

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

IV. UW REAL ESTATE ALUMNI ASSOCIATION

H. Newsletters

4. Equity Kicker, Spring, 1986 - Fall, 1988



# NEWSLETTER EQUITY KICKER

VOLUME I

Spring 1986

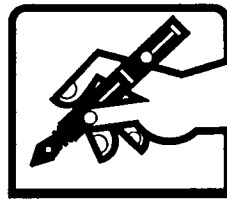
## Introducing EQUITY KICKER

On behalf of the University of Wisconsin Real Estate Alumni Association, I would like to thank Professor Graaskamp, Karen Wilbrecht, and Rich Jortberg as editors in charge, for their efforts in preparing the first issue of the new student-based Alumni Newsletter. The intent of this and subsequent issues will be to create a newsletter of professional content and character that is entertaining, informative and meaningful to students, alumni, and industry colleagues.

Based on the input from students, academics and alumni, a student staff will coordinate and assemble an alumni newsletter in the spring and fall semesters. Each edition will feature remarks from the "Chief" allowing him to pontificate on the issue/s of the moment, while including a variety of other discussions related to research at the University level, market reviews prepared by local alumni and general administrative items of interest to the Alumni Association.

The long term objective will be to upgrade the newsletter's character and focus to compete with other respected forms of industry literature available on a subscription basis. For the immediate future, however, the newsletter will serve its traditional role to convey the affairs of the U.W. Real Estate Program and the events of the Alumni Association and its members.

—Dan Volpano



## A Letter From Chief

The major news during the Spring Semester centers around fund-raising, staffing, and student activity. The School of Business is generally demoralized by further reduction in financing by the Legislature and Chancellor Shain, who will not reallocate scarce resources toward programs with a vocational orientation. Professors with less than two dozen students continue to be employed in the liberal arts area while our T.A.s must teach at least 55 students in a section.

The R.E. Alumni have already deposited as of March 31, 1986, \$130,000 in cash in the Endowment Account, which now has a balance of \$247,000, and another \$8,500 in the Alumni Dues Account. With the help of the local alumni, Chief has been calling on potential corporate donors in Chicago, Milwaukee, Minneapolis, and San Francisco. The first confirmation is a \$50,000 gift in two installments from Prudential! That amount is in addition to the matching gifts made for the generous support from Prudential Wisconsin Alumni. The Birtcher Group has pledged \$25,000 and their attorneys \$15,000 more. Hopefully, the next Newsletter can report at least a half dozen corporate gifts.

The Department buying power and alumni clout has already had an impact. Dean Hickman reversed his earlier position and has permitted us to use Alumni funds to fill the gap between an appropriate salary level for Prof. Robbins and the instructors pay at which he had been fro-

zen due to the Governor's austerity program. As a result, Mike Robbins will stay at Wisconsin rather than venture to Alaska or elsewhere. He will achieve tenure together with Dowel Myers over the next three years. Research assistants funded by the Real Estate Fund will be available to multiply their publication efforts. Both Robbins and Myers are receiving high grades from the students for intensive class preparation, detailed lecture notes, and carefully structured problem assignments! On the other hand, Chief is barely passing on instructional points as he tries to teach four courses. While the Marketing Department and Finance Department have been decimated by faculty departures, including Pappas, Kroncke, Haugen, Houston, and Peter the R.E. Department is becoming one of the stronger, best known programs in the School of Business.

The U.W. Real Estate Endowment Fund is sponsoring a series of seminars concerning various real estate topics during the 1985-1986 school year.

On February 28, Randy Alexander and Paul Lenhart, from the Alexander Company, discussed their approach to creative renovation of the Madison market. An excellent slide presentation of the Bindery Court Apts., formerly Grimm's Book Bindery, and the Mansion Hill Inn helped illustrate the full range of possibilities.

Professor Marc Weiss, a professor from U. of I., Chicago, spoke that afternoon about the history of land economics and the American subdivision. Marc covered the actions and policies of Richard T. Ely and the F.H.A. in great detail.

On March 14, Bob Gray and Michael LoFurno from John Rahenkamp & Assoc. discussed the firm's unique, environmentally sensitive problem solving development process. Bob and Michael illustrated the firm's approach via several examples:

(continued on page 8)



## From the President

The endowment fund drive is progressing and was recently given a boost by Prudential's \$50,000 pledge. Alumni have been very responsive to the endowment, which is greatly appreciated. Thanks to all of you who have contributed and to those alumni who have spent time and effort seeking those contributions. As corporations are solicited, it is important to show them that the alumni support the real estate program and endowment fund. If you have not already given but would like to do so, please contact your regional director or Stacy Dibbell at (608) 274-1931.

Several alumni and corporations have expressed their philosophies against giving money to a state supported school endowment fund. A few of these alumni and corporations have satisfied their philosophical views by contributing money for specific purchases, such as reference materials and equipment. Although there is not a long list for such purchases, the Chief has indicated that the real estate department could use the following:

1. Video graphics package
2. Purchase of additional computer research time
3. Personal computers
4. Funds to convert Room 118 into a graduate students' ready room.

Although the major thrust of the endowment campaign is to provide funds

for salary and research enhancements, hiring an additional professor and teaching assistants, and providing guest lecturers, these additional assets for the real estate program are important and appreciated.

There is also another way that you can help the real estate program. The endowment fund can supplement professor's salaries only to certain levels prescribed by the University. These salary levels are still below industry standards. Appointing Professors Graaskamp, Robbins or Myers to your company's board of directors would grant them supplemental income, provide them with direct exposure to the real estate industry (e.g. case studies), enhance the U.W. real estate program's prestige and exposure, and provide valuable input to the corporations. Professor Graaskamp was recently appointed to a panel of real estate experts at Solomon Brothers.

Several alumni have discussed a scholarship from their region. Under certain conditions, the University of Wisconsin Foundation will match funds for such a scholarship. For more details on this program, please contact the Foundation's Don Gray at (608) 263-1658 or (608) 262-8679.

The State of Wisconsin, the University, and School of Business, are experiencing severe budget cuts and constraints which are filtering down to the Real Estate Department. It is important that we let the State, University and Business School know how important education and the real estate program really are. Letters to state politicians (such as Governor Anthony Earl), Chancellor Irving Shain, and Dean James Hickman expressing our concern and need for support are necessary. Anytime that the University of Wisconsin real estate program is mentioned in print or it has a positive impact on the real estate industry, please send this information to these individuals so that they know the importance of saving and enhancing the real estate program.

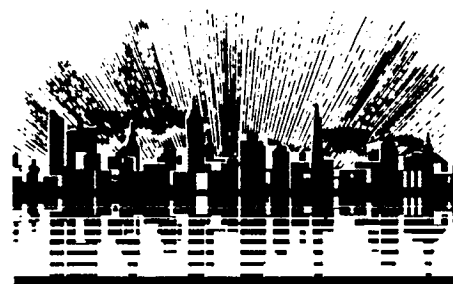
The addresses are as follows:

Governor Anthony Earl  
115 East Capitol  
Madison, Wisconsin 53703

Chancellor Irving Shain  
Office of the Chancellor  
University of Wisconsin-Madison  
158 Bascom Hall  
Madison, Wisconsin 53706

Dean James C. Hickman  
University of Wisconsin-Madison  
1155 Observatory Drive  
Madison, Wisconsin 53706

—Dianne M. Orbison



## City Lights

Over the past two years an interesting real estate phenomenon has focused national and international attention on Atlanta. Several residential subdivisions in the area's rapidly-growing North Central market have organized, packaged and sold their homes to developers for high rise office projects.

The driving force behind this phenomenon is the emergence of the Perimeter Center area as a prime office market. Over the past five years, land prices in the perimeter market have increased from \$500,000 per acre to a recent sale of \$1.35 million per acre. This tremendous growth has spurred many homeowners to sell their \$90,000 homes for \$200,000 + and move elsewhere.

Probably the most famous sell out to date involved 244 homeowners who packaged 85.5 acres together and sold it to a Texas developer. The sale involved two subdivisions and it included newer, larger homes with 1/3 acre lots as well as older, smaller homes with lots ranging from 1/2 to 1 1/2 acres. The contract to purchase the property, located at Ashford-Dunwoody Road and Lake Hearn at I-285, was for \$244,000 per home, regardless of size, age, or quality. Sale terms included a clause making the transaction subject to rezoning by DeKalb County.

Both the buyers and sellers believe this transaction is the largest of its kind, and public interest in the deal was swift and widespread. Media attention included a fifteen minute segment on the Today show as well as coverage by *U.S.A. Today*, *The Wall Street Journal* and many other major publications.

The implications of this real estate trend remain to be seen, but one thing is certain: homeowners are now flexing their economic muscles by playing a key role in land use decisions in Atlanta.

Footnote: The developer's rezoning request was denied by DeKalb County and the rezoning is presently in litigation.

—John Dreier

## EQUITY KICKER

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"Chief" Editor  
Professor J.A. Graaskamp

Assistant Editor  
Karen M. Wilbrecht  
Masters Candidate December 1986

Staff Editor  
Richard Jortberg  
Masters Candidate December 1986

Publicity Committee

Ken Livadas  
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## The Alaska Connection

—Mike Robbins

As many of you know, the Chief and I have been doing work in Alaska, and I have been asked to summarize our involvement to date and postulate what some future activities may be.

The Alaska land mass covers an area of approximately 375 million acres. The ownership of this vast area is divided between government (both State and Federal) with 83%, 12 Native corporations with 12% (44 million acres), and the balance, 1% in private ownership. With this limited amount of private ownership, located in only a few population centers, the Alaska situation provides an exciting opportunity to observe and learn from the land use decision making process. In essence, Alaska can be viewed as a unique laboratory for land use policy and economic assessment evaluation. To date our involvement has been in working with the Native corporations trying to assist them in coming to grips with their land asset base.

The types of land based decisions that we have been dealing with can be divided into two general categories. There are the decisions associated with lands in their natural state, for which there is no historical value, as well as decisions dealing with improved lands. From this point, I could take a multitude of directions in discussing the issues we have been trying to deal with, not the least of which is education. For the purpose of this overview, I will concentrate on economic assessment. I will not use the term appraisal for fear that what we provide will be matched against what the appraisal industry and government units accept as economic indications of value.

### Economic Assessment of Natural Land

The range of problems presented in attempting to determine the value of natural lands in Alaska is staggering, but then so are the opportunities. The Alaska land mass offers some of the last truly natural landscapes under direct control of the industrialized countries of the world. The extent, complexity, and scarcity of the unique and diverse landscapes offers unique challenge in attempting to develop valuation theory that is sensitive to these conditions and is supportable in the market place.

Central to our work in this regard is dealing with the issue that the appraisal

profession refers to as "Highest and Best Use." Alaska offers a clear and unique confrontation between traditional appraisal, expounded by the industry, and contemporary appraisal as developed by Ratcliff and operationalized by Graaskamp. For example, imagine the following situation. You have been asked to determine the market value of a tract of unimproved raw land of approximately 14,000 acres in size which has no historical value, i.e. no beginning point. Since the subject property is raw land the cost approach wouldn't work, unless it was possible to replicate the cost of building a natural landscape complete with mountains, glaciers, rivers, etc. Don't laugh—ask any highway department the cost of reconstructing a swamp. In Wisconsin, and most other states, when a government action removes a scarce natural resource, such as a wetland during road building, it must replace it with an additional area of equal quality. With the cost approach ruled out, the appraiser is left with the income and market data approaches. Since the land is unimproved, the ease and associated skill needed to apply a developmental income approach will quickly rule it out. Thus, the appraiser is left with the market data approach, the approach usually found most acceptable in the first place.

The application of the market data approach is predicated on a single critical assumption, that transactions of properties of similar utility and attribute combination have already occurred, otherwise there would be no transaction thus no indicated market. This sets up the confrontation between the appraisal profession and the contemporary approach. The contemporary approach, as illustrated in Graaskamp's book, *The Appraisal Of 25 N. Pinckney*, demands that the economic assessment (appraisal) begin by first defining the purpose of the value being estimated and then going directly into a systematic and structured analysis of the subject property so that those significant attributes capable of interacting with people can be identified. This is the critical step that we have been employing, new and exciting technology advances. Through the use of Computerized Land Information Systems, we have been able to begin the evaluation of the subject property at a level of sophistication heretofore unheard of in the normal course of appraisal context. (Almost the entire state of Alaska is inventoried at a 40 acre level and significant portions are inventoried to resolutions as small as 10 acres or less.)

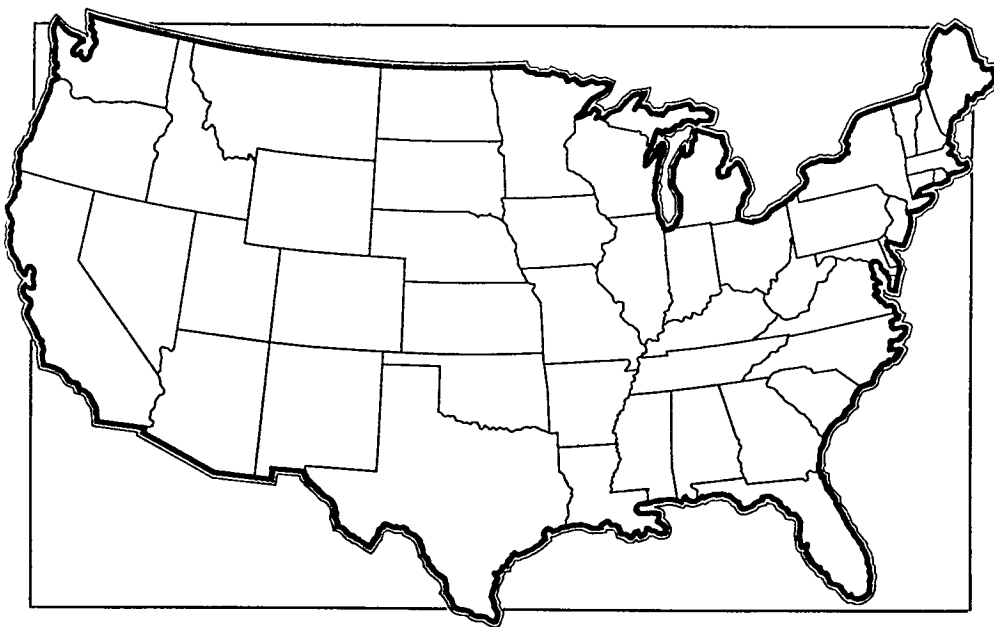
For the example subject property of

14,000 acres, the analyst must first recognize that the combination of physical attributes present on the site may have some impact on use selections for the subject property. Attributes such as soil type, depth-to-rock, depth-to-water, vegetation, and slope will have an impact on the suitability of the site for various uses. Accepting that most appraisers have a difficult time deciding when to use the I.R.R. versus the M.I.R.R. to measure economic performance, a relatively simple matter once you understand the underlying assumptions, the idea of doing physical suitability analysis is mind boggling, especially since no one has taught them how. But, that is exactly what the acceptance of the definition of "Highest and Best Use" requires. By utilizing the state's information base and software that we have developed for the IBM PC we can evaluate each separate 40 acre cell making up the subject property. This unique type of analysis gives us the ability to map the suitability ranking of individual cells making up the subject property. The net result is that we are able to develop detailed analysis procedures from which we determine the range of suitabilities available on the subject which in turn supports our selection of possible use options for testing to determine the site's "Highest and Best Use."

To date this methodology has led us to determine that the "Highest and Best Use" for the Ahtna project to be an "Economic Corridor" while the appraisers determined the use to be "Recreational Second Home." The differences in use determination resulted in significant valuation differences. The appraisers determined the value to be \$200,000 and we determined the value to be \$7,500,000. The appraiser's value was supported by the assumption that second home buyers were the only market for this land, since that was the only market for which there was readily available data. By beginning with the subject and applying our analysis techniques, we were able to show that the property had an almost perfect monopoly on alternative routes for the transport of goods and services.

For future work, it is our intent to advance our analysis techniques so that they can be easily applied to subject and comparable properties and then linked together with the MKTCOMP program for automated pricing. This is what we did in the PACK River project where we determined the "Highest and Best Use" to be Wilderness and then went on to price it as such.

(continued on page 8)



## From the Provinces

On the west coast, Rob Curtis, Security Pacific Mortgage Corporation, reports:

Tim Brown of Victor Palmieri & Company set up temporary residence in Washington D.C. to begin disposing the remains of EPIC. Ken Livadas joined the Shidler Group last September as a principal and is about to close his first deal with the company. Ken is moving Shidlers' L.A. office to the 33rd floor of the new Citicorp Tower in five weeks. Arthur D. Little and Company is making a bid to corner the largest share of U.W. talent with the recent addition of Paul Rezens who joins Jack York and John Walsh. Kevin Dretzka is now with Heron Financial to handle equity and joint venture placements in a variety of creative financing vehicles. Terry McCarthy made entry into the exclusive club of property owners with his recent purchase of a ski condo in Mammoth Lakes. (Very nice, sleeps up to eight comfortably, for reservations call 213/376/2518).

In Orange County, Mark Epple and Chris Novak are among the best of the recent new talent brought into Pac Mutual. Stu Ackenberg has been promoted to Executive Vice President in charge of acquisitions for Birtcher, which is about to issue a third fund for \$80 million this spring. Mark Alger moved out here last December from Prudential in Chicago to join Stu and Rob Bergenthal at Birtcher. Don Bredberg joined the Irvine Company from Peat Marwick to assist the company in setting up a financial monitoring system. Kevin Hanson jumped the sinking

remains of Equidion and disappeared without a trace. Kevin if you are still out there and read this, please call.

The Southern California contingent is growing rapidly and is now approaching the critical mass size necessary for developing areawide notoriety. We continue to receive strong interest from existing alumni and new graduates, and if we maintain the same explosive pattern of growth experienced over the past two years, the U.W. name will soon command the same degree of fear and respect that our "Mafia" counterparts to the north enjoy.

Speaking of the North, on Thursday, March 20, Professor Graaskamp was the featured guest speaker for a dinner banquet sponsored by the Minnesota Chapter. This annual event gives employers and business associates of U.W. Real Estate alumni the chance to visit with Chief and hear him speak about current real estate issues. Proceeds from the banquet, held at the Hyatt Regency, will be used to establish a U.W. Real Estate scholarship in the name of the Minnesota Chapter.

