

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

V. INDUSTRY SEMINARS AND SPEECHES - SHORT TERM

F. Miscellaneous Professional Associations

2. "New Developments in Real Estate Education",  
presented to the Wisconsin Bankers, March 20,  
year and place unknown

Wisconsin Mortgage Bankers  
March 20 - 5:30 P.M.

New Developments in Real Estate Education

- I. A contemporary real estate curriculum must:
  - A. Relate to the role of the university as a base for conflict resolutions by means of multi-disciplinary dialogue
  - B. Relate to the role of the School of Business which must anticipate required business skills and procedures 5-10 years in advance, the time necessary for general acceptance of any innovation.
  - C. Relate to the student and his search for an opportunity to contribute to social needs, enjoy a working career, and generate above average income.
  - D. Relate to immediate technical needs of various segments of the real estate industry.
  - E. Some problems to overcome are:
    1. University divisions are advocates rather than seekers
    2. School of Business students need more awareness about other fields
    3. Schools of Business must teach process rather than function and break down traditional compartmentalization
    4. Industry wants experience rather than education although the last 10 years will be nothing like the next 10 years
- II. The School of Business is gradually evolving into a school of enterprise administration, public or private. Rather than stopping with delineation of social issues and values, it is concerned with the practical methods of administrative execution to accomplish an objective. It offers the students the satisfaction of small but progressive administrative successes in lieu of the disappointments of great crusades and great economic vision.
  - A. Talk about the Wisconsin program because that is what we know.
  - B. Wisconsin program is now one of the pacesetters in the country
    - 75 undergraduate majors
    - 50 master's students
    - 8 Ph.D students
  - C. Our extensive course curriculum is in the continual process of modification and enrichment and Dean Robert Bock has given us the teaching budget to do the job.
  - D. The basic premises on which our course is building
    1. Real estate defined
    2. The real estate business defined
    3. The real estate process
    4. The three enterprises in the process
    5. Equilibrium of the process is at cash breakeven point and marginal contribution to cash flow

E. Basic implications are:

1. Solvency not value is the central issue
2. Real estate is a set of assumptions and therefore risk management of future variance
3. Land is a public resource, not a commodity
4. Primary objective is to serve public needs at the lowest life cycle cost
5. The real estate industry is a service industry which is paid by a percentage of cash flows
6. Equity between public and private sector is freedom from cash deficit and bankruptcy as a result of windfall and wipeout

F. Therefore, cash interests must be elaborately safeguarded by due process. Since that process involves intense application of cash cycle administration for both the consumer and the producer as well as government agencies, the School of Business is a logical center for a multi-disciplinary synthesis and a real estate department should be the catalyst. Real estate should be taught as a process of dynamic interactions, rather than functional and historical facts. The result should be a real estate entrepreneur with the creativity of Leonardo Da Vinci, the sensitivity for the natural world of John Muir, and the political humanity with cash management for profit of James Rouse. Of course the professor should be something more.

G. We presently offer the following real estate degrees:

1. BBA with a real estate major
2. BS degree in Construction Administration
3. MBA in Urban Land Economics
4. MS in Real Estate Appraisal & Investment Analysis

III. Cornerstone of Our Real Estate Program - Business 550, The Real Estate Process

A. Course operates at three levels

1. Cash flow analysis
2. Current urban land issues explained in terms of cash flow
3. Field research of selected vacant sites

B. Real estate finance - a course in contract and institutional organization to control variance in the outcome of a mortgage

C. Residential and Commercial Development is a relationship of physical design and leasing to financial productivity.

1. Taught by a registered architect
2. Experiment mixing senior design and senior real estate students

D. Macro economic structure to relate sub-regional urban population groups to real estate demand

1. Shopping center demand forecast
2. Housing demand study
3. Dane County on tape for computer modeling experience
4. Grant to put professor in urban research offices for the summer

- E. New Real Estate Law course downplays brokerage in favor of land use law and residential landlord-tenant law.
- F. New course in Construction Enterprise Management relative to job control, architect-general contract-developer relationships
- G. Basic course in real estate appraisal qualifies student for SRA 101 and 201 exams.
- H. Student is required to take a variety of courses outside the School of Business such as:
  - 1. Surveying for non-Engineers
  - 2. Soils for land use planning
  - 3. Environmental pollutions systems for non-engineers
  - 4. Air photo interpretation
  - 5. Wisconsin geology
  - 6. Architectural history
  - 7. Introduction to urban and regional planning
  - 8. History of landscape architecture
  - 9. Urban politics and sociology, etc.
- I. In the process of teaching our students they are proselyting for a more balanced view of real estate in the other disciplines. As a result more than half our enrollments in the basic course are non-business school majors.

IV. For the MS degree we have done a better job of integration

- A. 850 and 856 combine sophisticated financial analysis with contemporary valuation theory.
- B. Advanced marketing research is taught by the marketing department to integrate survey technique with real estate problems
- C. Advanced statistical methods relate to both appraisal and market analysis.
- D. Spring seminar is an applied field research project for a small fee
- E. 15 credits of electives in Real Estate Finance, Marketing, Civil Engineering, Law, or Urban & Regional Planning

V. Our Enrollments Have been increasing because of our multi-disciplinary approach, good classroom instruction on relevant issues and successful placement of our graduates.

- A. This year may tell a different story as the bigger companies continue to seek a few trainees but the little companies drop out of the market.
- B. We are unique among all university programs in real estate as we receive no special assistance financially from:
  - 1. State realtors
  - 2. Professional state associations with the exception of the Madison SRA chapter
  - 3. With a few notable exceptions many financial institutions in the state and realtors won't hire our students because they are overtrained