

# University of Maryland

## Graduate Programs in Real Estate Development External Review

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### OVERVIEW

This is an external review of the University of Maryland Graduate Program in Real Estate Development conducted at the request of David Cronrath, Dean of the School of Architecture, Planning and Preservation. The visiting committee, comprised of real estate faculty and administrators from Clemson University, Cornell University and Virginia Tech, were tasked to comprehensively examine the graduate real estate program and provide broad-based recommendations to strategically position the Program for the next decade. While other real estate activities at the University of Maryland, notably the Colvin Institute and an emerging undergraduate minor in real estate, pose synergies with the Graduate Program this report focuses exclusively on the Masters in Real Estate Development degree (MRED) program.

The MRED program at the University of Maryland has experienced tremendous growth and success in just eight years since its first class of 12 enrolled in the fall of 2006. That first full year in 2006-07 saw 25 students enroll and an average of 27 graduates over the following six year span, a remarkable accomplishment particularly given the impact the Global Financial Crisis had on the real estate industry 2008 through 2012. Since its founding, however, the competitive landscape of graduate real estate education in the DC/Maryland/Virginia area has become crowded, and the Program will be well-served to develop a five-year strategic plan that considers the following key strategic issues that are found in our report:

#### I. Program Orientation.

The MRED program features an extraordinarily talented and diverse pool of practitioner faculty as well as a diverse pool of students that average over age 30 and 61% of whom are from DC, Virginia, or Maryland. The majority of students are working with 18% identifying themselves as working in “Entitlements/Development.” It could be argued that excepting construction and design, the majority of students (41%) identify themselves in finance and asset management-based areas of interest, and that the DC employment market has a deeper need for acquisitions, asset management, portfolio management, and real estate finance needs than development. Although the Program is meeting the needs of such students, and the faculty and curriculum are well-design to meet the broad needs of the regional commercial real estate industry, the alignment between the industry needs and the Program’s name/branding is worth examining.

#### II. Identity and growth.

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The MRED program enjoys a very strong regional identity along with a strong international reputation both through enrollment of a talented, diverse student cohort as well as an established international brand as a University. The competitive graduate real estate environment in DC, however, necessitates differentiation from local competitors. The Program presents an attractive value proposition and high student satisfaction compared to its competitors, and that position could be enhanced although expansion into other campuses in the area although a careful examination of the depth of the regional graduate real estate student market is critical. For a program that is emerging from its “start-up” decade and in need of resources to take the next step it is recommended that unproven, expensive programs such as a professional Doctorate be avoided at the present time. Given the University’s international reputation, and opportunities that exist for international programming, the MRED program would be encouraged to explore growth overseas opportunities along with exploration of executive degree programming opportunities in the DC area.

### III. Degree Structure.

The MRED program enrolls roughly two-thirds working students making part-time progress towards degree completion with the remaining full-time students, many of whom are international. The degree designation – Master of Real Estate Development (MRED) – exists as a standalone degree, which is a strength and valued distinction wherein most programs do not carry the words ‘real estate’ in the degree title. The curriculum is well-designed to accommodate these two student groups, and the committee found an attractive compatibility and synergy between the part-time and full-time tracks. A simple interpretation is that the full-time students benefitted from the experience of their more senior, working student colleagues; the part-timers, meanwhile, are beneficiaries of the energy, diversity, and stable presence provided by their full-time colleagues. While a 2-3 year completion period is acceptable to part-time students, international full-time students have available to them one-year (30-36 credit) degree programs that raise the question whether the return on investment from program that often takes full-time students 18-24 months to complete is sustainable. A 12-month option is considered an “expedited program” currently, but it is recommended that the one-year curriculum be touted as the standard, full-time program with marketing that illustrates that students may elect to extend their program for additional pre-requisite coursework and other reasons. Accommodation should be provided to international students, for example, that may specifically want a 24-month program for additional coursework and visa reasons. The committee recommends retaining the curricular structure but simply establishing credit load expectations that result in full-time students graduating within 12 month through normal progress and coming in with expected pre-requisites.

### IV. Resources and capacity.

From its inception the MRED program has been driven by the vision, energy, and multi-faceted involvement of its founding Director along with very engaged, supportive College leadership from the Dean’s office. This “strong Director” administrative model was ideally suited for the start-up phase of the Program, but as it enters its second decade growth and sustainability necessitate expansion of administrative resources, the hiring of at least one tenured faculty member, and dedicated space to remain competitive.

The commercial real estate industry is highly dynamic, and many argue that the nature of the discipline is evolving to greater reliance on multi-disciplinary insight combined with niche specialization, all of which play to MRED’s faculty, curricular, and geographic strengths. The question over whether development will be active in coming years, or whether finance, asset management and redevelopment strategies will predominant in hiring is valid. As the MRED program nears its first decade of operation this report examines its strengths, weaknesses, and highlights some strategic steps available for program succession and advancement into its second decade.

## STRENGTHS AND CHALLENGES

### **Strengths:**

The strengths of the Master of Real Estate Development (MRED) degree were numerous and easy to recognize. They include:

- *Geographic location.* The location in a large urban area known for its strong real estate development companies, as well as its closeness to federal and state policymakers, enables the program to have access to world-class guest lecturers and provides opportunities for field trips.
- *Leadership.* The vision and strong leadership of Margaret McFarland, program director, and David Cronrath, Dean, School of Architecture, Planning and Preservation, are very valuable assets to the program.
- *Program flexibility.* The MS in Real Estate Development has enough flexibility to accommodate both full time and part time students since the courses are all offered in the evening.
- *Real world faculty.* The adjunct faculty come from a variety of backgrounds and are some of the leading practicing professionals in their fields. They appear dedicated and interesting in providing an outstanding education for the students. The adjunct faculty handbook is well done and informative.
- *Industry connections.* In addition to the use of industry professionals in the classroom the strong ties to industry provide enrichment opportunities for students and tremendous opportunities for financial support of the program.
- *Student diversity.* The student body is very diverse in terms of age, nationality, race, and gender providing a rich background for sharing of cultures and experiences as they relate to real estate and the workplace in general.
- *Capstone course.* The opportunity to complete a practice or research based project at the end of a student's program is extremely valuable. The quality of the work examined by the review team was excellent which reflected well on the program in general and the quality of mentoring by local developers.
- *Connection to the National Center for Smart Growth Research & Education.* The director of the Smart Growth Center and the program director for Masters of Real Estate Development have a good working relationship and should be able to provide some valuable opportunities for students in MRED.