The Minnesota Chapter, now some 70 professionals strong, routinely congregates for a variety of social and sporting gatherings. A highlight of 1986 promises to be the grand opening of "Back to School," a movie filmed last summer in Madison starring Rodney Dangerfield. Other upcoming activities include Brewers vs. Twins baseball games and the annual summer picnic.

In Minnesota alumni news:

- Bill Abel recently accepted a position

with Wells Fargo Realty Advisors, after taking some time off to work on his house.

- Darrell Koehlinger joined Towle Real Estate.

- Mylo Pinkerton reports that he has settled into his new job with ITT Industrial Credit Co.

- Stew Stender has been named a partner in the Minneapolis office of Trammell Crow Company.

Thanks to Michael Arneson of the Opus Corporation for this report.

Chicago area real estate markets are very active in response to a favorable financing climate, spring development starts and continued investor demand for real estate product. The University of Wisconsin Real Estate Alumni are busily contributing to capitalize on market opportunities. The Alumni Association meets for lunch on the last Friday of the month. Lately the location of the lunch has moved from the balcony pizza parlor on the south side of the tracks to upscale luncheons on the Magnificent Mile. All Chicago area alumni are welcome to get on the mailing list by writing to:

Jim Ablan

Meyer Investment Properties, Inc.

401 N. Michigan Ave.

Suite 525

Chicago, IL 60611

Jim Magnanenzi and Steve Meyer are spearheading the fund-raising effort for this region and plan to launch their campaign in the second quarter of this year.

In the New York area, Ted Kostendt reports that the Wisconsin movement is really beginning to gain momentum of late in the Big Apple City region of the universe. New graduates from the program heading east in search of fame and fortune include Dave Nankin who joins Ed Jorae at Integrated Resources and Peter Thomson who joins Dennis Anderson, Richard Reuter, and Werner T. Kostendt at L.W. Ellwood and Company. Ted and his wife Patricia, another Wisconsin alumna, are in remarkably good condition, as they rapidly approach their first year as parents of identical twin girls. Chuck Segal, after strutting his stuff at Ellwood has moved over to Segal Associates.

Meanwhile, Lisa Richman has returned to the New York area and is now working for Stephen Brener Associates, the hospitality consulting firm. Dan Volpano, our illustrious representative on the regional board of directors, has been the driving force behind our group's development into an active organization. Dan

is now heavily involved with the action at J.P. Morgan Investments.

Last year the regional membership gathered officially on two occasions, once at the University Club and once at Lorengo's on Second Avenue. Attendees included such heavy hitters as Andrew Singer of Ackman Bros. and Singer, Terry Esquivel and Phil Schulz of Prudential, Dick Shima who has orchestrated Merrill Lynch's move into the commercial real estate advisory and appraisal business, Aaron Lichter who is at Coldwell Banker, Stuart Walton of Walton Associates, Chris Fusillo of Planned Expansion Group, Jean Davis of Landmark Research, and Chief himself. Attendees, including Rhea Schultz, arrived from as far as Hartford, Connecticut.

One of the significant benefits of agglomeration already accruing to our young group here, is our growing information and communication network. A particular manifestation of this development is the Manhattan real estate data bank exchange established by Brian Furlong. Anyone wishing to subscribe or contribute to the data base should contact Brian at BA Appraisals in Manhattan (212-503-8407).

One of the significant bits of information that most of us in the New York area have become aware of is that real estate throughout the nation is becoming increasingly controlled from New York. As the real estate industry becomes increasingly securitized and institutionalized we seem to be seeing more and more "super-mega-deals" involving literally billions of real estate dollars emanating from New York centered finance and real estate industrial systems. Decisions affecting real estate throughout the nation are being made in New York. Paradoxically, this emerging sector of the real estate industry, because of its dependence on the long established capital market infrastructure, is dominated by stocks and bonds people. Consequently, there is a great need for help in controlling the allocation of the massive resources available for real estate investment in an efficient and equitable manner.

Life is undeniably a greater struggle in the New York area, but the rewards and opportunities are magnified. The industry needs you here. The members of the northeastern alumni strongly encourage and welcome inquiries regarding employment in our region.

In the Philadelphia area Mike Samuels thanks Mayor Goode and the MOVE organization for their "Urban Removal"

Program. On a more serious note, Art Pasquarella, a Vice-President in the investment brokerage division of Helmsley-Greenfield notes that he has been active in both the residential and commercial markets in and around Philadelphia. This market is amongst the best in the nation and has attracted national investor attention. Art has seen a marked increase in interest for single-user bulk warehouse and light assembly industrial space. Art believes desired investment yields are coming down in light of recent interest rate trends and through prices being bid up on the scarcity of investment grade property.

Mike Samuels, Senior Vice President of Radnor Financial Group, a syndication subsidiary of the Fidelity Mutual Life Insurance Company has been working on two historic rehabilitation projects providing 150,000 sq. ft. of CBD office space. In addition, RFG will soon unveil plans for the new construction of 200 apartment units in Center City Philadelphia. Mike foresees dramatic changes in the syndication business in terms of structuring and marketing tax-advantaged investments due to the dismal performance of major syndicators since the 1982 recession and in light of low inflation rate expectations.

Joe Pasquarella, founder of Joseph Dennis Pasquarella & Co., an appraisal and consulting firm, reports that the firm has just completed macro-market studies which highlight market trends and investment opportunities in the Philadelphia and Chicago metropolitan areas for a major client. Through an increasing volume of assignments, Joe sees a significant trend toward shopping center development and acquisition for rehabilitation.

One final note, Joe and Mike recently lectured at the University of Pennsylvania's Wharton School of Business. The topics covered were trade area analysis and underwriting shopping center acquisitions. Their report: U.W. students are far more sophisticated in real estate analysis than the so-called prestige business schools of the Ivy League.

Kevin Kelley, from the Denver area, informs us that they held their Christmas party at Rus Hackstaff's for the local alumni group which was attended by approximately 25 alumni and their spouses. The mood was festive despite everyone's concern with the local economy and the softness in the real estate markets.

Recent job movements/transfers include Bill Evans who joined Murray Properties, Chris Casey who joined MONY

Real Estate, Ryan Toole who joined Prudential's real estate arm, Bob Sweeney who joined Denver Property Associates (although he's still acquiring apartments on the side), and Randall Seegers who joined Knowlton. Rumors are circulating that Ed Suharski has retired from Knowlton. Also, the Ginther Wycoff Group merged with Lavenhol and Horwath so Jon and Steve Wagner have moved downtown into plusher quarters.

Deep in the heart of Texas, the U.W. Real Estate Alumni gathered recently at North Point Centre, a modern, first class office development of Murray Properties located in Texas' capital city. Phil Capron, general partner for Dallas-based Murray, kept the group spellbound with exciting development stories and personal experiences. Seven of eight local alumni attended the get acquainted affair.

The Murray Properties partner in charge of Austin and San Antonio including 55 employees, recast his Highland Village development/redevelopment project to the faithful Wisconsin disciples including: Don Mackie former Gerald D. Hines developer now doing his own development projects including Mill Creek residential community in Salado north of Austin, Corridor I & II business parks in Round Rock near Austin, and now the 2,000 acre plus Mountain City Ranch south of Austin; Don Skirrow a custom home builder in Austin; Ruth Spiegel Davis who has formed her own company with her husband—Amberstar Appraisal Group; Frederick M. Marks an architect with Phil Scott & Associates in Austin; Joel Sher, a true-to-heart Wisconsin loyalist and local developer with Kucera Company in Austin; and John Ramzy who spends his time deciphering new watershed ordinances and the like as a general manager of sorts and dirt peddler in Austin for a fellow named Dick Matz.

Everyone enjoyed the gathering, the pizza, the words spoken by Mr. Capron, and the fellowship felt among all. Bruce Perchik recently moved from an investor in Austin to a lender with General Electric Credit in Dallas. Good luck Bruce. Ruth Spiegel Davis and John Ramzy recently got married—that's to other people, you know! Oh yeah, you remember about the seven out of eight alumni who gathered? Well would you believe the guy who couldn't make it was Dr. Terry Grissom. Terry is busy teaching courses at Texas ala the Ratcliff, Graaskamp, Andrews, and now Grissom theories.

The group discussed the fund-raiser now in progress, the biennial alumni fall

gathering and b.s. contest in Madison, and the possibilities of getting together this spring the Dallas, Houston, San Antonio and Austin groups at Mill Creek, Don Mackie's project complete with Robert Trent Jones II golf course between Dallas and Austin. We have heard from some of the troops recently in our Texas, Oklahoma, Arkansas, and Louisiana U.W. Real Estate Alumni. If anyone wants to communicate with and/or join us on the next gathering please feel to contact us:

Wisconsin Real Estate Alumni  
c/o John W. Ramzy  
3300 Harris Park Avenue  
Austin, Texas 78705

Southeastern changes and promotions that have recently taken place include:

Bob Brazee recently formed a partnership called Brazee, Simmons & Company to build custom homes in the \$250,000-\$400,000 price range in the metro Atlanta area.

In November 1985, Leo C. Dolan joined Sheffield & Company, an investment counseling firm, as a principal. Leo will be responsible for all real estate and limited partnership activities for the firm's clients. In December Leo married Talli Rosalie Glossop, forming a general partnership for all the property.

Ken Holmes who joined Trammell Crow Company as a Leasing Agent in 1982, has been named a Partner in Atlanta. He will head up the Retail Division.

Professor Jim Vernor, Chairman of the Real Estate and Urban Affairs Department at Georgia State University, has been elected 1985-86 President of the Atlanta Chapter of the University of Wisconsin-Madison Alumni Association. (Note: Jim has been elected President of the overall university alumni association, not just real estate.)

Howard Zuckerman, President of the Seville Group is currently working on a comprehensive book on acquisitions to be published by Prentice Hall. Steve Lewis and Paula Stevens, who are past publisher and editor and current publisher and editor of National Real Estate Investor, are co-authors on the book.

The Zuckerman \$1,000 scholarship has been awarded to a high-energy entrepreneur, Rita Spence.

Nick Jahnke is now Executive Vice President of the Jackson Group. The address and telephone number is The Jackson Group, Incorporated, 5355 Town Center Road, Suite 1101, Boca Raton, Florida, 33432, (305) 391-8700. His little brother is now in the M.S. program.

On the western front, Tom McMullan and his associate Jim Black have spun off the development operations of the Carl Swensen Company into their own company called KDC, Limited, an affiliate of Hare Brewer & Kelley, Inc. The KDC address is 3350 Scott Boulevard, Suite 6402, Santa Clara, California, 95054.

Seven of the December graduates of the M.S. program have taken jobs in the San Francisco Bay area and space does not permit all of their new affiliations but they will be included in the Directory.

— Stewart Ackerberg has been named Vice President of Acquisition for the Birtcher Group.

The Mike Komppa \$1,000 scholarship has been awarded to Angela Evans to complete her degree during Intersession, a period not covered by the Minority Scholarship Program. Angela and Rita Spence are doing an outstanding feasibility study for the Madison YWCA Remodeling Project.

On a final note, Dale Antrim, M.A.I., reports formation of his own company, specializing in investment property appraisals, sales and financing, known as The Antrim Company. The address and telephone number are 6405 Metcalf, Suite 317, Overland Park, Kansas, 66202, (913) 262-1343.

In Milwaukee, Jon Hammes is the toast of downtown redevelopment. The *Milwaukee Journal* has only nice things to say about his downtown redevelopment project, the theatre district mixed use project including a hotel, office space and repertory theatre in a former generating plant adjacent to the old Pabst Theatre. He was recently honored as a father of four by Family Service for his civic contributions, which include Director of Children's Health System of Wisconsin, Family Services of Milwaukee, Boy Scouts of America, Milwaukee Symphony Orchestra, Forward Wisconsin and Heartland Value Fund, and he is also grand marshal of the City of Festivals Parade.

Bill Huberty is still in the M.S. program but has published two articles on pension fund real estate investment in the *Real Estate Review* this year and has won the Harwood Real Estate Scholarship, granted by Bruce Harwood, a professor of real estate and author of a successful real estate brokerage principles book. Needless to say, real estate professors will be keeping a sharp eye on this type of trouble maker.



## POSITIONS AVAILABLE

### Vice President Real Estate Acquisition Boston Financial Group Incorporated

#### Specific Responsibilities

- Responsible for the investigation of all potential acquisitions from the perspective of the marketplace, the structural aspects of the buildings, regional demographics, the financial structure of each transaction, and each project's specific investment potential risk.
- Requires the identification, evaluation, and acquisition of properties for the Institutional Pension Group. Current funding includes some institutional funds and some private placement funds, however, additional institutional funding and a large public fund with significant dollar volume is anticipated.
- The real estate to be acquired will be predominantly commercial properties, but may include some apartment buildings. All equity structures are anticipated initially. Some participation in the process of marketing to institutional clients will be expected.

#### Compensation

- Compensation will include a base salary of \$100,000 to \$200,000 and may include incentive equity interests in institutional and investment banking vehicles. Equity in Boston Financial may be considered at a later date.
- The ideal candidate is bright enough to be effective within the Boston Financial culture and possesses excellent communications, interpersonal, negotiating and analytical skills. He or she is innovative, energetic and has the highest business and personal ethics and integrity. This individual also has the courage to pursue unpopular directions or projects if he or she really believes in them.
- The candidate has the ability to perform well and even enjoy pressure. He or she is a team player, has solid organizational instincts and leadership qualities.

#### Education

- The ideal candidate may have an M.B.A. and will have an undergraduate degree from a competitive college, and will have developed a wide range of personal interests.

#### Experience

- The ideal candidate is now probably with an insurance company, bank, real estate advisory firm or REIT.
- He or she currently may head the real estate acquisition function in a smaller to medium sized organization or may be the number two or three individual in a large situation, and is clearly coming from the investment "buying" area as opposed to the lending side.
- The individual will have sound background in buying of properties, bidding, closing and negotiations, in-depth real estate marketing experience and the ability to analyze and understand all financial implications.
- The individual has an excellent track record of buying investment grade commercial properties, has a commitment to product excellence, and has demonstrated that intuitive "feel" for the really outstanding property. Also, has the experi-



ence and ability to analyze both the structural, demographic and business/financial aspects of the real estate considered.

- He or she should also have demonstrated that innovative ability to determine trends and surface new directions and opportunities before they are "discovered" and well established.

#### Contact

Jack J. Kilkelly, Vice President  
Organizations Resources Inc.  
63 Atlantic Avenue, Boston Harbor  
Boston, MA 02110  
(617) 742-8970

### Boston Financial Group Incorporated Vice President of Securities

#### Specific Responsibilities

- The hiring, training, motivation and general supervision of an in-house sales force of newly hired brokers and gradual assumption of responsibility for existing brokers.
- The development and achievement of sales goals and projections and compliance with all current securities laws and regulations.
- The future development and recommendation of all long range policies, systems and procedures relating to the retail/direct sale of Boston Financial's products.
- The development, gaining approval for, and monitoring of, appropriate budgets for the function.

#### Compensation

- The base compensation range is \$100,000 to \$120,000.
- An incentive pay plan based on performance of newly employed brokers in 1986.
- A future bonus plan based on total departmental sales.
- Possible future consideration for equity in the company and/or sharing in residual values.

#### Education

- The ideal candidate would have an M.B.A. and an undergraduate degree from a competitive college or university.

#### Experience

- The individual we seek has significant experience in retail sales management and supervision, including some experience with sophisticated, complex financial products in the \$20,000 to \$100,000 price range.
- He/she may now be the Vice President of Sales/Marketing in a smaller or mid-sized financial organization, or the number two or three person in a larger environment. Broader experience outside the financial products area would be valuable.

#### Contact

Jack J. Kilkelly, Vice President  
Organization Resources Inc.  
63 Atlantic Avenue, Boston Harbor  
Boston, MA 02110  
(617) 742-8970

### Vice President (CFO) Finance and Administration Boston Financial Group Incorporated

#### Basic Function

- The Position is responsible for being the Chief Financial Officer of the Company and all the companies and partnerships controlled by Boston Financial including the activities of Investment Banking, Mortgage Brokerage, Property Management, Property Consulting, Securities Brokerage, Pension Fund Investment, Developer Re-

ceivable Banking, etc. The Position is also responsible for Management Information Systems, Planning, Human Resources, Administration and Public Relations.

- As a member of Boston Financial's general management, the person filling this position is also responsible for contributing to the development of all corporate policies, long-term direction and strategies, and the financial health and reputation of the company.

#### Specific Responsibilities

- Included in the CFO portion of the Position are all normal financial responsibilities such as:

Accounting (including payroll, payables, receivables, the generation of financial statements and tax reports and audit preparations), Treasury Function, i.e., cash management and forecasting, short-term investments and banking relationships.

The development and monitoring of budgets and the development of appropriate financial policies, systems and controls.

Financial planning to insure adequate funds for operating requirements.

Providing guidance, advice and assistance to all departments of Boston Financial in developing their financial plans and budgets and adhering to them.

- Responsible for the Management Information function of Boston Financial including the selection and operation of data processing equipment, design of Management Information Systems, and the establishment of appropriate reporting procedures, documents and reports.
- Responsible for the coordination of short range and strategic planning processes for Boston Financial and all its entities.
- Responsible for the Human Resources activities of the Company including recruiting, internal employee relations and the design and maintenance of the various compensation systems.
- Responsible for the supervision and direction of the administrative activities of Boston Financial including purchasing of supplies, allocation of appropriate office space and supervision and direction of administrative personnel.
- Responsible for coordinating the Public Relations efforts and positioning of the Company in the financial, investment and real estate communities.
- Responsible for the hiring, training, development, motivation and general supervision of all accounting, purchasing, data processing, human resources and administrative personnel which currently consists of 20 non-exempt employees and 15 professional employees, five of whom report directly to the person filling the Position.

#### Compensation

- The base compensation range for the Position is \$100,000 to \$150,000 per year plus an incentive or bonus compensation plan (to be designed).
- Equity in the Company may be considered at a later date based on the individual's compatibility and contribution to the Company's profitability and well-being.

