics.

### *Potential for increased enrollment*

There is potential to significantly increase enrollment in the MSRE program in the near future. Strong enrollment for the certificate in real estate program offered by Professional and Continuing Education indicates a high level of demand for real estate education in general in the Seattle area. By capitalizing on the program's Pacific Rim location and the UW name, there is potential to increase enrollment from international students. There may also be an opportunity to enroll more local working students by offering classes in the late afternoons or evenings.

## **Issues**

### *Declining enrollment*

The issue with the greatest urgency is declining enrollment for the MSRE program. According to the self-study, enrollment in the entering class has gone from 18 to 16 to 11 students over the past three years. Current applications are also low with almost all coming from international students. Under activity-based budgeting, such a small enrollment results in a funding shortfall that is currently being offset through donations coming through the Runstad Center.

The committee heard a lot about this issue during the site visit, and there is no shortage of ideas about how to address it. Some think it is primarily a matter of better marketing and greater visibility of the MSRE program on the college website and even on signage in the building. Others believe the program is too long or the schedule too inflexible, while still others think the key is to integrate or even co-brand with the certificate program in real estate offered by Professional and Continuing Education. The committee's view is that all of the issues identified in this section bear on the enrollment issue.

### *Curriculum*

Many of the concerns center on the curriculum. The view is widespread that it does not provide sufficient connection to other disciplines, especially to those housed in other schools or colleges such as law, business, and public affairs. Achieving the desired level of interdisciplinarity might best be served by moving to a new administrative structure such as a cross-disciplinary program housed in the Graduate School.

There is clearly controversy over what should be taught and when in the program it should be taught. Opinions about the length of the program are mixed, with some saying a two-year program is necessary to create a sufficiently rigorous and interdisciplinary program and others saying the program could be shortened without great loss. Some also say the curriculum should start at a more basic level (a better understanding of real estate process) but culminate at a more sophisticated level (based more on modeling).

### *Quality of Instruction*

The committee also heard that the quality of instruction is inconsistent, and in some cases seriously deficient. There may also be a need for a more comprehensive orientation for new faculty members.

### *Clarity of Roles and Accountability*

The committee sees a lack of clarity of roles and accountability. The roles of the MSRE program director and the Runstad Center director appear seem to be unresolved since the time they were separated from when they were both in one person. The questions about control of the curriculum and faculty hiring and the role, if any, of the Runstad Center, need to be resolved. The Dean of the College should assure that these remain in the purview of the faculty.

### *Role of Research*

There are concerns about the role of faculty research in the real estate field with a distinction often being made between “academic” and “professional” research. Students tend to say that faculty research should be brought into the classroom on a more regular basis. Advisory Board members tend to say that faculty research should have greater connection to the needs of the industry. However, they also expressed support for what they termed “rigorous research.”

### *Relationship with the Department of Urban Planning*

The committee heard reports of a “disconnect” between the real estate faculty and other faculty members in the Department of Urban Planning. Members of both groups expressed the opinion that the other is trying to “pull away” and that there has been some conflict. However,

department faculty members clearly express the desire for real estate to remain part of the department. Some wish that the real estate faculty and students would become more involved in the Master of Urban Planning program or that students in the PhD in Urban Planning be more involved in the MSRE program and real estate research. However, at least one member of the planning faculty expressed to the committee some discomfort with real estate being profit-focused.

### *Shortage of Faculty*

There are concerns that the MSRE program needs more full-time faculty members.

### *Space*

Finally, the MSRE students expressed a desire for more dedicated space in the building for group meetings and study.

## **Recommendations**

The urgency of the enrollment situation for the MSRE program informs the committee's recommendations:

- Continue the MSRE program with the expectation that changes will be made as soon as possible to significantly increase enrollment. Changes would include stronger marketing, but also structuring the program delivery in a manner that would attract more local students who want to take the program part time.
- Conduct the next Academic Program Review in five years (rather than the usual ten years)
- Clearly identify the students the MSRE program is trying to serve
  - Consider evening schedule for local working students, which is the standard at many other real estate programs in urban areas around the country (UMaryland, USan Diego, Florida International, Johns Hopkins, Georgetown U, etc.)
  - Consider an internationally-focused daytime or evening program, possibly with a study abroad option
  - Consider whether the program could be shortened, especially for students who have completed the certificate program or other training in real estate

- Clarify the relationships between the MSRE Program, the Runstad Center, and the Department of Urban Planning
- Consider alternative administrative structures such as a cross-disciplinary program housed in the Graduate School