### **Challenges:**

Along with the many program strengths, there are challenges that should be addressed to improve the program. They include:

- *Staffing.* The lack of full time faculty has resulted in almost exclusive use of adjunct professors to teach classes which is not ideal for a graduate program. The review team sees the need for an full-time faculty member responsible for the academic program who could be a tenured or tenure-track faculty member. One, or optimally two, clinical faculty could reduce the need for adjunct faculty and provide a stabilized set of course offerings.

- *Physical facilities.* There is no dedicated space for the real estate program in contrast to the other graduate programs, which sends a message to faculty and students that the real estate program is a second class citizen. Unlike the other graduate programs there is no dedicated seminar or computer space for the real estate program. As a part of the marketing and branding of the program there needs to be a “showcase space” to show prospective students as they compete with other programs such as Georgetown and Johns Hopkins.
- *Utilization of Advisory Council.* The Council, composed of 60 members, seems to lack a strong focus and could be utilized more effectively. This could be addressed if there were more staff/faculty to work with the Council. Additionally, members of the board seem to be underutilized as a source of financial support for the program.
- *Program sequencing for full-time students.* Some courses are not offered frequently enough for full time students who want to complete the degree in a condensed time frame.
- *Competing with local universities—Georgetown, Johns Hopkins, George Mason—for students.* The number of credits required presents some specific challenges for the MRED program.
- *Distinguishing the MRED program from the Colvin Institute when referring to the academic program.* Although the connection with the Colvin Institute is both strong and important, the two sometimes appear to be one and the same. Marketing materials need to separate and explain the differences.

## CURRICULUM

The curriculum for the Master of Real Estate Development Program is consistent with peer programs and appropriate to meet its purpose of providing a graduate real estate education at a nationally-recognized level of excellence. The curriculum has been carefully planned and revised since the program’s inception in 2006 to offer a multi-disciplinary approach with the ability to anticipate and respond to emerging issues in the field.

It should be noted that Maryland’s MRED Program requires 32-42 credit hours (11 – 14 courses) while a new competitor program at Georgetown University has introduced an executive curriculum starting at 29 hours. The field of real estate development is demanding and rigorous requiring a breadth and depth of knowledge that only a comprehensive curriculum can provide. Maryland’s MRED curriculum does this. The 8 core courses include a solid foundation with real estate finance, law, process, ethics and negotiations. These areas are fundamental to the success of any practitioner in the field. For students with a non-finance or economics background, leveling courses may be required. This enables students from a wide-range of backgrounds to reach a competency level in the foundation areas of real estate by the time they start taking the more advanced courses in the curriculum.

The final core course, RDEV 6881 – Capstone, is offered during a student’s last semester and requires that learning outcomes from previous courses be effectively used to complete a comprehensive development proposal. As detailed in the Maryland MRED Program Report provided to the Review Committee, curriculum learning outcomes are assessed in four areas:

- **Financial Skills**
  - Students will demonstrate an ability to prepare the necessary financial analysis to obtain lenders’ and investors’ necessary commitment to finance a real estate development project.

- **Content Knowledge (Topics and Terminology)**
  - Students will demonstrate their knowledge of fundamental concepts and terminology necessary to interact and engage the wide variety of fields and professions necessary for successful real estate development. Those fields include planning, law, design, and construction and the professions associated with them.
- **Presentation Skills**
  - Students will demonstrate skills for effective visual, written and oral presentations
- **Professional and Analytical Writing Skills**
  - Students will be capable of critical analysis and presenting that analysis in professional writing style.

The primary tool for assessing the program and its curriculum outcomes is through the University Outcome Assessment Report System. By assessing how the program is meeting its Planned Outcomes, the curriculum is revised as needed. Within this assessment, considerable weight is given to the outcomes of the aforementioned Capstone Project and whether the students effectively utilized their previous coursework. The capstone course requires critical thinking skills by the students and the presentation books and boards were on display to the review committee. This material was indicative of their depth of knowledge. The Capstone Project also requires a presentation by the student to a professional jury thereby enabling practitioners to offer their input related to the four review areas of assessment (financial skills, content knowledge, presentation skills, professional and analytical writing skills). The combination of faculty and practitioner assessments is a useful measure that enables the program director to stay attuned to continually-evolving nature of the real estate field. The curriculum has been effectively revised over the past several years as a result of this assessment approach.

The program is also to be commended for its diverse range of electives that offer opportunities for students to focus on areas of interest. Most of these courses are taught by leading practitioners in the field and their engagement is a strength of the program. It is noteworthy how the program has met the ever-changing demands of the field by continuing to offer new electives. It is also significant how effectively the talents and areas of expertise from a broad base of adjuncts have been integrated into the curriculum. Course sequencing has been carefully planned so that the depth of course options increases as students advance through the curriculum. By offering the classes at night, the curriculum is designed for full-time or expedited students wishing to take the courses on a reduced schedule. This makes the MRED program appealing to a wider market of students. Most of the students are taking the courses part-time enabling them to work during the day.

The curriculum does provide for some interdisciplinary courses from programs in architecture and planning. These include courses in affordable housing and adaptive reuse (historic preservation). However, most of the courses are offered with the MRED's real estate development (RDEV) rubric, which has the advantage of maintaining a real estate development focus. As previously noted, many of the RDEV courses are taught by adjunct instructors and their experience is an asset. Several students did express to the Review Committee a desire to take electives offered by the MBA program but indicated it was problematic obtaining MBA instructor and program consent. It is our recommendation that the two programs address this and create a list of acceptable electives that MRED and MBA students can register for without separate program approval. This will also provide more course offerings for full-time MRED students who wish to take daytime courses.

The Review Committee found the Maryland MRED curriculum to be comprehensive and well-planned. It provides a sound graduate education in real estate development through. The curriculum provides a unique and broad mix of courses thereby providing the essential knowledge for the graduates to become successful practitioners.