#### Education

- The ideal candidate will have an M.B.A. from one of the better business schools and an undergraduate degree preferably with a concentration in business, finance or economics.

#### Experience

The ideal candidate may have several business experiences:

- Sound experience in finance and administration, some emphasis on financial analysis, probably not an "Accountant" by inclination, but a general

management person whose career path has been in the areas of finance and administration.

- Past experience should have included small company exposure with the opportunity to be involved in a number of activities at decision-making levels which had an impact on the company's performance. However, significant experience should also have been acquired in larger, more sophisticated environments where the candidate would have acquired higher state of the art technical expertise and more sophisticated managerial, supervisory and communication skills.
- The candidate should have demonstrated performance as a developer and motivator of people as well as the ability to interact well with and influence peers, superiors and necessary contacts outside the organization.
- Real Estate background is ideal but not essential. The individual may now be CFO of a small to medium sized firm or could be number two person in a large organization.

#### Contact

Jack J. Kilkelly, Vice President  
Organizations Resources Inc.  
63 Atlantic Avenue, Boston Harbor  
Boston, MA 02110  
(617) 742-8970

### Manager Market Research

**Company:** A diversified real estate management and land development company—subsidiary of an \$8 billion conglomerate—with 1984 revenues of \$63 million and net income of \$32 million. The company owns and manages over a million acres of surface land and over seven million acres of mineral rights in over 20 states. Properties include prime sites in major industrial, financial and business centers located in the West and in port cities on the Pacific coast and Gulf of Mexico. The company employs over 200 professionals who are engaged primarily in researching customer and community needs, selecting development sites, master-planning, design, engineering and construction.

**Job Title/Duties:** *Manager, Market Research.* The position and its staff of five serves as a resource to the company's field operations by performing various analyses which include feasibility and economic studies, supply and demand studies, highest/best-use analysis, community profiles, land use plans and various other research. The end result of the unit's activities is to provide data that will assist in determining the optimum use of land/property in the company's possession, e.g. whether to sale, lease, develop, etc.

**Requirements:** The qualified candidate will possess over 5 years' experience in performing the duties as stated above, which should include exposure to real estate economics, urban land planning and market research. An M.B.A. Business or related field in addition to demonstrated strong management skills are highly desirable along with some automated modeling experience. M.A.I. designation will also be considered in lieu of academic requirements.

**Compensation:** \$45 to \$50k plus individual/company performance bonus potential. Comprehensive benefit package which includes life, medical, dental, retirement and a "keep whole" relocation program.

**Respond To:** Send resume to or call:  
Jack Choice, Careers by Choice, Inc.  
6527 North 65th Street  
Omaha, NE 68152  
(402) 571-8140



## A Letter From Chief

(continued from page 1)

two Florida mixed use projects, and a conversion of the Eastern State Penitentiary in Philadelphia to 230 residential units. The prison deal proved infeasible.

On April 11 Jim Nussbaum, from the Kentwood Company, covered residential listing and brokerage. In the afternoon Chris Hanson from Marcus & Millichap, described commercial property listing and brokerage.

On May 2 Prof. Phillip Lewis from U.W. will discuss various growth strategies for the Midwest. All governors are invited.

Arun Bhatia from 43-51 East 25th Street Realty Assoc. will speak in the afternoon about the vagaries of condominium development and project management in New York City.

Alumni are welcome when their time permits.

The field trip this year is to St. Louis with an intensive two day program on building restoration and renovation. In the fall, we have made arrangements for 125 students to participate in the national meetings of the Urban Land Institute in Chicago, and our friends at Prudential have already found us 60 rooms for the occasion.

One acquisition by the Alumni is an IBM PC with 10MB hard disk storage and two floppies, purchased with the assistance of John Peterson III and dedicated to maintenance of address lists, accounting records, and vital information about our alumni. A new Alumni Directory will be ready to go very shortly and distributed to everybody. Dues can be put on a twelve month reminder basis and lists prepared for any regional purpose that you folks out there may require.

## The Alaska Connection

(continued from page 3)

The whole area of natural land pricing is wide open and in desperate need of supportable theory and methodology. I am quite confident in our theory and am now beginning to get results from the methodology. The challenge for the future is going after the resources necessary to continue to develop the methodology into the course work so that the student leaves with the skills necessary to apply the technology and theory in the real world.



Wisconsin Real Estate Alumni Association, Inc.  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, Wisconsin 53706

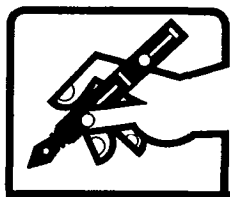
Nonprofit Organization PAID Permit No. 658 Madison, WI
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# NEWSLETTER EQUITY KICKER

VOLUME 1, NUMBER 2

FALL 1986



## A Letter From Chief

The first comprehensive statistics are now available, 11 months after the kick off of the Endowment Fund Campaign. We greatly underestimated the time required to manage the campaign details which overwhelmed volunteer Stacy Dibbell. This summer we added an IBM-AT with 10-K hard disk and had graduate student Ralph Cram begin to develop a data base system using Revelation. This fall we have Dan Guenther half time to complete data input, output, and management of the mailing of plaques, buttons, and invoices for 1986 pledges. In addition, we are having him organize the 1987 reunion. The income funds his ability to prepare a Ph.D. dissertation. In general, the ten exhibits accompanying tell the story.

Stuart Ackerberg and Tom Klein were responsible for corporate and alumni giving; however, business pressures have limited their ability to communicate frequently with the regional chairmen. For corporate giving, we have found that it is most effective for alumni members to identify the appropriate source of charitable gifts in the organization, and then have Chief make a personal visit. The results of these personal contacts will be better known in October and November as foundation boards and corporate committees make their decisions for 1986. However, these visits have already produced \$20,000 from Equitable, \$5000

from Heitman, and \$7500 from Opus. We hope to have \$400,000 in the 235 account before the end of the year. At that point the reported interest income will have matched our expenditures, with the exception of the actual cost of fund raising. Primary use of the funds has been to support an outstanding series of one-day seminars by guest lecturers around the country, the summer research by Mike Robbins, and increased computer capacity for both student labs and the alumni. In 1987, we will have to support at least one full teaching assistant as the University reduces T.A. funds.

For the balance of 1986, we will send out invoices on existing pledges and send each of the regional fund-raising chairmen lists of those who have paid dues, those who have pledged, and those we haven't heard from. In addition,

everyone should receive the pins, cubes, and plaques to which they are entitled.

### Corporate Sponsors

Professor Graaskamp has been making personal calls on major corporate players with the help of alumni within the company. We hope to hear from Metropolitan Life, Mutual of New York, JMB, Merrill Lynch, and Salomon Brothers in late fall, to mention a few. We welcome additional suggestions.

### Madison Area Family Sponsors

It came to our attention that a majority of major real estate investors and developers in the Madison area have sent the heirs apparent to our real estate program. Some of these are second generation. As these young talents have graduated, we

(continued on page 4)

## Endowment Fund Campaign Report

EXHIBIT 1

	1985	1986	1987	1988	1989	Total
<b>Pledged</b>	<b>\$108,141</b>	<b>\$158,536</b>	<b>\$125,618</b>	<b>\$22,075</b>	<b>\$700</b>	<b>\$415,070</b>
By Alumni	63,358	99,028	88,785	22,075	700	273,946
By Sponsors	44,783	59,508	36,833	0	0	141,124
<b>Gifts Received</b>	<b>\$102,285</b>	<b>\$101,480</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$203,765</b>
From Alumni	66,755	30,030	0	0	0	96,785
From Matching Grant	7,080	11,675	0	0	0	18,755
From Sponsors	28,450	59,775	0	0	0	88,225



## On the Sideline

—M.L. Robbins

Well, we are off to another wild and crazy semester that you fondly remember as the relaxed period of your life. It's the end of the fourth week and the new grad student, who argued like crazy on registration day that it would be "no problem" completing the program in two semesters and a summer session, has just left my office with a fistful of drop and add slips. I always find it amusing when the student tries to explain dropping 856 and substituting ballroom dance and auditing 556. It's comforting to know that there are still universal constants, like 705, 551, 557, and 856 in a single semester are more than a mortal person can handle.

Speaking of crazy students, on Monday of the second week of class, a former mining engineer from ARCO-Alaska walked into my office and announced that he was here for an M.S. in Real Es-

tate. When I asked to see his registration forms he said he had just driven in from Anchorage and didn't have any yet. Being the logical person that I am, I then asked if he received notification of acceptance from the graduate school. His reply was that he had been too busy working to apply and would take care of the administrative details during the semester. (Sounds like an operating format of somebody else we know.) This guy has a future here, if for no other reason than to be the organizer for the next alumni meeting. Being of sound mind and body, I wrote the guy a note and sent him to see Dean Blakely. (I sometimes think that the Real Estate Department gives Dean Blakely his purpose in life.)

To make a short story long, the student is in as a special student, but he had to agree to take an accounting course instead of three real estate courses this semester. Even the Dean is beginning to realize that too many real estate courses in one semester will turn anyone's mind to mush. I won't tell you how this guy arranged for an apartment, I'll let the rumor mill have that one.

This summer Greg Schmidt sponsored a graduate student, Howard Levy, to work with me on determining how effective the Market Comp program would be in the Chicago suburbs. The preliminary results were very encouraging. Of the 120 comps we were pricing, the model estimated the selling price with an average error of 3%, and maximum error of 8%. We are currently trying to develop data management and updating techniques to operationalize the system in an office environment.

This summer I also had five students working for me (Real Estate Dynamics) on a recreational feasibility study in Mississippi. This study provided a basis for purchase of the CACI population data, by county and zip code for the Midwest and South, and the Atlas Mapping program to display and evaluate the data. With a little more work this data analysis technique has enormous potential for feasibility studies.

I also purchased a DATAVUE 25 by Quadram Corp. What an outstanding piece of hardware! It has a 1.2 million byte usable main memory, two 3.5-inch disk drives which hold 700K each and a 25 x 80 character screen. It weighs only 15 pounds and can run by battery or AC/DC. So far, 99.5% of all the software I

have tried has worked on the system. If you have a need for a truly portable machine, take a look at the DATAVUE 25.

I am just beginning a critical review of Jim Canestaro's Real Estate Feasibility computer model. I have not had a chance for any great detail yet, but the next newsletter will have a full review. Stay tuned, the story looks very exciting.

Elsewhere in the newsletter you will find an announcement concerning the purchase of a campus graphic. I am a proud owner and have supported the effort to make it available to the alumni. It makes an outstanding wall hanging for the office, especially in conjunction with your U.W. diploma(s).

The computer usage this semester by general business students has been not only off-the-wall but literally out into the hall. It is not uncommon to see 12 students sitting on the floor, outside the business school's micro lab, at 7:30 in the evening, waiting their turn. Thank the Lord for our own lab; it may not be elaborate, but it is available. To help increase efficiency and provide access to data base operations, we have installed a 20 million byte cartridge system on one of the PCs. This will operate as a central depository for all the Real Estate Department software, so we won't need a check-out system anymore. We have also hired two work-study students to act as lab monitors.

The development simulation systems I have been working on, the 554 and 555 course programs, continue to make steady advances. By the end of the spring semester (1986) the COMERMOD (555 simulation systems) had advanced several steps and operates well within the courses. I have rewritten the shopping center case so that it is more current, and has more hidden problems. I am also working on a solution, which was used for the first time at the Real Estate Banking School. What a madhouse that was! Imagine a commercial loan officer from your local bank coming to Madison and listening to Graaskamp describe the real estate analysis process for two days, and then have me waltz in and launch into the Risk Adjusted Default Ratio analysis, tied to Gibson's Real Estate Planning program with output passed directly to MRCAP for risk and return analysis. After the class I had several people ask if real estate was a religion at Wisconsin. Little do they know.

### EQUITY KICKER

VOLUME 1 FALL 1986

Published bi-annually for the members of the Wisconsin Real Estate Alumni Association, 1155 Observatory Drive, Room 118, Madison, Wisconsin 53706.

"Chief" Editor

*Professor J.A. Graaskamp*

Assistant Editor

*Karen M. Wilbrecht*

Masters Candidate December 1986

Publicity Committee

*Ken Livadas*

Shidler Group, I. A.

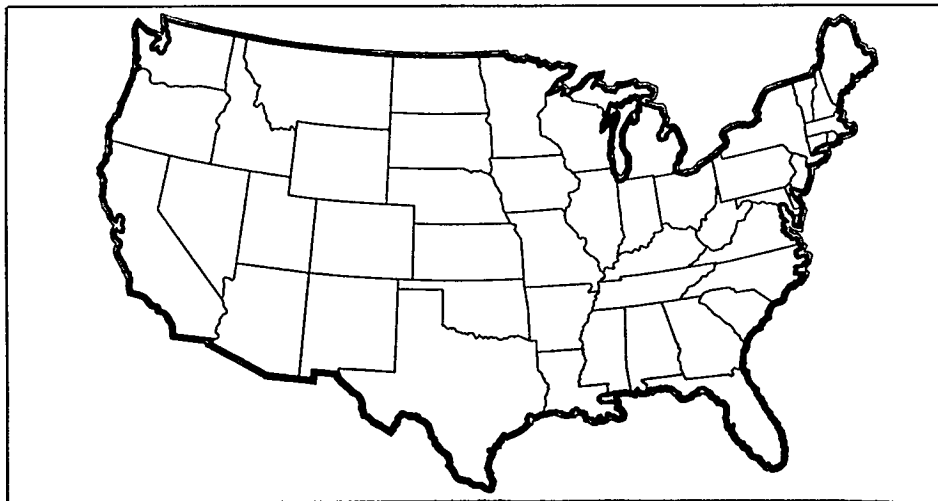
*Daniel J. Volpano*

J.P. Morgan Inv. New York

President, Alumni Association

*Dianne M. Orbison*

MSI Insurance Inv. Minneapolis



## From the Provinces

Following a most successful trip to St. Louis this past April, the Real Estate Club will have yet another unique opportunity in Chicago, when two busloads of UW students will invade the Urban Land Institute conference on October 22-24. Not only will the students have free reign to attend the numerous ULI-sponsored seminars, but plans are in the process to tour the Prudential Building, One Financial Place, courtesy of U.S. Equities, and witness the early stages of a mixed-use development in the 900 block of Michigan Avenue, courtesy of Urban Investments/JMB.

The three-day tour of the Windy City promises another in a long line of enjoyable yet educational trips for the graduate and undergraduate students in the Real Estate Program. We are especially grateful to Mike Robbins, who raised \$1,300 from Madison alumni for travel scholarships. Many students would not be able to attend these field trips without the generosity of the UW Real Estate Alumni and the firms they represent.

Through the diligent efforts of the internship committee, chaired by Gregg Halvorsen, a new plateau was reached this past summer as more than 35 students were placed throughout the country with real estate firms of all shapes and sizes. As the accompanying list of summer interns exemplifies, the network of UW real estate graduates continues to expand, both geographically and throughout the industry.

American Institute of Real Estate Appraisers has awarded two \$3000 graduate scholarship awards to Paul Bakken and Vincent Slupski in the M.S. program.

## On-Line Equity Participation

As many of you have access to a personal computer with a modem, we are inquiring if an on-line computer "bulletin board" would help you in your search for real estate information. Via any I.B.M.-compatible personal computer in the country, this electronic bulletin board would allow you to retrieve the latest alumni list, job listings, real estate computer programs, and Chief's latest schedule. Also, alumni can advertise their services or request information from others—

e.g., Does anyone have office comps for Omaha?

The cost of converting the alumni computer into an electronic bulletin board ranges from \$1500 to \$2500 depending on software costs. We are wondering if there is any market for this service, and if there are donors to help with the economic feasibility. If there is interest, please contact: Ralph Cram, 121 East Gilman Street, Apt. #7, Madison, WI 53703.

Congratulations to David Krill. David was named Senior Vice President and Manager of First Financial Savings' commercial mortgage banking operation in Milwaukee. David will oversee the company's statewide commercial real estate lending program, including financing for apartments, shopping centers, warehouses, office buildings and other quality, income producing real estate.

Congratulations are also in order for Paul and Pat Gilbert, Lexington, MA on the birth of their twin son and daughter.

Next semester Bill Huberty, Alan Chesler, and Scott Dixon will be responsible for getting the "Equity Kicker" off the press. If you have any ideas or information you would like to see in the newsletter, please contact them.

## Summer Interns

Fabio Baum	VMS Realty	Chicago, IL
Tim Casey	Robert A. Polachek Co.	Milwaukee, WI
Champa Chatterjee	Fiore Co.'s	Madison, WI
Alan Chesler	Bear Stearns	New York, NY
Kevin Coffey	Py-Vavra Development, Inc.	Orlando, FL
Arne Cook	Contact Realty Corp.	Madison, WI
Ralph Cram	Pacific RIM Dev. Corp.	San Francisco, CA
John Divall	Bennett & Kahnweiler	Chicago, IL
Doug Engelman	Heitman Financial Services Ltd.	Los Angeles, CA
Michael Gerdes	Helmsley-Greenfield, Inc.	Philadelphia, PA
Joe Gomez	Arthur D. Little Valuation	Chicago, IL
Gregg Halvorsen	North Central Mgt.	Madison, WI
Kathryn Hansen	Recreation Resources Center	Madison, WI
Bob Heinzel	Mid-America Appraisal	Madison, WI
Bill Huberty	Merrill Lynch	New York, NY
Bill Jones	CUNA Mutual Inv. Corp.	Madison, WI
Rich Jortberg	Verex Mortgage Corp.	Madison, WI
Mark Kelling	R.L. Danner Co.	Madison, WI
Costa Lallas	Century Capital Group	Oshkosh, WI
Daniel Levitt	Northland Financial Co.	Minneapolis, MN
Howard Levy	RJ Schmidt Appraisers	Arlington Heights, IL
John Livesey	Livesey Co.	Madison, WI
John McCarty	First California Mortgage Co.	San Rafael, CA
Chuck Murphy	Pacific RIM Dev. Corp.	San Francisco, CA
Jim Roemer	Metropolitan Life Insurance Co.	Oak Brook, IL
Susan Sary	Don Engle & Associate	Chicago, IL
Michael Schack	Metropolitan Life Insurance Co.	Oak Brook, IL
Roy Splansky	VMS Realty	Chicago, IL
Duey Stroebel	Divall Investments	Madison, WI
Tom Sweeney	Knowlton Realty	Denver, CO
Vince Slupski	Mid-America Appraisal	Madison, WI
Karen Wilbrecht	Meredith & Grew, Inc.	Boston, MA
Clarence Williams	Anchor Savings & Loan	Madison, WI

## Endowment Fund Campaign Report

(continued from page 1)

have solicited the families for a \$5,000 grant as a Madison-area real estate family sponsor. A special plaque recognizes this source of support and we are receiving a very favorable response.

### Alternative Trust Fund

There is a significant minority of alumni who question University control of Foundation Funds which may not cover all legitimate research needs of real estate education. This group, lead by Tom Klein, David Westby, and Michael Rooney, has established a separate trust fund at the First Wisconsin Bank Trust Department and have applied for 501 (3) (c) status for this fund to be called, Real Estate Educational Fund, Inc. For additional information, write to:

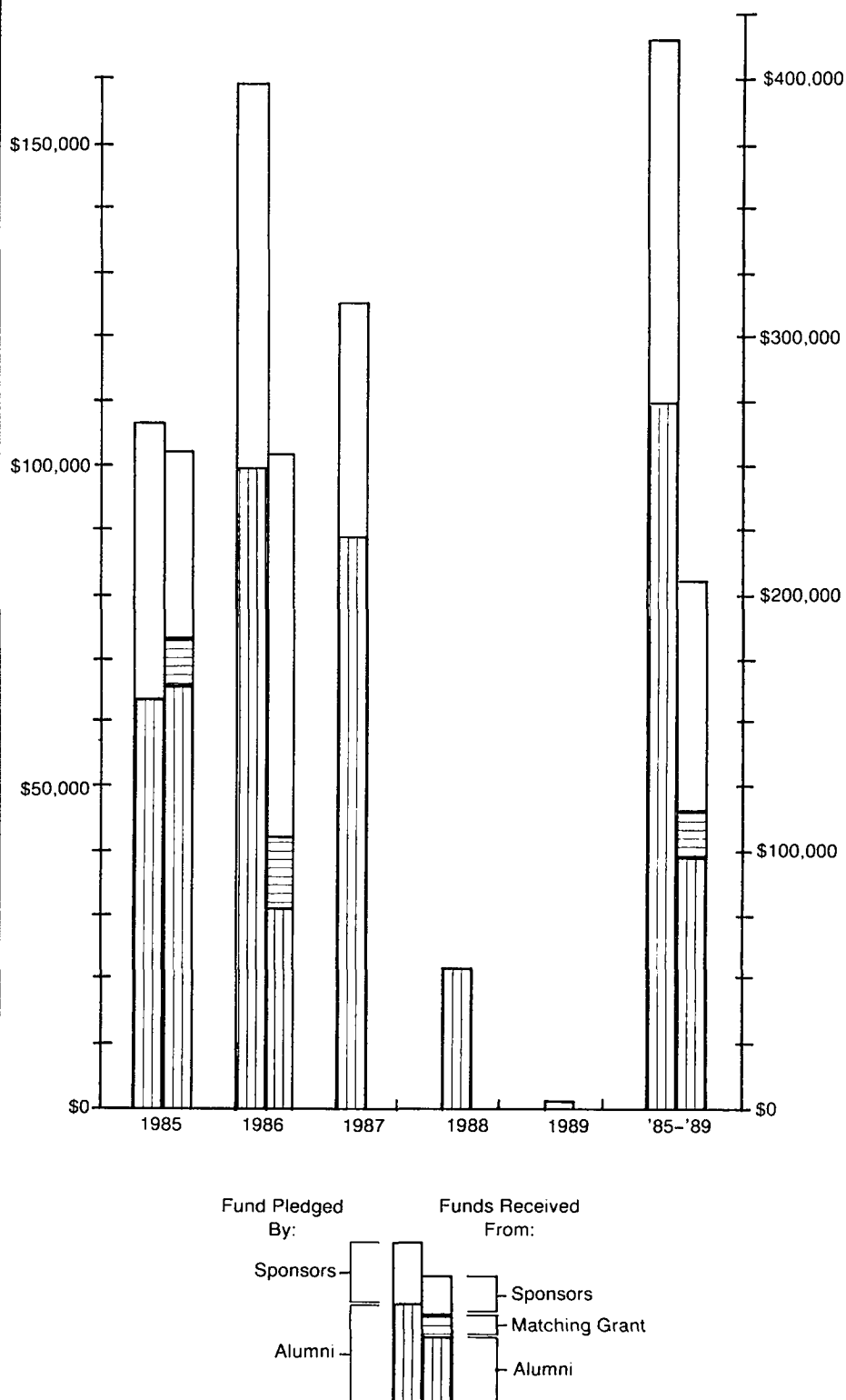
Tom Klein  
P.O. Box 7760  
Lodi, WI 53555

or

Mike Rooney  
8222 Jackson Park Blvd.  
Wauwatosa, WI 53213

Exhibits continue on pages 5, 6 and 7.

EXHIBIT 2  
Funds Pledged and Funds Received  
(As of 9/24/86)



### EXHIBIT 5 (continued)

Ely Fellows (\$7,500 or more)  
Ballard Family Foundation

Ratcliff Fellows (\$4,500 or more)  
Dorothy R. Ratcliff

Graaskamp Fellows (\$1,500 or more)  
Robert J. Bergenthal  
Bruce C. Bernel  
Curt S. Culver  
Robert Derse  
David A. Lenz  
Stephen G. Ma  
David L. Reimer  
Howard A. Zuckerman

Andrews Fellows (\$750 or more)  
Donald L. Evans  
Darrell Koehlinger  
John F. Kraus  
Frank J. Rojas  
M.D. Squirrel

**EXHIBIT 3**  
Distribution of Gifts Received by Region in 1985 and 1986

Region 1 (ME, MA, NH, VT, RI, CT, NY, NJ)	\$30,282
Region 2 (PA, WV, VA, MD, DC, OH, KY, DE)	3,350
Region 3 (GA, FL, TN, MS, AL, SC, NC)	12,020
Region 4 (WI)	39,732
Region 5 (IL, IN, MI, MO)	38,110
Region 6 (MN, ND, SD, IA)	23,868
Region 7 (TX, LA, AR, OK)	8,833
Region 8 (CO, ID, WY, MT, KA, NE)	7,185
Region 9 (AZ, NM, UT)	2,600
Regions 10 & 11 (CA, OR, WA, HA, AK, NV)	32,775

Note: This breakdown has been prepared for internal use primarily and is not inclusive of all gifts received during this time period.

Prepared from UW Real Estate Alumni Database by DG

**EXHIBIT 4**  
Alumni Contributions\*  
Received in 1985 & 1986  
by State  
(Top 10 States)

1. Illinois	\$24,410
2. Wisconsin	23,032
3. California	18,225
4. Minnesota	15,578
5. Texas	7,658
6. Colorado	7,085
7. Arizona	2,600
8. New York	2,025
9. Pennsylvania	1,850
10. Massachusetts	1,650

\*Does not include matching grants

**Ely Fellows (\$7,500 or more)**

Stuart Ackerberg

Jon D. Hammes

Dianne M. Orbison

**Ratcliff Fellows (\$4,500 or more)**

Richard M. Goldin

John A. Kellogg

Michael L. Morey

Gordon A. Rice

**Graaskamp Fellows (\$1,500 or more)**

James Ablan

Robert A. Aldrich

Alexander T. Anagnost

Vance T. Antoniou

Frank J. App

Michael D. Arneson

Richard L. Boehm

Lawrence S. Bond

Robert J. Bond

Suzanne M. Bonifas

Nathan F. Brand

Donald J. Bredberg

Francis Brezinski

Michael Casey

Jeffrey Cavanaugh

Marc D. Cella

Charles Chandler

James Curtis

Jean B. Davis

Jeffrey A. Davis

Raphael Dawson

John D. Dreier

Stephen Elpern

Gregory J. Erickson

Albert Esther

Michael A. Feiner

Brian Furlong

Paul B. Gilbert

James A. Graaskamp

Amy S. Grutzner

William L. Hafner

James G. Haft

Mark R. and Renee C. Hasler

Charles V. Heath

Mr. and Mrs. Douglas Heston

John H. Hillard, Jr.

Peter Hitch

James P. Hoffman

Kenneth Holmes

John G. Hoppe, Jr.

**EXHIBIT 5**  
Alumni Contributions

Stephen P. Jarchow

Bruce M. and Kathryn L. Johnson

Robert Johnson

William C. Johnson

Edwin Jorae

David E. Juillerat

Roger J. Juszezak

James Kane

Kevin C. Kelley

Thomas G. Klein

David M. Law

Greg D. Lee

Kenneth G. Lividas

Rocco A. Maggio

James A. Magnanenzi

Paul E. Magnuson

Thomas McCahill

Steven G. Meyers

Jeffrey A. Mikes

James H. Muir

Deborah A. Newcomb

John Oharenko

Frederick W. and Georgene Petri

Milo S. Pinkerton

Christopher J. Pitts

James H. Purinton

Dorothy R. Ratcliff

C. J. Raymond

Frederick A. Rendahl

Rudy R. Robinson III

Steven Rosenberg

Charles S. Segal

Richard R. Shima

James S. Smith

Mark E. Smith

Thomas W. Smith

Robert J. Stack

Warner E. Stone

Reed Sivan

Mark J. Sullivan

Jack R. Swanson

Kenneth Swanson

Gary A. Tadian

Gerald L. Vick

Steven Wagner

Kevin J. Wall

David K. Westby

Stuart J. Zadra

**Andrews Fellows (\$750 or more)**

William R. Abel

Dennis H. Anderson

David J. Berens

Joseph R. Bettlej

Karl Birkenstock

Mark A. Buth

Colleen M. Carey

Ronald M. Clark

Daniel Cramer

Robert H. Curtis

James D. Drewry

Mark Eppli

Peter Gloodt

Mark Heindl

Allen R. Hill

Jeffrey R. Huggett

Thomas James

Thomas W. Johnson

Paul Koerber

V. Michael Komppa

Werner T. Kostendt

Walter Kubiesa

Stephen Lauenstein

Brian Lee

Mark J. Manion

Terry McDaniel

Thomas C. McMullen

David Meltz

Peter Moegenburg

Rose Marie Morreale

Leslie K. Olsen

Whit Osgood

Arthur P. Pasquarella

Joseph D. Pasquarella

John W. Ramzy

Mark Rasmussen

Richard L. Reuter

Mr. and Mrs. Robert Richardson

Perry and Genevieve Risberg

Yvonne Schell

Mark A. Schmidt

Rhea A. Schultz

Gerald D. Schwartz

Daniel M. Shaw

Robert Tepperman

Daniel J. Volpano

Charles W. Wagener

Elaine Worzala

Kyle Zastrow (continued on page 4)

### EXHIBIT 6 Sponsor Contributions

#### Corporate Sponsors

Baird & Warner Company  
(Chicago, IL)  
The Ballard Foundation  
(New York, NY)  
The Birtcher Investment Group  
(Santa Ana, CA)  
The Equitable Foundation  
(New York & Atlanta)  
Foremost Guaranty Corporation  
(Madison, WI)  
Heitman Financial Services, Ltd.  
(Chicago, IL)  
Johnson Wax Foundation  
(Racine, WI)  
The Madsen Company  
(Madison, WI)  
MDC Development Company, Inc.  
(Denver, CO)  
Mortgage Guaranty Insurance Company  
(Milwaukee, WI)  
Opus Corporation  
(Minneapolis, MN)  
The Prudential  
(Newark, NJ)  
Urban Investment Corporation  
(Chicago, IL)  
The Urban Land Institute  
(Washington, D.C.)  
VEREX Corporation  
(Madison, WI)  
Wells Fargo Real Estate Advisory Company  
(Marina Del Mar, CA)

#### Madison Area Real Estate

#### Family Sponsors

Phillip C. and David K. Stark  
Nathan F. and Nate S. Brand  
Gordon A. and Greg Rice  
Daniel H. and Bruce D. Neviasek

### EXHIBIT 7 Distribution of Gifts by Size

	1985	1986
\$1,000 or more	32	14
\$500 to \$999	27	27
\$100 to \$499	98	43
\$26 to \$99	<u>35</u>	<u>43</u>
Total Gifts	192	127

No. of alumni who paid only the \$25 dues	37	86
---	----	----

No. of alumni who neither contributed nor paid dues (estimated as of 9/24/86)	450	500
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Note: About 420 alumni and program sponsors have paid dues or have contributed to the Endowment Fund at least once during the last two years. Many who paid dues or contributed in calendar year 1985 have yet to do so in 1986, hence, the above figures for 1986 are likely to change considerably by the end of the year.

Prepared from the UW Real Estate Alumni Database by DG

### EXHIBIT 8 Flow-of-Funds Statements for the 11 Months Ending 8/31/86

<b>235 Account</b>	
Beginning Balance, 10/1/85	\$168,610
Plus Cash Receipts	172,985
Plus Transfers	3,000
Plus Interest Income	15,989
Less Expenditures	<u>(40,622)</u>
Ending Balance, 8/31/86	<u>\$319,962</u>

<b>199 Account</b>	
Beginning Balance, 10/1/85	\$ 3,338
Plus Cash Receipts	19,614
Less Expenditures	<u>(10,447)</u>
Ending Balance, 8/31/86	<u>\$12,505</u>

Prepared from UW Foundation Statements by DG. gift receipts are current through 9/24/86

### EXHIBIT 9 Expenditures from the 199 Account Between 10/1/85 and 8/31/86

<b>Seminars</b>	
Edgewater Hotel	\$191
The Innkeeper	116
University Extension	<u>157</u>
Subtotal	\$464

<b>Faculty Travel</b>	
Dowell Myers	\$286
Michael Robbins	<u>240</u>
Subtotal	\$526

<b>Fund Raising</b>	
Creative Advertising	\$5,502
Minnesota Real Estate Journal	<u>130</u>
Subtotal	\$5,632

<b>Mailings</b>	
Bob's Copy Shop	\$ 157
Copy Center—Business	106
K.C. Graphics	357
LetterCraft Press	1,002
Madeline Scherb	28
Michele Winans	53
Regents—Business	1,560
School of Business	<u>562</u>
Subtotal	\$3,825
Total Expenditures	<u>\$10,447</u>



**EXHIBIT 10**  
Expenditures from the 235 Account  
Between 10/1/85 and 8/31/86

Seminars (Honorariums & Travel)		\$14,280
Faculty Travel		
James De Lisle	\$600	
James Graaskamp	368	
Rod Matthews	207	
Michael Robbins	<u>461</u>	
Subtotal		\$1,636
Teaching Assistants		
Regents—Business	\$ 724	
UW Business School (Michael Robbins)	<u>5,527</u>	
Subtotal		\$6,251
Computer		
Computer Business	\$3,653	
Office Solutions	<u>735</u>	
Subtotal		\$4,388
Fund Raising		
Bob's Copy Shop	\$ 197	
Creative Advertising	4,553	
Landmark Research	355	
LetterCraft Press	260	
Lindsay & Stone Advertising	<u>8,692</u>	
Subtotal		\$14,057
Total Expenditures		<u>\$40,622</u>

Any suggestions or ideas on speakers, topics, or round table discussions for the October 1987 Real Estate Alumni Reunion, please contact Professor Graaskamp. Your input would be greatly appreciated.



## POSITIONS AVAILABLE

### Assistant Vice President Mortgage Loans & Real Estate Provident Mutual Life Insurance Co.

#### Summary of Position

- This position is accountable for contributing to the profitable growth of the Company by effectively directing the acquisition and management of joint ventures and real estate purchases to meet investment objectives

#### Principal Accountabilities

- Ensures the profitable acquisition of real estate investments and structuring of joint ventures to meet management objectives

- Contributes to the profitability of Company real estate investments by effectively directing the management of such investments.
- Ensures a competent, motivated and ongoing staff through proper selection, training, appraisal and development with concern for equal employment opportunities and regulations.

#### Contact

Lauralyn Jones, Consultant  
W.K. Gray & Associates, Inc.  
One Bala Plaza, Suite 429  
Bala Cynwyd, PA 19004  
(215) 668-2660

### Regional V.P. of Acquisition

#### Description

- Located in Chicago, to head-up the acquisition in the Midwest
- Acquisitions of all types of properties, i.e., residential, commercial, and retail, from \$5 million and up with the range being \$25-50 million plus
- Currently have about \$800 million to spend
- One of 6 largest U.S. syndicators

#### Compensation

- Consists of base salary up to \$100,000, a commission/bonus directly connected to production and a discretionary bonus. Expected income is \$250,000 plus

#### Contact

Rikke Vogensen  
CEMCO  
Three First National Plaza, Suite 3650  
Chicago, IL 60602  
(312) 876-1700

### Senior Account Executive

#### Location

- Metropolitan New York area

#### Description

- The position is newly created based on a recent reorganization and integration of the marketing and sales function into the real estate investment advisory company.
- This position has the overall marketing and sales responsibility on a regional basis for the Northeast, including the metropolitan New York area.
- The individual will be responsible for not only identifying the major institutional investors such as tax-exempt pension funds and other major corporations with significant interest in real estate holdings, but will also be directing the sales effort that will be required to secure capital for these investments.

#### Experience

- The ideal individual will possess ten or more years of experience in direct marketing to major institutional investors with particular emphasis on tax-exempt pension funds and a proven track record of successful capital raising ability
- It will be especially important for the position in the Northeast that the individual has established contacts and is known by the investment community as a real estate professional with outstanding sales and marketing ability

#### Contact

M. Evan Lindsay, Director  
Spencer Stuart Exec. Search Consultants  
Georgia-Pacific Center  
133 Peachtree Street, N.E.  
Atlanta, GA 30303  
(404) 521-2900

## News Flash!

UW-Real Estate students will make a show of strength at the ULI meeting in Chicago—123 strong. ULI is graciously funding all admission charges, breakfasts, lunches, bus trips and the like so students can afford full participation. Students pay for hotel and bus trip to Chicago—a sizable amount, approximately \$100. Madison alumni funded 18 scholarships for students with financial shortfall so that everyone who wanted to attend could do so.