## ACADEMIC STRUCTURE

The curricular structure of the MRED program with courses offered in the evening to accommodate the roughly two-thirds working students who are making part-time progress towards degree completion is an opportune approach, is similar to program structures at regional competitors Georgetown and Johns Hopkins, and is positioned to present a return-on-investment value proposition to prospective students. Full-time students, meanwhile, the majority of whom are international students, take the same courses and make up for their relative lack of experience (vis a vis their working colleagues) with energy and commitment to preparation. The committee feels the existing curriculum is well-designed to accommodate these two student groups, and found an attractive compatibility and synergy to exist between the part-time and full-time tracks. A simple interpretation is that the full-time students benefitted from the experience of their more senior, working student colleagues; the part-timers, meanwhile, are beneficiaries of the energy, diversity, and stable presence provided by their full-time colleagues. While a 2-3 year completion period is acceptable to part-time students, international full-time students have available to them one-year (30-36 credit) degree programs that raise the question whether the return on investment from an 18-24 month degree completion is sustainable.

A full-time program duration clearly defined as a minimum 12 month/maximum 18 month duration combined with the draw of the DC/Maryland/Virginia area, competitive tuition, and synergies with the current academic structure would attract strong enrollment interest.

The table below presents a peer group of master's programs in real estate with credit hour and time to completion comparisons:

| School                     | Columbia                                                            | USC                               | NYU                                           | MIT                                       | Havard                                 | Johns Hopkins         | Georgetown                   |
|----------------------------|---------------------------------------------------------------------|-----------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------|-----------------------|------------------------------|
| Degree                     | MSRED                                                               | MRED                              | MSRE                                          | MSRED                                     | MDesS                                  | MSRE                  | MPS/RE                       |
| Home School                | Graduate School of Architecture, Planning, and Preservation (GSAAP) | Sol Price School of Public Policy | School of Continuing and Professional Studies | School of Architecture and Urban Planning | Graduate School of Design              | Carey Business School | School of Continuing Studies |
| Program Established        | 1985                                                                | 1986                              | 1967                                          | 1983                                      | 1983                                   | 1989                  | 2010                         |
| Real Estate Centre         | Paul Milstein Center for Real Estate                                | Lusk Center for Real Estate       | Schack Institute                              | Center for Real Estate                    | Havard Real Estate Academic Initiative | None                  | None                         |
| Duration                   | 12 Months                                                           | 11 Months                         | 12-15 months                                  | 11 Months                                 | 12-18 Months                           | 12 months             | 15 Months                    |
| Specialization             | Development                                                         | Development                       | Finance/Development                           | Finance                                   | Design                                 | General               | General                      |
| Tuition                    | \$24,360 (per semester)                                             | \$75,600                          | \$71,712                                      | \$62,652                                  | \$65,500                               | \$56,200              | \$2,967 per 3 credit course  |
| Tuition (up to graduation) | \$73,080                                                            | \$75,600                          | \$71,712                                      | \$62,652                                  | \$98,250                               | \$56,200              | \$29,670                     |
| Location                   | New York, NY                                                        | Los Angeles, CA                   | New York, NY                                  | Cambridge, MA                             | Cambridge, MA                          | Washington D.C.       | Washington, DC               |
| Credits (Total)            | 45                                                                  | 44                                | 42                                            | 27                                        | 48                                     | 36                    | 30                           |

## Faculty

**Practitioner-Faculty.** A clear strength of the MRED program are the practitioner faculty. Through the efforts of the Director and networking through alumni and the Advisory Council, experienced faculty are identified and recruited from name real estate firms in the region and provide an impressive link between the classroom and industry application. The recruitment, development, and support of the practitioner-faculty is a key component to the continued success of the MRED program, and the committee

recommends further celebrating the strength of this industry connection. In meeting with this faculty it was clear that they were attracted to teach due to the affiliation with the University of Maryland, the opportunity to “give back” to students, alumni that sought to further connections to their alma mater, a desire to share their expertise; in sum, they came to their faculty roles for all the right reasons. The faculty also expressed a genuine willingness to participate in faculty and instructional development, and this could be an opportunity to further mesh together an impressive faculty. The committee further recommends conducting a benchmarking study to determine appropriate pay levels and other forms of recognition that attract and retain practitioner faculty.

**Full-time Faculty.** The strength and bench depth of the practitioner faculty belies the lack of full-time faculty in the MRED program. There are two thrusts to the recommendation that the hiring of full-time faculty is a critical need of the MRED program moving forward: (1) Permanence and stability and (2) Research status within the academy and nationally. The committee’s strongest advocacy for full-time faculty centers on the first rationale of stability. Full-time faculty, whether tenured or a professor of practice, would be a stabilizing force for the program not only as a continuing face of the program but, importantly, a bridge between industry practice and instructional techniques and practices. The core strength of the practitioner faculty – bringing into the classroom the real world work they do during the day – underscores the threat of disjointedness without a critical number of full-time faculty members. And, it should be emphasized, full-time faculty with extensive industry experience is what is needed first and foremost. As a multi-disciplinary, professional program, the need for additional full-time faculty that assist in the recruitment and development of practitioner-faculty, bridge the classroom and other disciplines as well as industry, and, ultimately, function as a central focal point of experienced and continuing mentors for students is primary.

Despite its professional program orientation, the MRED program exists within a context where research and scholarship count at the College and national level. Stability is gained through full-time clinical faculty, but where research is the internal currency of the academy ultimate stability resides with tenured faculty able to withstand the vicissitudes of market swings, internal college swings, and other threats. While the primary reputational focus resides with students perception of a full-time faculty members industry credentials, research that can further a national reputation does carry importance. A tenured or tenure-track faculty would also represent an ideal, indeed necessary, role for the Real Estate Review. In order to be a sustainable program, and as a foundation for the next steps in its evolution, the MRED program should establish an academic director with tenure and responsibilities for the Real Estate Review (see below), research, and as a compliment to the activities of the Director. In addition, a full-time clinical professor position should be created to support the efforts of the Director and take a central role as an instructional liaison to the practitioner-faculty.