Chicago alumni plan a pizza and beer session on Thursday evening to which all Wisconsin alumni are invited. Look for “Chief” for directions to the pizza!



Wisconsin Real Estate Alumni Association, Inc.  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, Wisconsin 53706

Nonprofit  
Organization  
PAID  
Permit No. 658  
Madison, WI

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Through a special purchase, this memorable gift can be yours for your payment of \$100.00 per print to the Real Estate Educational Fund, Inc. (\$75.00 of which to be a charitable contribution). This newly formed Wisconsin nonprofit corporation (seeking tax exempt status under section 501[c](3)) will receive all proceeds from the sale of these prints. You will not only receive this valuable gift but also the satisfaction of furthering the development of real estate education in Wisconsin.

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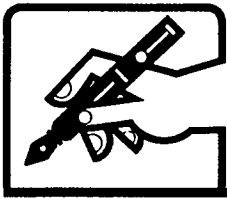
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# NEWSLETTER EQUITY KICKER

VOLUME 2, NUMBER 1

SPRING 1987



## A Letter From Chief

The Real Estate Alumni Endowment Program is moving toward the half-million dollar mark. Alumni pledges totaled \$80,000 in December. Many of these pledges were paid in advance to anticipate changing tax rules. Metropolitan Life contributed \$15,000 in February so through February we have \$495,000 in the U.W. Foundation Endowment account. In addition, Chuck Heath and the Milwaukee alumni have initiated a trust fund for real estate education at the Marine National Bank Trust Department in Milwaukee, where there is a present balance of \$5,000.

Preliminary plans for the alumni seminar in October are included with the Equity Kicker. Main speakers and moderators have confirmed. If your name appears as a possible specialist in a given topic, let us know if you will participate. Our aim has been to focus the spotlight on new members of the alumni. In addition, we want to expand the topic areas to subject areas that are broader than just real estate. Therefore, we are pleased that David Mac Gregor of Alexander Cooper and Associates will speak on the philosophy of city planning. The selection committee for the distinguished Wisconsin Real Estate Award is considering folks who have a broad social view of real estate.

Jim Kane and Tom James of the Washington D.C. contingent are doing yoeman service this spring. First, they are expediting a fund raising seminar in Baltimore which we hope can be a

## Real Estate Capital Markets After Tax Reform

by James S. Smith

Throughout the long debate in Congress over the tax bill, it was often stated that if tax benefits were reduced or eliminated that "real estate values would drop 20% or more instantly." It was forecasted by many that if real estate had little or no tax benefits that capital would not flow to the real estate market, and, therefore, a disequilibrium would exist and values would drop. Has this really happened?

Values of real estate have dropped in many areas of the country. However, it is our contention that this is not a result of the tax reform. Rather it is an effect of

disequilibrium in the supply and demand of space. Notably office and multi-family residential space is significantly outstripping demand. Tax reform has had a tremendous effect on the property markets. However, these effects are mostly in the shifting of the nature and objectives of the capital sources rather than the change in over-all property values.

The nature and source of the primary players in the U.S. real estate capital market has shifted dramatically in the last two years. The most notable changes involve the growth and domination of the marketplace by the domestic pension funds and the resurgence of offshore investors, notably from the Far East. Total domestic pension fund assets in 1986 approached \$1.7 trillion, which was an increase of approximately 25% over the prior year. Pension fund assets invested in equity real estate total \$50 billion, or approximately 3% of the fund's overall portfolio. Asset allocation to real estate varies significantly depending on the type and size of the fund. Corporate pension plans average 4.5% of assets in real estate while public plans are in the 2.3% range. Typically, larger funds are more diversified and have more real estate in their portfolios. Although pension dollars invested in real estate by the top 200 funds increased by over 16% in 1986,

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prototype for similar seminars in other parts of the country in 1988 (see the enclosed brochure). Secondly, the Real Estate Club cut a deal with Northwest Airlines and will visit Washington D.C. for three days, April 24-27. Forty-two students and faculty have already signed. Friday will be spent in downtown D.C., Saturday in Tysons' Corners and Reston, and Sunday in Columbia and inner harbor Baltimore.

Next month you will receive a complete package of registration forms for the Reunion at the Concourse Hotel, October 22-24, 1987. Please make your plans promptly so that we can protect the large block of rooms reserved at the Concourse.

(continued on page 4)



## On the Sideline

—M.L. Robbins

Well another adventurous semester has begun, filled with all the hype and expectation that make this institution the wonderous place that it is. On my way to my first lecture in Commercial Development (555), I stopped off at the copy center to increase the syllabus count from 50 to 60, so that I would have a few extras. When I walked into Room 22 I nearly lost it; there were approximately 120 expectant faces looking impatiently for wit and wisdom. My first reaction was genuine fear, followed by the classical real estate department attitude "what the hell . . . make do." It took almost 10 seconds for me to decide to scrap the lecture for the day (yes, I generally do have a prepared script to follow these days), and launch into a "get rid of the weak sister" lecture. I came in just short of the classical "look to the left . . . look to the right . . ."

lecture and was able to reduce the class population down to about 80—not bad for a first day lecture. Then Graaskamp used the same technique in 850 and 857 and my class population rebounded to between 85 and 90. On the positive side it is one hell of an emotional kick to walk into a classroom the first day and discover that there are that many people who have elected to study with you in your favorite area of endeavor.

On the software side there are a number of items of interest. Greg Elliott, Class of 86, has developed a version of the MARKET COMP program, written in Lotus 123, for the assessment department of the City of Madison. I am currently doing a shake down on it and if there are any of you out there who might be interested, let me know and I will be happy to pass on my evaluation and put you in contact with Greg. I have further information on Jim Canestaro's Feasibility-Financial Analysis Model. Jim was recently in Madison for a critical review by Chief, Jean and myself. As usual, there were several areas where we proposed changes, but overall the package continues to emerge as one of the best, useful, user-friendly real estate analysis packages that I have seen. In my opinion, the single most important aspect of Jim's package is that it is a direct extension of the logic process that we have been developing in the classroom. This is an analysis package, not some fancy dandy financial modeling tool designed to overwhelm the user with minute detail of income and expense. If you have a need for a good analysis package, Jim's package holds real promise. Jim is hoping to have the package available at the alumni conference this fall. Also, if any of you are looking to upgrade your word processing, you should be aware that Office Solutions has released Officewriter 5.0. This is a significant up-grade to the 4.0 version that so many of you used while you were here. You can contact an Office Solutions sales representative at (800) 228-0747, and tell them that MLR sent you.

Our Alaskan involvement has been taking some interesting turns. At Real Estate Dynamics we have been working on an Anchorage metropolitan economic assessment model. The purpose of the model is to assist in evaluating the performance of 13 neighborhood shopping centers, both in support of appraised values and to assist management in responding to changing economic con-

ditions. A major part of this work is developing a spatial data base with the Atlas mapping and Atlas Edit programs. These programs were developed to provide a user of CACI census data an opportunity to create maps of the data. We purchased a large bed digitizer and have developed our own data base, based on Traffic Analysis Zones (TAZ's), for which there are 384 in the Anchorage metro area. The TAZ base allows us to move directly between the housing and land use inventory and census information, at both the Tract and Block levels. With the system we can combine and analyze the data, display a map on our color EGA system, and then print a color map on our color printer. We have four students and Graaskamp working on this project and hope to have the first phase completed by March 15.

The students in 555 will be using the lease analysis and shopping center valuation models which were developed for the Anchorage project. The 652 students will be following the data base component with their Lotus/data analysis segment. In this way the students will be employing current and topical analysis techniques to very near actual conditions, but without the time constraint of an actual project.

There has been some discussion concerning what will go on during the alumni conference. I have indicated that I didn't think it was worth putting on a computer conference, but if some of you would like to demonstrate or see a particular demonstration, let us know SOON and we will see what we can do to accommodate you. Also, if you ever come across a software application that you would like to share with fellow alumni or which might have application in the classroom, let me know and I will try to arrange for an evaluation.

For those of you in the know, please note that this fall I was elected to membership in the American Society of Real Estate Counselors (CRE) and expect to be treated with all due respect. Also, I have just gotten my Wilderness paper accepted for publication in the Appraisal Journal. They must be running low on contributing authors; the AREUEA Journal staff wouldn't even extend the courtesy of allowing it to be reviewed (they don't publish "trade" articles). Instead they focus on academic topics, like their 1982 special issue "An Economic Analysis Of Settlement Costs." Such are the times we live in.

### EQUITY KICKER

VOLUME 2 SPRING 1987

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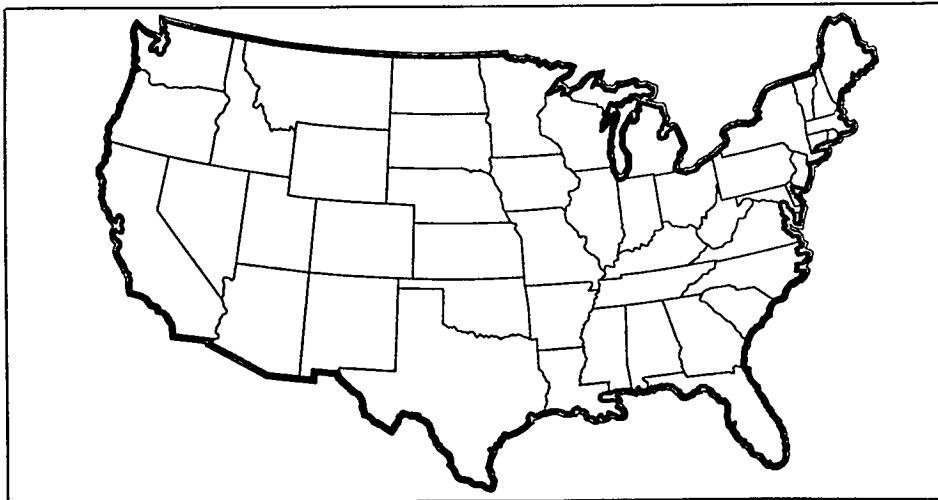
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## From the Provinces

Congratulations to Paul and Suzanne Jahnke, Madison, WI, on the birth of their first child! Elizabeth Marie was born December 31, 1986.

Congratulations to Elizabeth Helland and Andrew Bruce who were married April 26, 1986 in San Francisco and now reside there.

Congratulations to Teresa Esquivel and Brian Furlong who were married October 11, 1986, in Chester, Massachusetts.

Congratulations to Bryant Wangard and Mike Arneson. Bryant was named Executive Vice President of TOLD Development in Minneapolis. Mike was named Vice President of Development of TOLD Development's new suburban Milwaukee branch.

Congratulations to Robert J. Bond. Robert has joined Frain Camins & Swartchild's Financial Services Group in Chicago as an Assistant Vice President.

Missing Grads! The Alumni Association has been unable to locate the addresses of the following: Thomas G. Plumb (1975), Joseph Rowland (1969), Debra J. Patterson (1976), and Suzanne Bonifas (1984). If you have any information regarding the work and living whereabouts of these alums, please contact the Real Estate Alumni Association at the University of Wisconsin-Madison.

The New York Alumni Chapter meets regularly for social and networking

reasons, and periodically sponsors seminars on current topics. One such issue is securitization, which was the topic of the chapter's November 21 meeting, at New York's University Club. Seminar participants included Larry Miller and Jeffrey Fastov of Moodies, Leslie Feder of Goldman Sachs, and UW's own Leon Shilton, who now is president of The Sean Trebor Company. Brian Furlong, Class of 1984, was kind enough to produce the following summary of the chapter's meeting.

The rating process for mortgage-backed securities being developed by Moodies was a main topic of the program. Moodies, like Standard & Poors, has an exhaustive system for the identification of risks inherent in the mortgages backing the securities they rate. By identifying the risks, and requiring credit guarantees to cover potential cash shortfalls, the risk of investing in a security is greatly reduced. The security can then be sold at a reduced rate of return, reflecting a lower risk premium in the return rate.

The review process for a security backed by the mortgage on a single property starts with a cash flow projection, generally developed through a third party MAI appraisal. The rating analyst reviews the appraisal, questions discrepancies, reviews a required independent engineering report and historical accounting records of the property, makes site visits, and meets with local market sources to confirm revenue and expense projections. From this process, a most probable cash flow is projected.

Next, the individual revenue and expense items are adjusted up or down

to reflect worst case risk of increased vacancy, lower revenues, and higher expenses. Moodies makes such adjustments based on econometric models which have been developed by Wharton Econometrics for the real estate markets of New York, Boston, Chicago, Los Angeles, and San Francisco. Standard & Poors adjust the normal case cash flow based on a national worst case model, which is then modified for local economic considerations. Local economy factors affecting the projection of worst case risk include the diversity of the local economic base, historic employment growth, and the projected regional reactions to national economic trends. Property specific factors include project size, lease terms, tenant quality and mix, property management, energy efficiency, construction quality, and site location.

Risk adjusted, worst case cash flow funds available to pay debt service are then divided by debt coverage ratios ranging typically from 1.15 to 1.25, and compared to debt service requirements being rated. In any year that the worst case cash flow does not produce the coverage ratio the rating service requires, credit supports (letters of credit, surety bonds, corporate guarantees) must be provided. Next, the property is valued in every year of the life of the mortgage-backed debt, based on worst case assumptions, and projected property values after liquidation expenses are compared to the projected outstanding principal at those times. A schedule of credit supports must be set up in advance to cover any projected shortfall of value over principal.

As a final step, the rating agency reviews events which can eliminate, reduce, divert or stay the application of property cash flow or after sale proceeds to the payment of debt. The analysts make their recommendations, the package goes to committee, and the debt rating is issued.

In the case of securities involving mortgages on multiple commercial properties, cross-collateral agreements are sought so that portfolio effects can be considered in the rating process. Such agreements are rarely achieved, because the equity owners of different properties rarely agree to pledge their assets as protection against default by other properties in a pool. To date, the rating firms have been working almost exclusively with single property deals.

# Real Estate Capital Markets After Tax Reform

(continued from page 1)

this was overshadowed by a 26% gain in total assets resulting from a robust stock and bond market.

Rapidly increasing pension fund dollars in combination with the goal of a majority of funds to commit a significant proportion of their portfolios to real estate has caused a tremendous flow of funds to the real estate capital markets. Funds that are committed to real estate have a minimum target level of 10% of assets. If overall real estate pension assets equal 3% and a goal of 10% or more exists, it is easy to see that substantial dollars will be flowing into real estate over the next several years. This effect is further enhanced when one considers the overall high growth rate of pension assets.

Corporate pension plans represent 70% of the total pension assets in equity real estate with public funds such as government employees and teachers retirement systems making up the balance. The corporate plans got a head start in the business, many beginning as early as 1970 while the public plans are playing a "catch up game." Public pension plans total 13 of the top 20 funds in the country. It is estimated that total pension equity investment in real estate in 1987 will total \$6 billion.

The other major player in the real estate capital market in 1987 and years thereafter is the offshore investor, particularly the Japanese. There has been tremendous capital investment growth by the Japanese and other Far East investors in the U.S. real estate market. In 1981 Japanese investment totaled \$750 million. In 1986 total investment was \$5 billion and in 1987 it is expected to top \$7 billion. The Japanese are the largest capital exporting nation in the world. They have exported almost every other type of manufactured commodity and now are re-investing their wealth throughout the world. The Japanese feel comfortable with the economic climate in the United States and the prospects for growth.

Currency shifts have provided further incentive for the Japanese. The dramatically changing currency markets have dropped the yen to the 150 range which essentially gives the Japanese 40% more purchasing power in the United

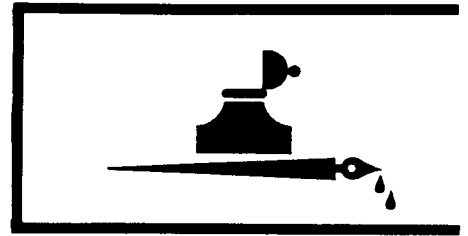
States. The Japanese can also borrow at very competitive rates currently estimated to be in the 6% range, which gives them tremendous competitiveness when acquiring properties in the United States.

The Japanese are moving along the learning curve of investment in the U.S. Several years ago, most Japanese were only interested in Treasury Securities. Now they have moved on to prime real estate. The type of real estate that they are most familiar with is the central business district office building or possibly a hotel. The Japanese first invested in the coastal areas of California and New York, but are now moving on to major central cities such as Chicago, Minneapolis and Atlanta. Most Japanese real estate investors still favor fully-leased office buildings, but some are entering into joint ventures for office building and hotel development with major U.S. partners. In time this learning curve will expand and the Japanese will move on to other types of product and various markets.

In spite of the loss of tax-oriented capital to the real estate market, it is our opinion that the pension fund and offshore investment capital will more than fill that loss. In fact, we believe that the capital markets are going to make the real estate business even more competitive and will cause a steady increase in real estate values rather than the former assertion. Although there are immediate problems in the real estate markets today, we believe they involve the disequilibrium in the supply and demand for space and are not a result of a lack of capital. In the long term, we believe that the capital base available for real estate will be stronger than ever before as real estate becomes an accepted asset class for ownership by institutional investors.

\*\*\*\*\*

James S. Smith is President of Bennett & Kahnweiler Realty Advisors, the registered investment advisor affiliate of Bennett & Kahnweiler Incorporated headquartered in Chicago. Mr. Smith's firm specializes in the acquisition, disposition and asset management of major commercial properties throughout the United States upon behalf of institutional investors both domestic and foreign. Mr. Smith is a 1977 graduate of the Masters Program at the University of Wisconsin.



## Publishers Corner

In an effort to keep everyone up to date on articles published by students, faculty, alumni, the Publications Corner will be included as a regular feature of the Equity Kicker. We ask that authors please submit timely reminders to the editors of the Equity Kicker in order that we might recognize your efforts in this section of the newsletter.

Ralph Cram, "Small Tenant Centers: Opportunities in Re-Use of Distressed Properties," *Real Estate Review*, Spring 1987.

James A. Graaskamp, "Appraisal Reform and Commercial Real Estate Investment for Pension Funds," *Salomon Brothers, Inc. Bond Market Research*, January, 1987.