### **Real Estate Review**

The Colvin Institute is home to the Real Estate Review (RER) with the Director of the MRED program serving as Editor with support from an Executive Editor who solicits submissions from the professional and academic communities. The RER has a unique niche in real estate research where it is not peer reviewed, focuses on content responsive to industry interests, and also produces content useful in the classroom. The only other publications that might be considered similar are the University of Pennsylvania’s Wharton Real Estate Review and Cornell University’s Real Estate Review. Wharton’s Review, however, is tied to Wharton’s faculty having a requirement to routinely publish in their Review, and as such it is overwhelming Wharton faculty authorship. Cornell’s Review, meanwhile, is similar to a Law Review by being student edited and managed with student development and leadership goals the central focus of its mission.

The RER does have a solid national reputation from 30 years in the field, and yet it suffers from being hard to find and faces a constant challenge of article flow given its non-peer review status and the proliferation of popular media outlets for practitioner content. Currently, the Review may be more of a distraction that drains already strained resources without a clear benefit relative to cost; once a full-time, tenured research faculty were in place that could take on the RER, however, it does have the potential to immediately establish a scholarly presence. The program should evaluate whether peer-review is viable, and whether the RER can be branded with the Colvin Institute, the MRED program, or both.

## **ADMINISTRATION, ORGANIZATIONAL STRUCTURE AND RESOURCES**

The maturity of a professional masters degree program in real estate, particularly in a competitive market, necessitates re-examination of staffing needs and resources in order to meet market demands and evolve as a Program. Professional graduate programs introduced into Colleges focused on undergraduate education and research-oriented graduate programs often pose a cultural and resource challenge – the MRED program attracts working professionals and full-time students with customer service, employment outcome, and career affiliation expectations more in-line with top-25 MBA programs than architecture and planning. The staffing, facilities, and overall resources in this competitive environment often appear extraordinary to those outside the MBA/Finance/Real Estate context. Simply put, students have choices, and prospective MRED students will not only consider the regional graduate real estate competitors but MBA programs for their amenities, support services, and ultimately return on investment. The recommendations below on organizational structure and resources is based on the external realities facing the program as well as the requirements for the evolution of the Program.

Potential staffing and resource synergies exist within a proposed undergraduate minor, the Colvin Institute, and within the College generally, although this report will focus exclusively on the masters program.

### **Colvin Institute**

Although the mission of this report does not include review of the Colvin Institute, the committee recognizes that the Colvin Institute is a central component of real estate at the University of Maryland, and opportunity for collaboration and synergy abound between the masters program and the Colvin Institute. Currently, the committee found that lines were blurred between the Colvin Institute and the MRED program with no clear demarcation between mission and responsibilities of the Colvin Institute versus the master's program. Uncertainty also seemed to exist around the duties of the Associate Director for the Colvin Institute and the extent that the position supported activities in the MRED program.

### **Role and Importance of the Director of the Program in Real Estate**

US graduate real estate programs take a number of differing approaches to program leadership, including variations of the following:

- Faculty Director (with administrative duties often delegated)
- Industry Director (with strong industry experience and ties)
- Administrative Director (with student services orientation; little industry experience)

Often the most successful programs are found to have program leadership/a director that is able to combine industry experience/ties, research and teaching, and direct administrative and student services activity into a hybrid role. The Director's role at the University of Maryland is just such a hybrid role, with the resulting

benefit of a well-coordinated, efficient program that effectively bridges the classroom and industry connections that is remarkable efficient and productive. Given the multi-disciplinary nature of the real estate, the importance of collaboration among faculty and across campus, and the critical place that industry and practitioner-faculty play in the program, the role of the Director is both inherently complex and critical to the success of the program. The challenges faced by the program Director are amplified by the competitive graduate landscape in the Maryland/DC area, the ongoing maintenance of strong ties to the professional community, and the growing expectations of applicants and graduates. The success of the program as measured by feedback from students, faculty, and alumni offers evidence of the ability of the current Director to achieve multiple outcomes while juggling many, often divergent, activities. A recurrent theme observed by the visiting committee was the weight of responsibility residing with the director – teaching, faculty recruitment and oversight, advising, research, career activities, admissions, budget and administration, and so on – that is improbable for any one person to shoulder. The position is so demanding in terms of student expectations and outreach that it is probably difficult for the Director to find time for research and publications, and yet maintaining scholarly activity is important. To address these challenges, some of the leadership activities might best be handled by a team, with some separation of duties and resource commitment necessary to ensure success. A very effective working relationship exists currently between the director, College leadership, advisory board and faculty, and the committee recommends development of some clear guiding principles and expectations for the position moving forward that include a normalizing of workload, demarcation of roles inclusive of a new associate director position, and the importance of additional faculty, including tenure, to ensure the sustainability of the Program [see ACADEMIC STRUCTURE above for a discussion of the need for full-time faculty].

## **Professional Administrative Services**

### **Student and Academic Services.**

From the inception of the MRED program much of the professional admissions and student services activities resided with the Director, and continue. This is typical of the early years of real estate programs, but almost without exception peer real estate masters programs have added professional staff in the area of student and academic services as well as career services and outreach. The needs at the University of Maryland are no different, and a natural next step is to separate out student and academic services into a distinct position. Admissions and marketing would be a central activity in such a role along with advising in addition to general support of the Director's duties. To illustrate, marketing and particularly web-based marketing can often constitute a half to full-time role, and a strong presence and visibility is central to attracting students. Part of the investment of the much larger staffs at the other peer programs in the DC area has been on web-based marketing, and resource commitment is revealed in search rankings. Georgetown and American appear on page 1 of google searches for graduate real estate programs, with the University of Maryland appearing on back pages finishing fifth behind Johns Hopkins and George Mason University. Increased program visibility along with other enhancements would grow out of an Associate Director for Student and Academic services.

### **Career services and outreach.**

Just as real estate programs have added student service roles, now the majority of MRED's peer programs have a dedicated career services and outreach position, and the focus on post-graduation outcomes and career support services will only intensify. Full-time students place a premium on career support, and as programs enhance their capabilities it ups the ante as students compare program opportunities. For part-time students, meanwhile, relatively few are employer-sponsored with the result that working students

are also increasingly focused on career services. 72% of MRED graduates landed or held jobs in the DC, VA and MD areas following the Program, which underscores the regional strength of the Program as well as narrows the focus for cultivating employer connections. The majority of those positions are in the \$60-80,000 salary range, and programs will face increasing pressure to up not only the quantity of opportunities but also the quality of placements, including median starting salaries. Return of investment is a strength of the MRED program, and incremental improvement in the quality of cultivated job opportunities will further drive the value proposition.



The organizational chart above depicts the proposed professional staff structure for the MRED program along with selected professional functions to be allocated to positions.

### **Dedicated Space**

Although it is a recurring theme, graduate students in a professional program have an expectation of program facilities that match or exceed their work environments and that mirror their (often strong) opinion of their masters program. It was apparent to the committee that the MRED program suffers from a lack of permanent space that constitutes a “home” for the program and students, and exacerbates a sense of lack of identify within the College (real estate does not appear in the College name, for instance). This invisibility is in contrast to actual student numbers – it is our understanding that real estate enrollments are close to those of planning and exceed that of HISP programs. Dedicated space is always a challenge, and particularly in a context when any space allocations should be in a context of furthering cross-disciplinary collaboration and interaction; in the case of the real estate program, however, the importance of premium, dedicated space exists at multiple levels – it is a focus of prospective students, but more importantly students attending evening courses need space where they can effectively transition from work to classes with a place of their own to land. It appeared that the program had two small offices with the Colvin Institute set up within the faculty suite, which collectively would be a smallest footprint of any of the peer programs, and a distinct handicap moving forward.

## COMPETITIVE ENVIRONMENT

As stated in the Program Report for the external review team, there was only one other part time degree program in the DC Metro area (Johns Hopkins University School of Continuing Studies) when the program began in 2006. Today there are others offering part time, as well as online degrees. The three programs that provide the most competition for students are Georgetown University, Johns Hopkins University and, to a lesser degree, George Mason University. Examination of the tuition listed on university web pages for spring 2015 or fall 2015 (if it was available) did not show a large difference in tuition among the institutions although the fall rate for Georgetown will increase to \$3249 for a 3-credit course. The MRED tuition at Maryland during the current year was \$2,367 for residents and \$3,267 for non-residents for 3 credits.

**Johns Hopkins University** offers an MS in Real Estate and Infrastructure through the business school (was formerly located in the School of continuing education) using a one year cohort format for their fulltime students in Washington D.C. They also offer a part time program in DC and in Baltimore. A 3.2 GPA is required for admission. They appear to market the program on Johns Hopkins's reputation as a university and frequently advertise scholarship availability on Bisnow.

**Georgetown University** offers a Masters of Professional Studies in Real Estate through the School of Continuing Studies. The degree requires 30 credits and typically takes two years to complete. Students must complete a capstone course. Georgetown also offers an online program. The program markets itself as the largest in the DC area and one of the largest in the United States.

**George Mason University** offers a masters degree in real estate development through the Business school. Completion of the degree requires 36 credits and typically takes one to two years. There does not appear to be a strong marketing theme present on the website, but it does have an interesting page featuring student and alumni profiles.

The MRED at the **University of Maryland** is not a cohort program and markets the flexibility of an accelerated 12-month program, an 18-month full time program and a part time program taking 24-36 months to complete (33 credits). The program's website also promotes the fact that most of the courses are taught by practicing professionals.

### **Branding**

The Report for the external review team states that most recruiting is done through the web. Therefore, the website is the most crucial part of recruitment. There was a welcoming and inviting "tone" throughout the website and it promotes a message to prospective students that they will be educated in a friendly and nurturing environment with many wonderful real life opportunities. The website is informative and easy to navigate. It appears to be kept up-to-date since winning the Hines Competition for the second year in a row was already posted by the time this report was written. Winning the Hines competition should be front and center on the web page and also could be used to differentiate this program from other programs both regionally and nationally. This is a significant achievement and it should be widely touted.

The Colvin Institute is a significant asset to the MRED program. However, sometimes in marketing and other materials produced by the program and/or the institute, there is some confusion in that they often appear to be the same. For example, on the Colvin Institute page the second sentence of the first paragraph is really talking about the degree and not how the institute supports the degree. Program materials should be reviewed for any such confusing statements.

## **Recruitment**

As the economy improves and real estate jobs become more plentiful, recruiting for graduate programs will become more of a challenge. The review team agrees that marketing a real estate development program based in a School of Architecture, Planning and Preservation is both a challenge and an opportunity. Use the webpage and other marketing opportunities to “sell” the benefits of this type of program and continue to emphasize the Quadruple Bottom Line.

The Report to the external reviewers indicated that speaking at local trade association events seems to impact the number of applications to the program, and it certainly helps to brand the program. Since alumni and faculty are some of the best recruiters for the program, perhaps developing a one page marketing piece of key talking points about the program that they could use to help recruit prospective students.

Finally, establishing some endowed scholarships that can be marketed across the region and even nationally would help in the recruitment process especially when competing with the Real Estate Development program at Johns Hopkins.

## **OUTREACH**

The program does an excellent job of introducing students to the professional community at the regional and national level. The program’s effective use of industry connections provides enrichment opportunities for students while also securing additional financial resources to support the program. It is a tremendous strength of the program that the Director has been an active participant on professional conference panels, industry association committees and scholarly presentations.

MRED students have the opportunity to attend national conferences such as the International Council of Shopping Centers annual meeting and the Urban Land Institute national and regional meetings. Through its attendance at these conferences, the MRED students gain considerable exposure and have the opportunity to network with industry leaders. The program’s participation in these organizations creates a high level of professional outreach for the students and faculty. Students and faculty interviewed by the Review Committee commented on the excellent engagement of the program with the professional community.