Terry V. Grissom, "Value Concepts: The Argument Forms and Market Structure," *Appraisal Journal*, April 1986.

Terry V. Grissom, "Appraisal and Feasibility Models," *Appraisal Journal*, April 1986.

Terry V. Grissom, "Real Estate Syndications: An Analysis of Real Estate investments with Multiple Equity Problems," *Appraisal Journal*, July 1986.

Terry V. Grissom and Ko Wang, "The Matched pairs Analysis Program and Compliance with the R-41B/C Memorandum of the FHLBB," *Appraisal Journal*, January 1987.

William Huberty, "Pensions and Housing Investments," *Real Estate Review*, Winter 1986.

William Huberty, "Valuation Implications of the New Tax Law for Residential Rental Properties," *The Real Estate Appraiser and Analyst*, Winter 1987.

Dowell Myers, "Extended Housing Forecasts for Metropolitan Areas—Foresight on the Coming Downturn," *Appraisal Journal*, April 1987.

Dowell Myers, "How to Ride Local Demographic Waves," *American Demographics*, April, 1987.

James D. Vernor, *Readings in Market Research for Real Estate*, American Institute of Real Estate Appraisers, 1985.

Neil Carn, Joseph Rabianski, and James D. Vernor, "Trial Techniques of Expert Witnesses," *Real Estate Review*, Spring 1986.

Leon Shilton, "The Snails Pace of Commercial Securitization," *Journal of Real Estate Finance*, Fall 1986.

Leon Shilton, "Tax Reform: The Lord Giveth, The Lord Taketh Away," *Journal of Real Estate Accounting and Taxation*, Spring 1986.



# A New Day for Market Research

*Dowell Myers  
University of Wisconsin  
Real Estate Faculty*

One of the darkest areas in the real estate profession has recently been thrust into the spotlight. Market research has always been considered important, but method development in this area has lagged well behind the rest of the field. Despite the microcomputer revolution, many of the commonly used techniques haven't changed in 20 years.

Some observers have suggested that lack of progress may be due to the nonconsequence of market research in the past. Investment decisions were driven by other criteria, with the market study presented as mere window dressing.

Circumstances have now changed. A glut of product in office, retail and apartments illuminates the noninfluence (or inaccuracy) of a good many market studies in the recent past. Even harsher scrutiny has been imposed by federal regulators (for example, the FHLBB's Memorandum R41c), causing lenders to tighten up and impose sharper demands for proof of market viability. The Tax Reform Act of 1986 adds still further pressure: without favorable tax treatment projects must live or die on the basis of real demand they can capture.

After years of relative neglect the profession has some catching up to do, and the Wisconsin Real Estate Program plans to help. The Graaskamp approach has always emphasized a sharper look at market research as part of the feasibility or appraisal process, and Wisconsin graduates have contributed more than others to elevating the skills of market research.

Wisconsin alumni (and others) may wish to learn about some further advances under way in the area of market research. Joining the faculty last spring, my contribution to the program is in the area of urban land economics, applying my research interests in urban forecasting, demography, geography, and urban economics.

One basis for improving market research stems from a simple conceptual shift. While some have treated

market research as mere cataloging of current market conditions, we are stressing that good market research requires urban forecasting: projecting future market conditions. A second basis of improvement is to select methods adapted to the available data. Too often in the past, researchers have emphasized their favorite regression tools, ignoring a wealth of data that those tools cannot tap.

Computer spreadsheets are ideally suited to another family of methods that squeeze maximum information value from commonly available data. These data are typically presented as multi-dimensional tables—variables are categorized, not the interval-level or continuous variables required for regressions. Tables are the data form for all published data products from the federal government (Bureau of the Census, Bureau of Labor Statistics, etc.) as well as from private firms providing local forecast data.

We are adapting methods derived from demography to the analysis of these tabular data sets. Different specific methods are useful for residential, retail, office, or industrial analysis, but a general approach is shared. Very briefly, we first model the changing

composition of the consumers and work force. Then we model the changing behavior rates and subgroups, applying these changing rates to the changing composition. Data are adapted to smaller local markets by "borrowing" from larger areas, relying extensively on the method of iterative proportional scaling.

A hallmark of the Wisconsin approach to market research has always been the perceptive use of primary survey research. This year we are strengthening those skills with intensive drilling on the intricacies of questionnaire writing and the art of survey data analysis. The ultimate skill in market research is the efficient integration of primary and secondary data analysis, i.e. how to link questionnaire data pertaining to micro behavior with aggregate market data pertaining to macro trends.

Over the next few years we hope to elevate the Wisconsin style to an even higher level of performance. Market research is a tough task to master—no wonder this task has remained so elusive—but the Wisconsin Real Estate Program will continue to advance the profession with its innovative instruction.

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## Faculty Addition

As a result of all the recent efforts directed toward the alumni drive, a major announcement has been delayed—but not forgotten. Dowell Myers, recognized nationally for his research and contributions to the fields of demography, housing markets, and the spatial structure of urban growth, has joined the University of Wisconsin Real Estate Department.

Dowell attended Columbia as an undergraduate, received his M.C.P. in City and Regional Planning at the University of California—Berkeley, and went on to earn his Ph.D. in Urban and Regional Planning at Massachusetts Institute of Technology. Despite lacking a real estate background from Wisconsin, he fits in pretty well here. In addition, Professor Myers has been an instructor

at M.I.T. as well as an assistant Professor at the University of Texas at Austin. Professor Myers has over 20 major publications under his belt and has already produced several significant works since joining the Wisconsin Real Estate Department. Dowell teaches urban economics, market research, and public policy courses as well as coordinates the Real Estate Department with the Department of Urban and Regional Planning and the Department of Geography. Obviously, the addition of Professor Myers has made a "heavy" real estate faculty even heavier.

If you get the opportunity at the upcoming alumni reunion to meet a tall, stately-looking fellow with the name Myers taped on his chest, be sure to introduce yourself and make him welcome at his new home at the University of Wisconsin.

The following students have received  
1986-87 scholarships:

American Institute of Real Estate Appraisers:

Paul Bakken  
Vincent Slupski

Wisconsin Realtors (Ralph J. Anderson):

Thomas J. Schmid  
Heidi Hiller

Society of Real Estate Appraisers:

Fabio Baum  
Robert E. Heinzl  
William J. Huberty  
Mark A. Kelling  
Daniel R. Levitt

Real Estate Alumni:

Daniel R. Levitt  
Sandra Lottes  
Douglas Engelman  
Rita Spence

Fran Larson (R.E. Alumni):

Karen M. Wilbrecht

R.V. Ratcliffe (R.E. Alumni):  
Vincent Slupski

Zuckerman-Komppa (Seville Investment Group, Ltd.):

Angelia G. Evans  
Rita Spence

Herbert U. Nelson Memorial Fund:

Roy L. Splansky

California Mortgage Bankers Association:

John M. McCarthy

Harwood Memorial Scholarship Awards

1. Fabio G. Baum
2. Alan Chesler
3. Arne Cook
4. Scott M. Dixon
5. Douglas M. Engleman
6. Heide S. Hiller
7. Marc David Ley
8. Craig Alan Lieberman
9. Janis Gail Reek
10. Paul Edward Wilson



## POSITIONS AVAILABLE

National Property Advisors  
Director of Real Estate Appraisal  
Montpelier, Vermont  
Contact: Cathy Swain

3M Real Estate and Geology Department  
Associates in Real Estate  
Minneapolis, Minnesota  
Contact: David P. Drewiske

Norris Beggs & Simpson  
Position in Mortgage Banking Division  
San Francisco, California  
Contact: Eric S. Von Berg

Klaff Realty, Limited  
Associate in Acquisitions  
Chicago, Illinois

Kenneth Leventhal and Company  
Associate in Management Advisory Services  
Los Angeles, California  
Washington, D.C.



Wisconsin Real Estate Alumni Association, Inc.  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, Wisconsin 53706

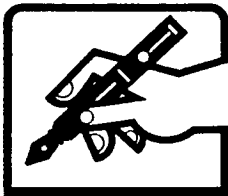
Nonprofit  
Organization  
PAID  
Permit No. 658  
Madison, WI



# NEWSLETTER EQUITY KICKER

VOLUME 2, NUMBER 3

FALL 1987



## A Letter From Chief

We all survived the biennial extravaganza known as the U.W. Real Estate Reunion and Bash on October 22-25. At least 345 Alumni were in attendance during the 2½ days, including 17 industry leaders from Wisconsin and 4 reporters, including the *Chicago Tribune*. At least 480 spouses, spices, students, and speakers attended the Friday night banquet pushing the Concourse to its capacity. Hopefully by 1989 we'll have a new convention center for Madison on the North side! That day won't be any colder than Homecoming weekend this year with its snow flurries, showers, and losing effort by the Badgers against Northwestern downed 27-24. The guest speakers were uniformly good and the Alumni panels were intense. The luncheon speaker was David McGregor, a partner in Alexander Cooper & Company, who gave an outstanding lecture on how the urban planner creates value with human scale and flexible phasing for large tracts like Battery Park, Trump Park in T.V. City, or the Chicago Dock. The principles had universal application. Charles Shaw, ULI Trustee and developer of landmark projects such as Lake Point Towers, redevelopment of the Conrad Hilton, and the Museum of Modern Art Tower in New York City, received the Wisconsin Award for Distinguished Contribution to Real Estate. He and his wife, Beverly, were charming and they brought a whole table of sons,

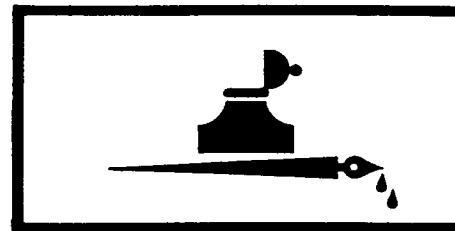
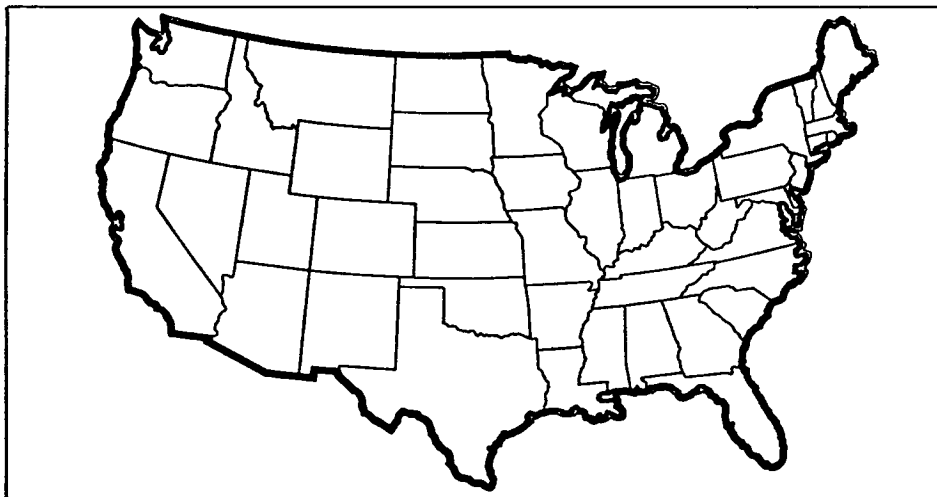


*Charles Shaw, the 1987 recipient of the Wisconsin Award, is pictured receiving his plaque from Dianne Orbison.*

daughters and in-laws to enjoy the evening. The Friday evening banquet was capped by the appearance of two-thirds of the University Marching Band, a surprise event, arranged through the connivance of Jim Curtis and Mike Robbins. Even the bankers and those in trauma over the stock market were dancing on the tables, doing the "chicken", or saluting Wisconsin with the Budweiser theme.

All of these events will be available on a 2-hour VCR tape edited by Bob Parson for a fee. Call Bob if you are interested so we can estimate potential demand.

Charles H. Shaw, is also a trustee of the Wells Fargo Mortgage and Equity Trust. Wells Fargo Advisors made a gift of \$5,000 to our endowment fund. In subsequent semesters, we will award \$500 in the name of Charles Shaw as an additional alumni scholarship.



## Publishers Corner

In an effort to keep everyone up to date on articles published by students, faculty, alumni, the Publications Corner will be included as a regular feature of the Equity Kicker. We ask that authors please submit timely reminders to the editors of the Equity Kicker in order that we might recognize your efforts in this section of the newsletter.

Myers, Dowell, "Community Relevant Measurement of Quality of Life: A Focus on Local Trends," *Urban Affairs Quarterly*, September 1987.

Myers, Dowell, "Internal Monitoring of Quality of Life for Economic Development," *Economic Development Quarterly*, August 1987.

Rendahl, Frederick, "Asbestos Risk," *Urban Land*, July 1987.

## From the Provinces

Ken and Nancy Browne are the proud parents of a 7 lb., 11 oz. baby girl—Kelsey Cathleen Browne. Not to be outdone, Andy and Libby Bruce (both '85 graduates) produced a smaller version of the same miracle—4 lb., 8 oz. Douglass Morehouse Bruce. I wonder what assets Douglass will be trying to accumulate in the Monopoly toddler league?

Jim Purintan ('81 graduate), former Vice President with Prudential in Chicago, will be taking charge of the development operations at Rubloff in Chicago.

Jeff Huggett has a GQ spot in the September 14th issue of the Minnesota Real Estate Journal. Jeff is shown

"looking good" while promoting the services of Eberhardt Commercial Real Estate.

Jim Nickelatti ('85 graduate) has joined Panglossian, Ltd., a market research firm in Madison.

Those of you who thought that Terry Esquivel Furlong had gained a few pounds since her graduation were quite perceptive. However, it was not due to poor eating habits. Brian and Terry Furlong (both '85 graduates) are expecting an addition to their family this spring. Congratulations!

David Bur recently accepted a commercial analyst position with AREA, Inc.

where he will be coordinating the Kansas City office.

Congratulations to Mark Eppli who received a \$5,000 award for his submission in the Schidler Real Estate Essay competition. Mark received second place for his entry entitled "Harvesting a Corporation's Leasehold Assets". Ralph Cram also received a \$1,000 award for his entry.

### EQUITY KICKER

VOLUME 2 FALL 1987

Published bi-annually for the members of the Wisconsin Real Estate Alumni Association, 115 Observatory Drive, Room 118, Madison, Wisconsin 53706.

"Chief" Editor  
Professor J.A. Graaskamp

Assistant Editor  
William J. Huberty  
Mark T. Behling  
Elaine Worzala

Publicity Committee  
Daniel J. Volpano  
J.P. Morgan Inv., New York

President, Alumni Association  
Dianne M. Orbison  
MSI Insurance Inv., Minneapolis

## Reminder to Recent Graduates

Just a reminder to all those who graduated in spring to be sure and write or call and give us your new place of employment and home address. This is encouraged to maintain an up-to-date and accurate directory. The Real Estate Alumni Association address is:

University of Wisconsin Real Estate Alumni Association  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, WI 53706.

## Hilgenberg, President Wisconsin REALTOR

Congratulations to Terry N. Hilgenberg, a 1973 graduate of the program.

After previously serving the REALTORS Association on numerous state committees and for five years on the WRA Executive Committee in various positions including Treasurer, Terry was elected the 1988 President of the Wisconsin REALTORS Association. Terry is currently a director of the National Association of REALTORS and remains active as the general manager of Coldwell Banker/Hilgenberg REALTORS and as a partner in Hilgenberg and Associates, a company specializing in commercial, development, and investment real estate.

# Money Matters

At the Board of Directors meeting it was reported that the endowment fund balance totaled \$549,351 at the close of October, 1987. Approximately \$145,000 in pledges remains to be collected. Our original goal was to have \$650,000 in the bank by the close of 1987 and that may still be possible if several major donors come through as scheduled and we collect half of the remaining pledge balance. Our long term goal is to reach 1.3 million by the close of 1989 and that will be very tough to do as we compete with a University of Wisconsin fund drive and a school of business which will begin late in 1988. At the meeting, Chief reported that the Endowment Fund paid for the following expenses during the first nine months of 1987:

Guest Lecturers . . . . .	\$18,245.91
Fund Raising . . . . .	13,965.38
Teaching Assistants . . . . .	22,161.27
U.W. Extension	
Classrooms, etc. . . . .	86.00
Computers Software	
& Library Books . . . . .	1,323.75
Faculty Travel . . . . .	1,821.21
<b>TOTAL</b>	<b>\$57,603.52</b>

Dean Hickman reported to the Alumni Board of Directors that the legislature had committed to a new \$26 million business school at the intersection of University Avenue and Brook Street. The School of Business must raise \$4 million before the state will hire an architect and authorize \$17 million in bonds. Ultimately, the School of Business must find another \$4 million in the private sector. One possibility is that the Real Estate Department could use approximately \$125,000 of its endowment to design its own configuration of faculty and lab space within the floor plan of the new building. If there is any alumnus who would like to gift such a configuration, I am sure that proper recognition and naming of the facility for the Real Estate Department would be possible. Wharton and MIT already have specific facilities for their real estate programs.

Charles Heath and Ed Atwood report-



*The University of Wisconsin Marching Band is shown taking charge of Saturday night's entertainment at the Concourse.*

ed that they were close to finishing 501 (c)(3) status for THE REAL ESTATE EDUCATIONAL FUND, INC., and endowment supporting real estate education in the state of Wisconsin which is free of University controls and able to direct its gifts and awards according to the goals of the fund and authorization of the directors. A listing of the current Alumni Association Board of Directors is shown on page 4.

Those who are reluctant to send their pledges or contribution to the endowment fund at the Foundation, may send their checks to THE REAL ESTATE EDUCATIONAL FUND, INC., P.O. Box 6438, Madison, Wisconsin, 53706.

Minimum contributions for 1988 will be \$35 per alumnus. The real estate alumni do not have dues because dues are not deductible as a charitable donation. The objective will be to have at least 800 members volunteer their contributions in 1988 as that will raise \$28,000 to pay for all aspects of the alumni organization including a new

half-time alumni corresponding secretary hired through the school of business. Another major expense which needs to be covered is the maintenance and delivery of the alumni directory twice a year. Payments in excess of \$35 are very much encouraged and the balance in excess of \$35 will be deposited in the U.W. Foundation Fund. Last year, less than 300 actually made the minimum contribution or more. Therefore, the alumni computer system has been programmed to send you a gentle reminder, in case you forget to contribute.

Chief wishes to thank everyone among the alumni who sent cards individually and collectively wishing a speedy recovery from his broken hip. The hip is mending and Chief will be back in an airplane before the end of November. He never missed a class and is as ornery as ever.

# Wisconsin Real Estate Alumni Association Board of Directors

## Term Expiration

- 1991 Mike Casey  
JMB MANAGEMENT  
3525 Piedmont Building #7  
Suite 315  
Atlanta, Georgia 30305  
(404) 261-9752
- 1989 Daniel J. Volpano  
J.P. MORGAN  
INVESTMENTS  
522 5th Avenue, 10th Floor  
New York, NY 10036  
(212) 837-1230
- 1989 James J. Ablan  
MEYER INVESTMENT  
PROPERTIES, INC.  
401 No. Michigan, Suite 525  
Chicago, IL 60641  
(312) 321-1521
- 1989 John W. Ramzy, Ph.D.  
KILLEEN SAVINGS  
AND LOAN  
616 No. Gray Street  
Killeen, TX 76540  
(817) 526-7511
- 1989 David Law  
L.J. HOOKER  
INTERNATIONAL  
101 California Street,  
Suite 1100  
San Francisco, CA 94111  
(415) 955-5300
- 1989 Michael J. Samuels  
LINPRO COMPANY  
100 Berwyn Park, Suite 105  
Berwyn, PA 19312  
(215) 251-9860
- 1991 William B. Ardern II  
4701 No. 76th Street  
Milwaukee, WI 53218  
(414) 462-1210
- 1991 Yvonne Schell  
WELLS FARGO  
REALTY ADVISERS  
4643 So. Ulster Str.,  
Suite 1400  
Denver, CO 80237  
(303) 741-0800
- 1991 Mark Ebacher  
RECORP COMPANIES  
7000 E. Shea Blvd. #250  
Phoenix, AZ 85258  
(602) 991-2288

## Term Expiration

- 1991 Jeffrey Huggett  
EBERHARDT COMPANY  
3250 West 66th Street  
P.O. Box 1385  
Minneapolis, MN 55440  
(612) 924-2251
- 1991 Robert H. Curtis  
KARSTEN  
REALTY ADVISORS  
12121 Wilshire Blvd.,  
Suite 9000  
Los Angeles, CA 90025  
(213) 826-0035
- PRESIDENT**  
1989 Dianne M. Orbison  
MSI  
INSURANCE COMPANY  
Box 64035  
St. Paul, MN 55164  
(612) 631-7472

## January Conference Slated

The Atlanta Chapter of the Wisconsin Real Estate Alumni and the Georgia State Real Estate Alumni Group will be co-sponsoring a conference entitled, *Public and Private Control of Appraisal Procurement*. This conference is approved for certification by the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers. Held at the Radisson Inn Dunwoody in Atlanta, the conference will feature William Kinnard, John White, Carl Shultz, Congressman Douglass Barnard as well as J.A. Graaskamp. Those interested in attending this January 8th conference should contact Chief. Proceeds from the event shall be directed to the U.W. Real Estate Endowment Fund.

## INCOME STATEMENT OF ALUMNI REUNION

### Gross Receipts

Registration & Meals .....	54,796.48
Interest Earned .....	323.01
Total Receipts .....	\$5,5119.49

### Expenses

Refunds .....	820.00
Entertainment .....	3,150.00
Badger Bus .....	280.00
Signs & Awards .....	570.68
AV Setup .....	1,072.25
Binders .....	4,591.08
UW Athletic Dept. ....	3,080.00
Conference Coordinator .....	4,697.00

### Reserve for Anticipated Expenses

Catering bill .....	18,900.00
Speaker Expenses .....	2,250.00
Copy Center .....	500.00
Contingency .....	1,000.00

Total Expenses .....	\$40,911.01
Estimated Surplus to be Transferred to Foundation Acct. 199 for Alumni Operations .....	\$14,208.48

Compiled by E.W.

## Selected Excerpts From Charles Shaw's Acceptance Speech

"He (Chief) wasn't at all what I expected: He wasn't interested in form. He went right to the point in 'communicating the excitement and the potential for effecting change that's inherent in becoming a true real estate professional.' He was clearly interested in substance."

"Let me say right at the start that luck and good fortune have had a big part in whatever success I've achieved. Bev's father always says: 'Never confuse genius with conditions' . . . and he's so right."

"But I've always worked hard; God gave me a lot of energy. And it's fair to say that I'm a persistent person; Bev might even say 'stubborn'. I enjoy competition. I'm comfortable with risk. But I'm not a gambler, I'm a risk-taker."

"The Trust was not easy to deal with, and we were faced with an unsubordinated leasehold. I later was told there had never been a significant new apartment building financed and built on an unsubordinated leasehold, but frankly, at the time I just didn't know any better. But we got it done."

"Looking back, I learned a lot from that experience (Lake Point Tower): I learned I could play in this league; that there was nothing really magic about it, some deals just have a few more 000's than others."

"But on the other hand, as John Wooden says: 'It's what you learn after 'you know it all' that counts.'"

"But a lot of people talk, and I guess I agree with Ben Franklin, who said: 'Well done is better than well said.' And so I decided to plunge ahead and try to get some things done."

"Lake Point Tower had taught me a few things, the most important of which were: the impact that good development can have on a community, and the difference between site and location. I also learned that patience, persistence and hard work do pay off. It's so true that 'many of life's failures are people who did not realize how close they were to success when they gave up'."



Several of the Alumni here are shown "catching" the spirit of the reunion.

"I'm not interested in bigness; we have no desire to go public. We'd simply rather do a few things and do them well."

"I really do agree with John McKay, former Southern Cal coach now with Tampa Bay, who talks about the 'mirror test'. He said: 'All that matters is if you can look in the mirror and honestly tell the person you see there that you've done your best'."

"I reflected and realized that, no, I really didn't feel good. And I really wasn't reflecting enough on the positive side of life. That opened my eyes, and I began to realize that it was okay to appreciate and enjoy success."

"Oliver Wendell Holmes said: 'The greatest thing in this world is not so much where we are, but in what direction we are moving.' Mr. Holmes was very preceptive."

"I'd like to leave you with the words of the Urban Land Institute's Credo, which says: 'As responsible citizens, we shall leave this land enhanced . . . thereby enriching the lives of all who live on it'."

"This to me, is the essence of good development."

## 1987 Scholarships

The following students have received 1987-88 scholarships:

Charles Davis  
R.U. Ratcliff Award  
R.E. Alumni Award

Janis Reek  
Fran Larson Award  
R.E. Alumni Award

Daniel Ault  
R.E. Alumni Award

Arne Cook  
R.E. Alumni Award

George Helf  
R.E. Alumni Award

Craig Lieberman  
R.E. Alumni Award

Elaine Worzala  
R.E. Alumni Assoc.

Arne Cook  
American Institute of  
R.E. Appraisers





## POSITIONS AVAILABLE

Analyst with the Merrill Lynch Real Estate Investment Banking Group in Dallas, Texas. Candidate should have an advanced degree in real estate investment analysis. Strong valuation, financial analysis, and computer skills required. Contact: Richard Shima, Merrill Lynch World Headquarters, North Tower 26th floor, New York, New York 10281-1201.

Manager/Appraiser with top tier Real Estate Finance department of a major NYC financial services institution. Candidate should have a minimum of 5 years of experience in the appraisal of new construction in NYC. Previous supervisory experience preferred. Manage 4 to 5 appraisers. Word processing experience and PC familiarity a plus. MAI is not required. Contact Steve Wade, 101 Park Avenue 17th floor, New York, New York 10178.

AVP of Finance of one of the top developers of major commercial projects in the country. Person will evaluate, analyze, structure, and package major debt, joint venture and equity financing on company projects. All projects are developed for company account. Looking for 4 years experience with life company or pension fund, strong underwriting skills, deal oriented person. Willing to relocate to Ohio. Call (412) 355-8200 and ask for John Cigna.

VP Finance for a 20+ year old commercial and residential developer in the Midwest and Southeast. Must be adept at joint venture and equity sources side of deal—proven contacts with major equity players (life companies, pension funds, advisors). Willing to relocate to Ohio. Person will get piece of deals financed. Prefer Midwest experience. Call (412) 355-8200 and ask for John Cigna.



Wisconsin Real Estate Alumni Association, Inc.  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, Wisconsin 53706

Nonprofit  
Organization  
PAID  
Permit No. 658  
Madison, WI



# THE *EQUITY KICKER*

NEWSLETTER OF THE  
WISCONSIN REAL ESTATE ALUMNI  
ASSOCIATION INC.

VOLUME 3, NUMBER 2

FALL 1988

## Alumni Update

Dianne Orbison

One of the unique features of the Wisconsin Real Estate program is the strength and support of its alumni association. Since the Chief's death, many alumni and friends have offered their help to continue and improve the U.W. Real Estate Program and Alumni Association. Your assistance is invaluable and appreciated.

Many things have happened since the publication of the last Equity Kicker. A summary of the developments follows:

Dowell Myers has accepted an associate professorship in the School of Urban and Regional Planning at the University of Southern California. He has also been appointed co-director of the Lusk Center for Real Estate Development. While at Wisconsin, Dowell achieved tenure and we congratulate him for his accomplishment. We will miss his contributions to the program

*(continued on p. 4)*

## On The Headlines

For those of you who might be wondering, you should be happy to know that the Fall semester is underway and the Spring semester is programmed to go. All courses previously taught are being taught this year, with no exceptions. Our alumni have pulled together with our on-site PhD candidates to maintain the

Michael Robbins

breadth and quality of the department's course offerings.

Ed Atwood just happened to be in town while his wife, Diane, was finishing up an M.S. in Real Estate. Jim Delisle took it upon himself to help organize the continua-

*(continued on p. 3)*

## UW Real Estate Goes to Disney!

*(Story on Page 6)*



## From The Provinces



Singles from the UW Real Estate program are dropping like flies. Jim Drewry and Kristi Kopp tied the knot in Lake Geneva, Wisconsin on Sept 17, 1988. Jim Sobel and Whit Osgood were members of the wedding party while several other alums from San Francisco and Madison joined the celebration.

Mark and Renee Manion were also married on Sep. 17 in Milwaukee, WI. Steve Cortese was in the wedding party while alums came from Minneapolis, New York, California, and Illinois.

We are pleased to announce that Dale and Kate Gruen, of San Francisco, gave birth to

triplets this fall. We get the feeling that they will be investing in day care centers very soon.

Chuck Murphy has been promoted to Senior Associate with Reynold & Shidler and moved to Phoenix, AZ.

Jim Nickellati is now with RERC in Chicago, IL.

## Attention: Florida Alumni

Due to the increasing number of alumni moving to Florida, preliminary steps are being taken to organize a Florida chapter. Kevin Coffey, MS '86, is organizing the chapter, and can be contacted at 407-833-4211.

## Directory News

We are planning to mail the alumni directory in early November. We hope you like the new look and arrangement of it. Thanks to laser printer technology, we have managed some big improvements. More improvements are pending, as decisions are made regarding future arrangement of the directory. If you have suggestions regarding the directory, direct them to George Helmke or Dianne Orbison. Most important: If you have address or other changes, let us know by Oct 15. Mail changes to the address in the box at left, or call us at 608-262-0787 M-F.

## A Note About The Chief

George Helmke

This is the first Equity Kicker since the passing of our friend, mentor, and teacher James A. Graaskamp "Chief". As with everything else in this program, he was intimately involved with this publication. Doing it without him is like learning to do it all over again.

Trying to pick up where Chief left off is both intimidating and exciting. Attempting to walk in the footsteps of a great man is intimidating. Succeeding with it is exciting.

Chief inspired us by showing us that we had abilities far greater than we ever thought. This is now being taken to a whole new level, as we learn to do for ourselves what he had been doing for us all along.

### EQUITY KICKER

#### VOLUME 2 FALL 1988

Published tri-annually for the members of the Wisconsin Real Estate Alumni Association, 1155 Observatory Drive, Room 118, Madison, Wisconsin 53706.

Executive Editor

*Michael Robbins*

Editor

*George Helmke*

Pres., Alumni Association

*Dianne M. Orbison*

MSI Insurance Inv., Minneapolis

### REMINDER TO RECENT GRADUATES

Just a reminder to all those who graduated recently to be sure to contact us. Give us your new place of employment and home address, and we will send you everything you need to be a UW Real Estate Alumni Association member. Remember: We can't always find you, but you can always find us, so stay in touch.

## Headlines *(continued from p.1)*

tion of the 795 guest lecture series. This semester Jim is focusing on the areas of "Applied Real Estate Topics", beginning with Dr. Andrews, who will be covering Urban Land Economics. He will bring in guests to cover Appraisal, Feasibility, Market Analysis, and Investment Analysis. In the Spring semester Jim will focus the 795 series on Issues and Process of Equity Investment. In this way the 850 students will be receiving structure and mechanics from Ed Atwood and current issues and process from Jim. I am excited about this format as it will allow us to combine current process with classroom structure.

The following is a list of instructors and what courses they will be teaching in Fall and Spring:

1. Ed Atwood, Ph.D.- Accounting, M.S.- Real Estate; Fall- Real Estate Process 550/705, Real Estate Finance 551; Spring- Real Estate Process 550/705, Equity Investment 850.

2. Jim Delisle, Ph.D. and M.S. Real Estate; Fall- 795 Series "Applied Real Estate Topics"; Spring- 795 series "Applied

Real Estate Analysis".

3. Mike Robbins, Ph.D. Civil and Environmental Engineering; Fall- Residential Development Feasibility 554, Real Estate Appraisal 856 with Rendahl, Ph.D. Seminar; Spring- Commercial Development Feasibility 555, Real Estate Feasibility 857, Real Estate Market analysis 757 with staff, Ph.D. Seminar.

4. Rod Matthews J.D.; Fall- Business Law; Spring- Land Use Control 852, Real Estate Negotiations 769, Residential Real Estate Finance 552.

5. Fred Rendahl, Ph.D. Candidate; Fall- Urban Land Economics 557, Real Estate Appraisal 856 with Robbins, Dissertation Proposal; Spring- Principles of Urban land Economics 650, Market analysis 757 with Robbins, Dissertation Proposal.

6. Mark Eppli, Ph.D. Candidate; Fall- Micro Computer Applications 652, Prelim Exam in November; Spring- Micro Computer Applications 652, Dissertation Proposal.

7. Elaine Worzala, Ph.D. Candidate; Fall- Real Estate Appraisal 556, Prelim Exam in

November; Spring- Possible internship with an international development company in Holland, Dissertation Proposal.

8. Dan Knox, Ph.D. Candidate; Fall- Real Estate Process 550/705 T.A. and administrator, Prelim in November; Real Estate Process T.A., Dissertation Proposal.

9. Evan Harrison, Ph.D. Candidate; Fall- Real Estate Finance 551 T.A.; Spring- Residential Finance 552 T.A., Prelim Exam in January.

10. Tony Ciochetti, Ph.D. candidate; Fall- Urban Land Economics 557 T.A., Residential Development 554 T.A., Prelim Exam in November; Spring- Commercial Development 555 T.A., Possible Real Estate Process 550 T.A., Dissertation Proposal.

11. Chuck Carter, Ph.D. Candidate; Fall- Real Estate Process T.A.; Spring- Real Estate Process T.A.

12. Genny Mitnacht; Fall- 856 Writing Lab Instructor, Spring- Possible 857 Editor.

When not involved in day-to-day department work or the selection committee I have been trying to edit

*(continued on p. 6)*

## Alumni Update *(continued from page 1)*

but wish him well at USC. An advocate of the Wisconsin approach, Dowell will be a strong ally in the southwest.

A screening committee has been appointed by Dean Hickman to recommend the appointment of the Real Estate professors. The committee is composed of Jack Nevin (Chairman of the committee and Marketing Program), Richard Andrews, William Dodge, Ralph Kieffer, Rod Matthews, Mike Robbins, and Dianne Orbison as an ex-officio member. We are truly fortunate to have Jack Nevin serve as chairman. His commitment to and understanding of the program's needs and challenges are exceptional. Because of the time required to assess the current and future program, inventory existing University resources, define faculty requirements, advertise, interview, and wait for practical hiring times, we do not expect to have any permanent faculty on staff before Fall 1989. Mike Robbins will comment on the interim teaching resources in another section of the Equity Kicker.

Hiring the 2-3 new real estate professors will be a challenging opportunity. Rather than focusing on an individual star, the committee hopes to recommend the best team of professors that

can be found. The ideal candidates should be able to address the requirements of teaching, research and the industry.

Position descriptions will appear in academic and scholarly journals. Within the last several weeks, invitations to apply have been mailed to potential candidates. Included with the invitations is a copy of "The Wisconsin Real Estate Tradition and Program". The document, written by the faculty and students, describes the history, foundation, and focus of the Wisconsin program. From this succinct document, it is easy to understand why we received the best real estate education at Wisconsin.

Several factors will make the hiring of new faculty challenging. These include: The size of Madison and its location in the Midwest; scarcity of excellent real estate faculty; limited State and University budgets to provide resources and income to faculty; and the publishing and research requirements of the University.

On the positive side, Wisconsin has many things to offer: A new School of Business building; cracker-jack Chancellor Shalala (a strong supporter of an excellent School of Business); support of Deans Hickman, Blakely and Strang to rebuild and improve the Real

Estate program; the program's history of excellence; and the support and strength of the alumni association.

There are many things that must be done to form the future Real Estate program that we want. Jim Curtis has been instrumental in outlining the broad issues and activities that need to be addressed. The strategy is to research, prioritize and plan in order to ensure the continuance of the preeminent Real Estate program.

Because of the program's need for financial resources and the fast approaching year end, formulation of a fundraising campaign has begun. Bob Peltzman, located in San Francisco, has volunteered to chair the fundraising committee.