A valuable asset of the MRED Program is its Advisory Council. Consisting of approximately sixty prominent real estate professionals, the Council provides support for the academic program and related activities that enhance the student experience. The Advisors have the opportunity of providing financial contributions, intellectual capital, internships and networking resources to the students. Advisors may become Signature Sponsors with financial donations. Some of the Advisors are adjunct instructors, guest lecturers and conduct site tours. The Council of Advisors has nationally-recognized industry constituents who are active in the Urban Land Institute, authors of noted books and publications, major institutional investors, developers and other related practitioners. The Council of Advisors is an extraordinary resource to the Program, and is well-managed given the constraints of current staffing. Currently the Council meets collectively twice a year (Fall and Spring) at locations in Baltimore, DC, Bethesda and on campus in order to hear from Capstone students, as a social/networking event, and to update with faculty and staff. This degree of activity is typical of graduate real estate program advisory councils, and yet given the unique strengths of the MRED Council and their enthusiasm to be even more involved it is felt that additional care and cultivation would be rewarded. The MRED students appreciate the generosity of the Advisors and cite the opportunity to learn from them as a significant reason for selecting Maryland’s MRED Program for their graduate studies.

Some of the Advisors are also adjunct instructors and they bring a wealth of experience into the classroom. A good example is the MRED capstone course which utilizes several Advisors as adjunct instructors. The capstone course is an individual project and enables students to work closely with an Advisor in a one-on-one setting. This is a unique aspect of the program. Many of the MRED peer programs have team-based capstone projects which may not provide for the same level of personal interaction. It is the recommendation of the Review Committee that the Maryland MRED Program continues to actively promote its Advisory Council as a recruiting tool. The Council provides enormous credibility to prospective students. However, it would be advantageous if the Advisory Council becomes more strategic with its resources. Although some of the Advisors do provide financial support, there is no expectation of giving to serve on the Council. As expressed by Advisors to the Review Committee, serving on such a prestigious council is an honor that is not taken lightly. Accordingly it is recommended that it be clearly conveyed that Advisors make a minimum contribution to the MRED program. The level should be comparable to peer programs and jointly determined the university development officers currently working with the School of Architecture, Planning and Preservation.

Another recommendation is to have the Advisory Council vote on officers to provide leadership and reduce the burden of the Program Director related to Council programming, implementing the minimum donation requirements and selection of Advisors. With more organizational structure, it is essential that the Council have regularly scheduled meetings at least once and preferably twice a year. Regular meetings will enable the Advisors to have increased interaction with their fellow Advisors and students. Several Advisors remarked that they did not know many of their fellow advisors and would welcome regular meetings that also provide social networking with students and faculty. The meetings could feature student presentations such as the winning capstone presentation (s) and university news ranging from faculty research presentations to athletic officials. A reception with students and Advisors either the evening before the meeting or following the meetings would be an opportunity for a social event increasing the interaction with students and faculty. A panel discussion with selected Advisors or a related presentation would also be another learning opportunity for the students. It is suggested by the Review Committee that the School of Architecture, Planning and Preservation development officers handle the administrative responsibilities associated with organizing the framework for election of officers and scheduling the Advisory Council Meetings with the appropriate agenda.

Despite the Program's relative short history a strong MRED Alumni Association has emerged, and working through the University Alumni Association gained formal recognition as a specific affinity group. As a networking and student recruitment resource, alumni can be a valuable asset offering support to the program, and can be viewed as vital partners as the MRED program increases its admissions, career services, and outreach capacities. MRED alumni have valuable insight of the program and could be informal mentors to current students. They are often aware of internship permanent employment opportunities. With an organized alumni association, social events with students enhance networking and further increase the exposure of the program. Currently alumni organize social networking events with Capstone cohorts during November and April, which is very effective in communicating the culture of dedication and quality around the capstone program. It is difficult to sustain alumni group activities, such as luncheons or receptions around a real estate theme or presentation, prior to having a critical mass of alumni, but given the enthusiasm of MRED alums and growing numbers it may be time to consider select alumni outreach events beyond the capstone meetings.

## **OUTCOMES AND FEEDBACK**

The committee had the opportunity to visit with current students, alumni, program faculty, faculty colleagues within the College, and College leadership. The current students expressed a strong sense of satisfaction with the Program, and took considerable pride in accomplishments such as their Capstone course work as well as the amazing showings in the ULI Hines competition. The Capstone course, particularly, seemed to encompass just the experience that it should and yet is difficult to achieve – to have a comprehensive, highly challenging experience that draws together everything that has been learned in the Program and delivers a product/solution of substance and meaning to the client. The students reinforced what the committee observed – that the Capstone structure of smaller teams with very strong, hands on commitment from the faculty hits the mark. The students also expressed a very strong sense of family and connectedness with the Program faculty and staff, and illustrated the strength of personal connections that has been an integral part of the Program since its inception. Although it was a small sample, there were three students that as University of Maryland undergraduates had been exposed to the real estate program in some way, and been inspired to matriculate on to the masters program, further reinforcing student’s positive interpersonal experiences with the Program. We did find some of the full-time students did not feel that they were fully loaded with course work, which is a contrast to the 50-60 work weeks common in many peer programs and an argument for a more streamlined 12 month full-time program (see above). There was also some sense that approval of background coursework and experience in order to waive the provisional 1-9 credits of courses was uncertain – not necessarily unfair or arbitrary – and while tailored advising to meet individual students needs is effective there may also value in establishing defined criteria so that students have a known curricular roadmap prior to Program entry.

Full-time students have their days free and during interviews with the Review Committee, several students addressed disappointment over reduced engagement with the part-time students who are only there for their evening courses. Despite the Program’s relative brief exist, we found Program alumni to have a strong developed sense of alumni network and took pride in its connections as well as were very optimistic about it becoming even more vital in the future. Faculty as well displayed a high level of satisfaction with teaching in the program, the support they received, and respect for students abilities and interaction.

The committee would recommend that the Program slightly revise its student survey to include student entry and exit surveys that, in addition to current feedback, include questions mirroring the US News and World Report MBA surveys as well as the Forbes Return on Investment MBA survey so that the Program can provide similar metrics for comparison purposes.