After receiving comments from several directors and alumni, the campaign will be simplified, total \$1.2 million, and have a lengthened timetable but with many of the initial pledges made by year end. The \$1.2 million will provide funds to endow a James A. Grasskamp professorship, construct part of the Real Estate facilities within the new School of Business building and catalogue the Chief's notes and lectures. Further details about the campaign will be provided

*(continued on p. 5)*

## In The Pink (Or In The Red)

by Dianne Orbison

Ah, the ubiquitous hot pink envelope! The enclosed pink envelope is a reminder if you have not already contributed in 1988 of the alumni's needed support for the operation of the Association. Primary expenses of the association include: publishing and mailing the Equity Kickers and annual directory, mailing other correspondence, purchasing alumni data processing equipment, providing scholarships, and paying the salary of a part-time alumni coordinator. The coordinator is an expanded position since its approval at the last board meeting. The coordinator organizes the publication and mailing of the Equity Kicker and directory, maintains the directory's addresses, catalogues pledges and contributions, coordinates and responds to correspondence and maintains the operating statements. During the next academic year, the coordinator will maintain the list of professor candidates and attend all

screening committee meetings. George Helmke, who will be studying music at UW starting in January, has been doing a super job for us.

The association's operating funds are maintained in the Foundation's account #199 which is separate from any department endowment funds. This account is funded by profits from the biennial seminar and annual alumni contributions.

The association has no annual membership dues; the fact that you received your real estate education from the University of Wisconsin makes you a member. How-

ever, to operate the association, funds are needed, so we ask for contributions which allows you a tax deduction and a matching contribution from those who have access to corporate matching gifts. The minimum suggested contribution is \$35. Any amount will be appreciated. To those of you who have already contributed in 1988, we thank you.

A breakdown of the association's 1988 operating account follows. Without your continuing annual contributions, a deficit of \$3,592.87 is anticipated for 1988.

### Account 199 Summary:

Beginning Balance 1/1/88:	\$13,070.63
Expenditures Jan-Aug '88:	-19,312.56
Proj. Expen. Sep-Dec '88:	-13,433.07
Revenue Jan-Aug '88:	13,727.33
Proj. Revenue Sep-Dec '88:	2,354.80
Projected Balance 12/31/88:	-3,592.87

(continued from p. 4)

in the near future by Bob and his committee. Three non-alums helping Bob include Don Gray from the U.W. Foundation, George Helmke, alumni coordinator and Peter Kies, a Real Estate graduate student.

Foundation account number 235, the program's current endowment, exceeds \$640,000. Interest from this

account continues to pay for teaching assistants, the guest lecture course, and faculty and resource enhancements for the faculty.

Significant progress is being made by the school of Business to construct a new building. Over \$4 million has already been pledged which is a threshold ena-

bling an architect to be hired. Once a total of \$8 million has been pledged, construction can begin. It is anticipated that the new building will be completed by 1992.

We have begun to select the date and location of the next biennial seminar for the

(continued on p. 6)

## Headlines

(continued from p. 3)

several software manuals. Over the summer I had two students reworking the manuals I wrote for MRCAP, MRCAPINP, and MKTCOMP. What a monster job! I hope to have all manuals available to the students by mid-semester. By the way, I am slowly converting the programs from FORTRAN to True BASIC, so that we can tap into graphics and more extensive output routines.

On another front I have been working closely with the Homer Hoyt Institute, and have gotten them to agree to support three Ph.D.'s to develop dissertation topics in spatial real estate analysis. To this end I have spent some of your gift funds to purchase a super 386 micro computer. I have also gotten a commitment from the Tydec Corporation to donate a copy of their SPAKS spatial

analysis system, which retails for \$20,000. So we have the hardware, software, and partail support to begin doing first rate research in applied spatial real estate analysis.

I am of the opinion that now that the real estate industry has accepted the contribution of Cash Flow to real estate decision making, something we were doing in the mid 1960's, the next significant increment in elevating real estate decision making will occur through the use of spatial analysis tools delivered by Geographical Information Systems.

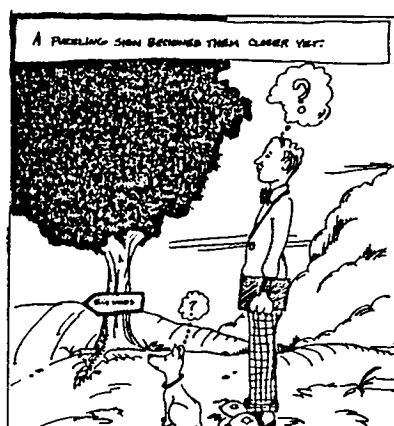
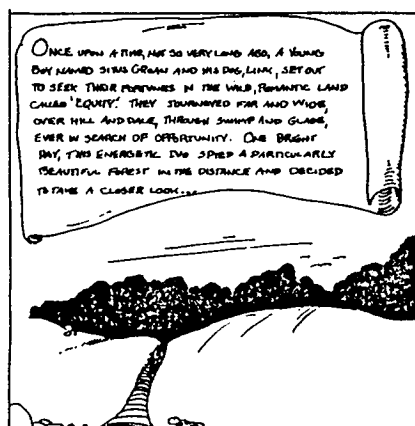
This might be an interesting topic to build the next alumni conference around.

We currently have several alumni actively involved in several facets of this technology.

## Alumni Update

(continued from page 5)  
fall of 1989. If anyone is interested in chairing and/or working on the committee to organize this event, please contact Dianne Orbison or George Helmke. Additionally, please let us know what things should be changed or maintained. At this biennial seminar, the positions of president and directors from the following regions will be up: New York, Chicago, Texas, northern California and Middle Atlantic or Pennsylvania. By that time, the organizational structure of the alumni association will be enhanced. If you have any interest in serving as a regional director or national officer, please contact your current director, Dianne Orbison, or George Helmke.

## From the UW Real Estate Archives-





## UW Real Estate Club Goes To Orlando

George Helmke

Location, location, Mickey Mouse. Can you think of three better reasons for the UW Real Estate club to go to Orlando, Florida in the dead of September?

Yes, the UW Real Estate Club ventured to the land of fun, sun, and some incredible real estate developments Sep. 22-26. Upon arrival, they heard a talk by Brian Py of Py Development. The subject was the Compri Hotel, and by virtue of the free accommodations for the club at the hotel, provided by Py Development, members of the club had a

chance to test the hotel first-hand.

Friday began bright and early, and was filled with a variety of sights and speakers from the City of Orlando. The evening started with a reception at the Omni Hotel, sponsored in part by the Florida alumni. Present were the UW R E club, alumni, friends, and field trip speakers. This was followed by a night on the town. We all know what that means.

Saturday was Disney day. Todd Mansfield, Vice President of the Disney Development Company, introduced a variety of speakers. There was also a bus tour of a number of developments, including Epcot Center and MGM studios. The rest of the day was left free to explore Disney.

On Sunday it was time to say goodbye to Mickey and all his friends.

Though this goodbye included an unplanned three hour layover, the R E Club found themselves back in Madison on Sunday night.

## Fall Dinner

Mark Eppli

On Sunday, September 18, we continued the annual Fall Fish Dinner-- although it wasn't held at Minick's Top Hat, there was no fish, there were no fish stories, and was without a slide show. Instead, brats, burgers, and a variety of picnic salads were catered by the Brat Haus. Horizon Development (alum Chuck Heath's company) supplied the real estate. It was the perfect setting for the dinner, a yet to be completed retail center on Mineral Point Road and the Belt Line. Among stacks of sheet rock, rolls of wire, and spackling mix, we ate out brats and drank our beer. Shortly after Mike Robbins jumped up on the stack of sheet rock to welcome the new and returning students, a greater power ushered in a nasty thunderstorm (the doors for the tenant space had been installed but were windowless), keeping Mike's address short. After a fast cleanup, some hardy souls stayed on to play whiffle ball, kickball, and hula hoop. Hello Fall 1988!

### Tape Library

A committee chaired by Evan Harrison is developing a complete library of Graaskamp lecture tapes. If you have any tapes, please let George Helmke know by letter the classes and dates. If we need yours, we will send a letter outlining procedures so you can be sure they will be responsibly copied and returned. We're also thinking publishing a collection of "Chief" stories. Please tape or type and send yours to George.



## Positions Available

**Commercial Appraiser.** Suburban Washington D.C. firm will be filling several positions in the next year. Interviews will be held in Madison, WI on Oct. 28 (the day before homecoming). Contact Kent D. Steele at Charles M. Merkle & Associates, 1470 Gov. Oden Bowie Dr., Ste. 200, Upper Marlsboro, MA 20772. He can be reached days at (301)952-0068, and evenings at (703)836-6988.

**Analyst/Manager/Consultant**  
Wolverine Investments, Inc., a small well-capitalized development

firm focusing on distressed industrial and office properties, is looking for people who will be involved in all phases of their business. This would include analyzing new acquisitions, construction management, leasing, and property management. Send resume to: Alan E. Gites, CEO, Wolverine Investments, Inc., 2835 North Sheffield Ave., Ste. 201, Chicago, IL 60657.

**Real Estate Consultant**  
Pannell Kerr Forster is looking for persons with an undergraduate or graduate degree, preferably real estate, finance, or business.

Real estate consultants are responsible for conducting the research, analysis, and writing required for the various appraisal and consulting assignments accepted by the firm. Familiarity with IBM-PC, and software such as Lotus 123, is important. Contact Peter Gloodt, MAI, Manager, Pannell Kerr Forster, 150 N. Michigan Ave., Suite 3700, Chicago, IL 60601.



Wisconsin Real Estate Alumni Association, Inc.  
Room 118  
School of Business  
1155 Observatory Drive  
Madison, Wisconsin 53706

Nonprofit  
Organization  
PAID  
Permit No. 658  
Madison, WI

# Equity Kicker Extra

Fall 1988

Volume 3 Issue 2

## Hellooo.....Out There!

This is Orvil P. Anderson Reporting:

*\*Editors Note: Many of you can recall the crazy deals that Orvil got himself into. Exams and problem sets in Appraisal and the Feasibility Courses asked you to evaluate his financial position or deal structure. After years of abuse, Orvil has decided to enter the real estate program at Wisconsin.*

*Unfortunately he did not have the combination of grade point and GMAT score to be admitted, so in following tradition, he has decided to begin the program as a special student. Because he is a special student, Orvil does not qualify for financial aid. His cash is currently tied up in Texas office buildings which have no appraised value so to pay for his education, Orvil has decided to try free-lance reporting, after all his undergraduate education is in creative writing.*

It is Sunday evening, I am bone tired and I am winging my way back to Madison from Orlando, Florida, with fifty some real estate students, faculty, wives and Sean. Before coming to Madison I had been told by Alumni of the program that even the "West Point of Real Estate" idea is mild compared to this. The semester is less than three weeks old and there has been a real estate club meeting to elect officers, discuss summer internships, and collect dues (drinking money). The following week (Sunday the 18th) there was the traditional real estate department dinner where the faculty and student families get together to kick off the school year. This year the dinner was held in a shopping center currently under construction by some of the local alumni, Professor Robbins kept walking around pointing to things and saying "wait until 555", it must be a social disease. Then on Thursday morning (the 22nd) the field trip to Florida began.

The Florida field trip was great. The local development community rolled out the red carpet and made us feel very welcome. Two weeks before our arrival the development community began to get organized (an article in the local Orlando press announced that fifty representatives from the best real estate department in the country were coming to Florida to see first hand how the Florida market worked, from both the private and public side). Brian Py, the developer of the (Compri) Hotel where we stayed, went so far as to postpone the opening of the Hotel until the Monday before we arrived. (It is also my understanding that Todd Mansfield from Disney Development was keeping a close eye on the progress of the (Compri) and had set aside a block of rooms in one of Disney's new hotel projects to provide a backup, that's red carpet treatment. As a new student it was an unbelievable high to experience the development community's respect and willingness to assist this program. The seminar portion of the field trip began promptly Thursday evening with a presentation by Brian Py on the development and marketing strategy of the (Compri) hotel organization. We then moved to the informal portion of the seminar and began the evaluation of the hotel's staff. Since this was the bartender's first night on the job, we began with him. It took less than an hour and a half to drink the bar dry. We then set up a relay to the local 7-11 Store

## UW Real Estate Alumni Association Board of Directors

### Expiration of term in parentheses

Mike Casey (1991)  
JMB Management  
3525 Piedmont Building #7  
Suite 315  
Atlanta, GA 30305  
(404)261-9752

Yvonne Schell (1991)  
Schell Real Estate  
P.O. Box 4573  
Boulder, CO 80306  
(303)444-9131

Daniel J. Volpano (1989)  
J.P. Morgan Investments  
522 5th Avenue, 10th Floor  
New York, NY 10036  
(212)837-1230

Mark Ebacher (1991)  
8250 E. Arabian Tr.  
Apt. 265  
Scottsdale, AZ 85258  
(602)483-6026

James J. Ablan (1989)  
Grubb & Ellis  
211 Wacker Dr.  
Ste. 800  
Chicago, IL 60606  
(312)899-1030

Jeffrey Huggett (1991)  
Eberhardt Company  
3250 West 66th St.  
P.O. Box 1385  
Minneapolis, MN 55440  
(612)924-2251

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Killeen Savings and Loan  
616 No. Gray St.  
Killeen, Tx 76540  
(817)526-7511

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Karsten Realty Adv  
12121 Wilshire Blvd  
Suite 9000  
Los Angeles, CA 90025  
(213)826-0035

David Law (1989)  
L.J. Hooker International  
101 California Street, Suite  
1100  
San Francisco, CA 94111  
(414)955-5300

Michael J. Samuels (1989)  
Linpro Company  
100 Berwyn Park, Suite 105  
Berwyn, PA 19860  
(215)251-9860

William B. Ardern II (1991)  
4701 No. 76th Street  
Milwaukee, WI 53218  
(414)462-1210

### PRESIDENT

Dianne M. Orbison (1989)  
MSI Insurance Co.  
P.O. Box 64035  
St. Paul, MN 55164  
(612)631-7472

and imported substance until 4:00 a.m.

On Friday we were up by 6:30 for breakfast and on the bus by 8:00. Friday morning was spent inspecting properties and meeting with public officials and private developers. As a new student, it was interesting to observe how the faculty let the advanced students ask the questions while they played instigator. By noon we were at Church Street Station and were given a guided tour and an outstanding lunch. For those who don't know, Church Street Station is an urban rehab project put together by an artful antique collector. It was built around a mid-1850's setting and contains some retail and a lot of saloons and restaurants.

(continued from p. 1)

After lunch we were off again to more mega office/hotel development and then on to a residential/golf course project. We then went back to the (Compri) for a quick change (we were in "Professional Dress") and then boarded a double decker bus for a trip back to Church Street Station for supper. What a night that was. By 12:30 a.m. the "Wisconsin Group" had taken over a good portion of the street in front of the saloons and convinced the German bands that if they couldn't play "BUD", the least they could do was play some polkas, and they did. By this time it was hard to tell who was most out of control, the students, the faculty, the alumni (some were struggling mightily to revive previous conditioning), or representatives of the development community who joined us (Brian Py was observed being supported by several students telling his wife that this was an educational experience). The bus back to the (Compri) was scheduled to leave at 1:00 a.m., sometime around 2:30 a.m. it left the parking lot with "Bud" issuing from all aboard (some who could even stand). Upon arrival at the (Compri), it was discovered that the staff was running a lottery relative to our ability to participate in the Saturday morning schedule. It really blew their minds when they discovered the bus had stopped at the 7-11 for provisions.

We were up by 6:30 for breakfast and were into development seminars by 8:00. In the morning we had alumni and others (Trammel Crow) provide a great program on development and associated problems in the southern Florida area. We then boarded a bus and headed for Disney Development. Todd Mansfield from Disney Development welcomed us and then introduced several project managers. He then turned the program over to staff presentations of development projects currently under way at Disney. We saw everything from new entertainment projects to office buildings, wild hotels (would you believe a building with two 55 foot high fish on the roof) and new cities. Boy, what a mental trip that was! There was a point where one of the project managers was presenting a shopping center currently under construction and professor Robbins began to ask some questions concerning internal circulation conflict. The young project manager was not ready for that (at one point he asked some of the students sitting in the front row "who the hell is that guy"). During this time the senior staff of Disney, Todd Mansfield and Professor Robbins were waging war in the back of the room. I was sitting in the middle of the room so I couldn't tell exactly what was going on. But all participants were standing, talking somewhat loudly and arms were flying through the air (I overheard two advanced students say something about 555 again). After or-

der was reestablished (I think Linda Robbins asked Mike to keep it quiet as Sean was asleep in a chair and snoring loudly; the kid seems to have a keen appreciation of his father's endeavors), a student asked the project manager another question about parking which I didn't understand at all, but Professor Robbins grinned from ear to ear and uttered "right on" at which time Todd Mansfield leaned over to his senior project manager and made some comment about intern quality.

We then reboarded the bus for a behind the scene tour of the new Disney developments. We were taken into the new Disney MGM studio project, Pleasure Island, Typhoon Lagoon, and several hotel projects. It was great. We ended up at Epcot where Disney had arranged for a limited attendance day which enabled us to move effortlessly through all the major attractions. We went from Space Ship Earth, to Energy, to Horizons, to the World of Motion and did not have to wait in any line. It was then off to supper along the international court and to the American pavilion for observing the laser and light show. We arrived back at the (Compri) about 11:00 and dropped into bed, dead to the world.

Sunday morning everyone got up late, ate breakfast, went swimming and got ready to leave. When we got to the airport we were told that the flight was over sold and some would be asked to stay behind. We were told that

those electing to stay behind, to get free round trip tickets, would have to stay overnight, at their own expense, and return in the morning to Madison. Several elected their creative problem solving powers and boarded another airline, flew to Dallas, Texas, caught a Northwest flight to Minneapolis and caught up with us for the original flight to Madison. I still can't quite figure out how two arrive at Point B at the same time. Maybe when I take a course in Transportation I will learn the answer.

Well it's time to quit, we are about to arrive in Madison and I have to help wake some of our gang. When we left Madison on Thursday morning I felt that I was a member of a group of interesting but unknown individuals, now I feel that I am part of a class. A class in which I not only know who my fellow students are but also view the faculty in a somewhat different light, after all if you can party and dance with them, maybe you can talk with them as well. I wonder if that isn't part of the plan?