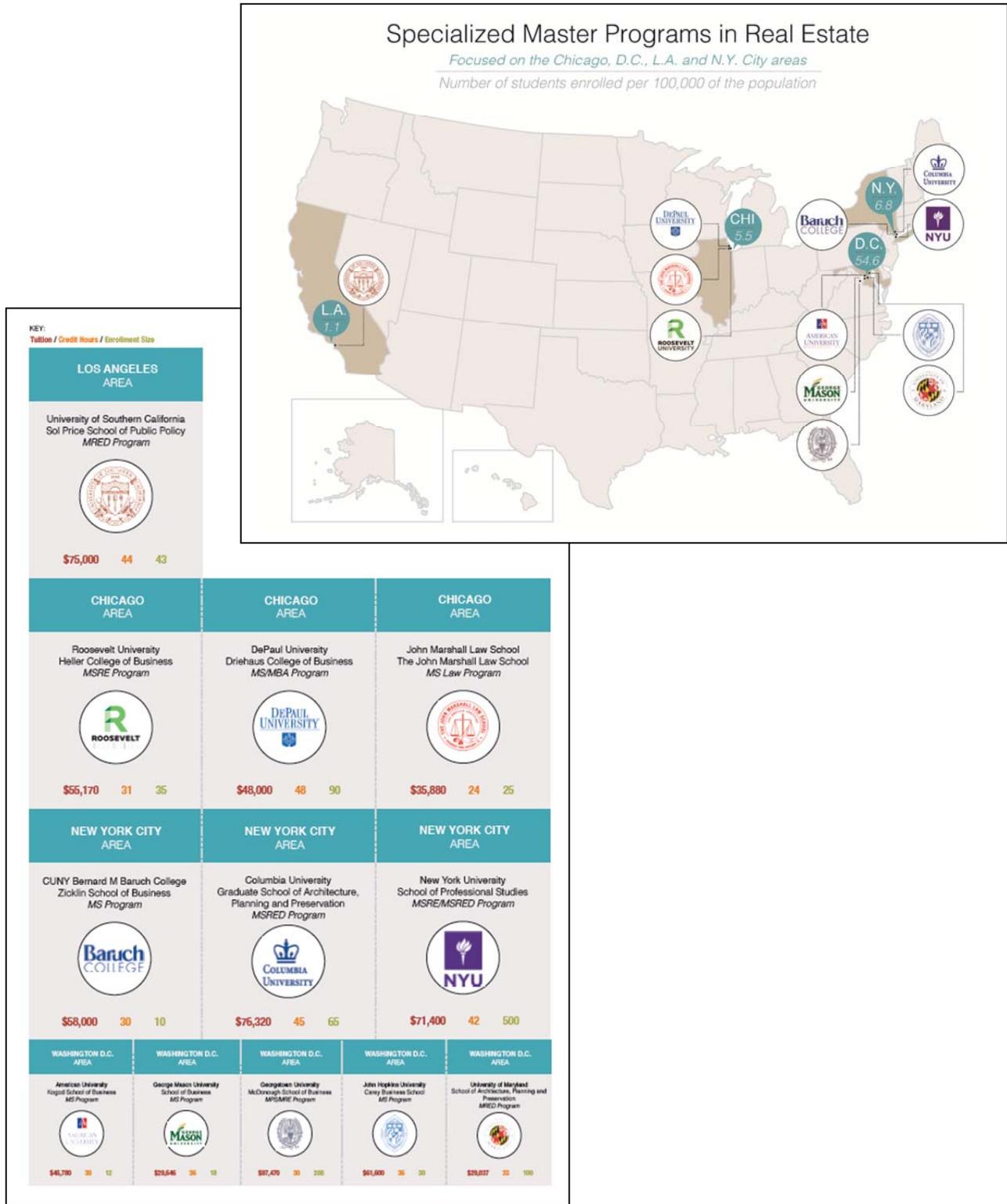
## **NEXT STEPS/FUTURE PROGRAMMING**

The MRED program is poised to consider growth opportunities and new programming as it matures into its second decade. Discussion of next steps for the academic program center around the following three key decision points:

- I. Curricular & Degree Programming
- II. Location
- III. Delivery Mechanism

A beginning point for any consideration of next steps begins with a understanding of the local graduate real estate market and a laser focus on adapting to changes and trends in the peer group. The

DC/Virginia/Maryland market may be the most competitive graduate real estate education market in the country, and the following graphic presents comparative data from four US metros.



## I. Curricular & Degree Programming

Efforts to expand dual degree offerings on campus have proven successful, and should be continued as the MRED programs furthers linkages across campus. The dual degree MBA/MRED holds particular promise given (1) the Robert H. Smith School of Business's existing part-time program strength in DC, Baltimore and suburban campuses, (2) MBA degree recognition that continues to influence students decisions over perceived less market acceptance of specialized masters, and (3) curricular structure that can accentuate the University's multi-disciplinary strengths. Certificate programs are also a proven method of advancing the MRED brand throughout the DC/Virginia/Maryland market and an effective conduit into the masters program. A proposed undergraduate minor in real estate holds tremendous promise, and is less subject to competitive alternatives in the DC higher education market. At the graduate level, the degree niche worthy of exploration is an executive degree in real estate. Currently, no cohort-based, executive degree program in real estate is offered in the region, and a first-mover advantage exists. The caution is that Georgetown could relatively quickly offer a competing program, and so any program design should be cognizant of the potential for future competition.

## II. Location

Given the competitive market, the program should carefully study any new campus locations, particularly in the DC area. Four existing masters programs are focused on the DC market – Georgetown, George Washington, American, and Johns Hopkins – and without significant program differentiation one would be entering a potentially overserved market. There may be the opportunity to effectively compete on return on investment with additional campus locations, and particularly in the Baltimore area. There appears to be the ability to compete with Johns Hopkins on value given JHU's tuition levels, and Baltimore has the additional strategic benefit of drawing from Philadelphia, Delaware and southern Pennsylvania. Additionally, international programming presents an appealing opportunity particularly if linked with the University of Maryland's strengths in overseas programs.

## III. Delivery Mechanism

On-line programming in graduate real estate education remains in its infancy, but yet hybrid efforts (NYU, University of Denver) have demonstrated the efficacy of on-line delivery for professional graduate real estate programs. Expansion of programs to second regional campuses and potentially overseas should consider how on-line and synchronous interactive video delivery formats can extend MRED current on-campus offerings.

## **SUMMARY OF RECOMMENDATIONS**

The University of Maryland Master of Real Estate Development program (MRED program) deservedly has a reputation as one of the leading graduate real estate programs in the country. It is the finding of the external review committee that the strong leadership and vision of founding Program Director Margaret McFarland and Dean David Conrath have established a high value program on a solid foundation within a remarkably short time period. Their concerted efforts have positioned the program to advance into its second decade and, through strategic next steps and resource enhancements, mature into a sustainable, national and indeed globally prominent program. The challenges have increased in recent years as the competitive landscape of peer programs in the DC/Maryland/ Virginia area demands strategic responses, resource competitiveness, program differentiation, and adherence to the value proposition in order to sustain prominence. Accordingly, a summary of our recommendations for the MRED program as it embarks on its second decade is as follows:

### **I. Program Orientation**

Evaluate if the market demand in the DC/Maryland/Virginia area is more heavily weighted towards acquisitions/asset management/capital markets or development. The *development* emphasis is an advantage in a competitive market with peer programs offering MSRE and MPS/RE degrees, and the degree designation MASTER OF REAL ESTATE DEVELOPMENT is a plus. The program offers so much more than development, however, and effective marketing could tell that story and cultivate interest among finance, asset management and other oriented professionals in the area that otherwise did not consider “development” to be their interest. With the program housed within the School of Architecture, Planning and Preservation, there is an opportunity to further promote the interdisciplinary aspects related to development as well as leverage Maryland’s stand-alone MRED degree as an advantage for students desiring a broader skillset upon graduation.

### **II. Identity and Growth**

The lack of dedicated space for the MRED program sends the wrong message to students and faculty. This is especially noticeable to prospective students and visitors who may also be visiting competitive programs. Creating showcase space including a dedicated seminar room and a computer lab should be a top priority. Although there is a strong relationship between the program and the Colvin Institute, the two entities appear to be the same to those unfamiliar with the program. It is recommended that the Colvin Institute mission and responsibilities be clearly defined and distinguished from the program. This is an opportunity to brand the institute as a research arm for the program. It is also recommended that the Real Estate Review (RER) be re-evaluated in terms of whether it should be under the auspices of the Colvin Institute, the MRED program or both. If it is feasible to hire additional faculty (see below), it is recommended that the RER become peer-reviewed and branded with the Colvin Institute. This represents an opportunity to elevate the scholarly presence of the institute. Situated in a School where the three other academic programs – architecture, planning, and preservation – are identified in the School’s name, MRED as the fourth program has the added challenge of name identity. Attempts to enhance the Program’s visibility within the College through branding efforts would be valuable.

### **III. Degree Structure**

The curriculum is well-designed and offers several options for completion of the degree including full-time and part-time. This makes it attractive to a wide range of students. The review committee did receive mixed signals from students regarding their credit load expectations in order for full-time students to graduate in 12 months. Given the competitive market and peer programs emphasizing accelerated completion time to graduate, it is recommended that the Maryland MRED program extensively promote a 12-month completion time for full-time students. However, the option for an extended time to complete, both for students seeking additional coursework as well as international students facing a challenge with visa restrictions, should also be available still under the “full-time” designation.

### **IV. Resources and Capacity**

The MRED program has greatly benefitted from the vision, energy and leadership of its founding director. Margaret McFarland is to be commended for her ability to guide the program and its ever-increasing administrative demands. As the program enters its second decade, the director’s responsibilities should be incrementally delegated with a “team” leadership approach. As referenced in the proposed organization chart (see Professional Administrative Services) above, it is recommended that additional, full-time faculty be hired. A tenure/tenure-track professor should be recruited with the expectation of assuming responsibility as *Academic Director*. As resources allow, it is also recommended that a professor of practice or similar clinical individual be hired and administrative support be increased. Consideration should be given to hiring at least one and preferably two individuals to oversee student/academic services and career services/industry outreach respectively. These positions could be associate director or coordinator positions that are consistent with the university and School of Architecture, Planning and Preservation policies. The review committee strongly believes that too much is being required of the Directors role, and the ability for the Program to take the next step requires staffing that is more in line with peer programs.

### **V. Outreach**

The program’s advisory council is a valuable asset with a wealth of knowledge. Their engagement is greatly valued by students, alumni and faculty. The review committee met with several council members who were complimentary of the program and the leadership of the director. However, it is recommended that the program become more strategic with the resources of the council by establishing an expectation of an annual financial donation. It was noted by the reviewers that a number of council members were generous with their time, especially those who also serve as adjunct instructors. At the same time, annual financial contributions are typical with graduate real estate and business programs. The reviewers recommend that the School of Architecture, Planning and Preservation development officers organize and administer the annual giving plan for the council. It is also suggested that the development officers assist the program with administrative responsibilities related to organizing the council meetings (twice a year), election of officers and speakers such as new faculty, panels or student presentations.

An additional strength, originating from the Council, are the practitioner-faculty, and additional resources devoted to cultivation, training, and collaboration with the practitioner-faculty will pay dividends. Margaret McFarland and the program are known for their participation in academic and professional conferences. The reviewers learned of a direct correlation between increased applications following conference presentations or panel participation. Ms. McFarland’s willingness to participate in different conferences is also strategic as evidenced by the increased student presence at the annual International Council of Shopping Centers conference while still participating in the annual ULI conference but with a

smaller contingent. It is recommended that the program continue their active participation in regional and national conferences.

## **VI. Strategic Opportunities**

The University of Maryland and the MRED program enjoy a strong international reputation. There is an opportunity for international programming and growth of the program overseas. The reviewers were impressed with the quality of the current international students who clearly value the program's geographic location as a major international market. Accordingly, it is recommended that an increased focus be placed upon international student recruitment and possible collaboration with other university graduate programs that have an existing presence overseas.

It is noteworthy that the new MBA/MRED joint degree will be offered in 2016. This is a timely and strategic opportunity to offer courses and promote the program in the D.C., Baltimore, and suburban markets. It is recognized that the DC market is becoming overserved with the Georgetown, Johns Hopkins, American University and George Washington programs. However, the joint MBA/MRED degree should have broad appeal and will gauge demand for an expanded presence in the future. It is also felt that Baltimore represents a market where the MRED program can present a strong value-proposition.

The review committee greatly appreciates the hospitality and cooperation by Ms. McFarland and Dean Conrath. It was indeed a pleasure to work with all of the individuals involved. The future of the Maryland MRED program is bright and we hope this report is beneficial as you plan for the second decade.

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