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Program Produces Productive Practitioners



LERE graduate and JPI Development Associate Richard Furr specializes in apartment development in Irving, Texas.

By Jenifer V. Hofmann

An old adage says the only constant in life is change itself. This constant is alive and well in commercial real estate. For example, consider the following changes recently identified by Barry Libert, managing director of Arthur Andersen's Real Estate Transformation Group:

- 40 percent of all shoppers are using mail order magazines, television shopping channels or other non-traditional shopping methods, resulting in a weakened dependence on traditional shopping malls; and
- telecommuting is predicted to expand from its current level of 11 million individuals to more than 20 million by the year 2000, significantly reducing the amount of office space required by many organizations.

In addition to these trends, the movement from private ownership to public ownership of commercial real estate continues to expand dramatically. The National Association of Real Estate Investment Trusts (REITs) reports that more than 8.3 percent of all commercial real estate is now owned by REITs.

These trends are changing the competitive landscape of commercial real estate. As the demand for traditional commercial real estate changes, the professional environment must be quick to respond. In an environment of increased competition, it is incumbent upon real estate practitioners to keep pace with changes in the industry. As noted by Libert, "To avoid the necessity for change is to invite obsolescence."

The Master of Land Economics and Real Estate (LERE) degree at Texas A&M University is designed to provide the necessary skills to succeed in the highly competitive business of commercial real estate. The LERE program prepares students for real estate career opportunities such as consulting, brokerage, asset management, lending, appraisal and valuation. This program provides students with cutting edge knowledge and skills required both now and in the future.

The program was transferred to the Department of Finance in the College of Business Administration in 1995 and provides graduate students interested in real estate a wide variety of opportunities. Until recently, most graduates sought careers in real estate appraisal, but current graduates are more likely to work for large public accounting firms specializing in real estate consulting and valuation, development, or in corporate real estate departments like Wal-Mart or General Electric.

"Essentially, the questions that they all will be answering are: How is this property valued? How much is it worth? How much should we pay for it? How much can we sell it for? How much can we lend against it?" says Dr. Wayne E. Etter, current LERE director.

This change in the focus of the LERE program reflects larger changes in the profession of commercial real estate. For example, Richard Furr, who recently joined JPI, a real estate firm specializing in apartment development and a 1990 LERE graduate notes, "There are infinitely more positions available today for kids coming out of school in those (financial) arenas than there were a few short years ago."

Along similar lines, Robert Jordan, an investment analyst with Stockton, Luedemann, French and West and 1997 LERE graduate suggests, "The emphasis on business has been very

beneficial in the students' eyes as well as the employers' eyes."

The LERE program itself consists of core courses in the following areas:

- real estate development,
- real estate finance,
- real estate valuation,
- real estate investment,
- real estate law,
- real estate market research,
- land economics,
- principles of building and construction and
- accounting.

Typical elective courses include:

- financial management,
- investment management and
- money and capital markets.

Course work within the LERE program is supplemented by a professional internship. Firms such as Wal-Mart Realty, GE Capital Client Services and Deloitte & Touche find that internships are important in recruiting students for permanent jobs, and that they provide important assistance for special projects as well as regular operations.

"A lot of the companies view the internship process as a way to get a look at somebody," says Etter. "It's a screening process. They view them as potential employees."

Speaking of his internship experience, Victor Grant, a 1988 graduate and now a property tax specialist for Crescent Real Estate Equities says, "It taught me how to think outside the box." And when asked what kind of doors the experience and master's degree has opened for him, he said, "All of them."

"If you want to enter the real estate business," Grant advises, "it's probably the best year and a half you can spend. It's a great education, and the networking opportunities are remarkable. . . . Everything pulled together is a phenomenal package."

Grant, who interned in real estate appraisal says, "The valuation background helps you understand the inner workings of all types of real estate. Once I moved into the property tax side, I still talked about value in the same manner as I did as an appraiser, but I now argue and am an advocate for an ownership group that fights the assessor. By having that appraisal background, I'm well-versed in market value, value and use, and true value. It's good for me to know all three, and I practice them on an everyday basis."

Another unique aspect of the Master of Land Economics and Real Estate program is the close network of former students. Now numbering nearly 200, the Society of Texas A&M Real Estate Professionals, or "STAMREP," provides an unparalleled opportunity for graduates, as well as current LERE students, to network with people already practicing in the business.

"Networking is the life blood of the real estate business," says Grant. "It does open up doors and it does make a difference," he continues about STAMREP. The organization not only provides opportunities to meet others, but it also hosts

annual business meetings, provides scholarships to LERE students, hosts field trips around the state and raises money for the LERE program.

"I have made lifelong friends in the real estate industry," says Furr about the people in STAMREP, "but they're not doing the exact job that I'm doing. Maintaining relationships with them has helped me understand other disciplines within real estate."

So what are employers looking for in today's graduates? "Companies are looking for people who have a good technical background, so the companies don't have to spend a lot of time, money and energy training. Companies appreciate the fact that LERE graduates are already trained to some degree and are prepared for the job," according to Furr.

"Because we are in the technological age, and it's getting more so all the time, we want our students to be aware of as much technology as possible. We want them to know what it can do for us, but we also want them to know what it **can't** do for us," says Etter. "Yes, technology will have a lot of effect on the way the business itself operates, but ultimately, somebody has got to get the information, think about it and sift out what it means."

For additional information on the Master of Land Economics and Real Estate program, call Dr. Wayne E. Etter at 409-845-2006, or e-mail him at w-etter@tamu.edu.

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Dr. Wayne E. Etter teaches finance classes that are integral to the master's degree. He also is director of the LERE program.

A Program With Deep Roots

Although the LERE program currently has a strong emphasis and placement in business, its historical roots are in the College of Agriculture and Life Sciences at Texas A&M. Originating in the early 1970s, the development of the program recognized the need for students trained in real estate and land economics.

"There's always been a need for valuations and real estate appraisals," says current program director Dr. Wayne E. Etter. "But in the early 1970s, those needs were spread across a wide spectrum. There was a strong need for appraising farms and ranches, as well as urban properties. LERE students accepted jobs as appraisers in big and small cities and appraised a wide variety of properties."

"Gradually, as the '70s progressed into the '80s, there was an increasing demand for urban property specialists. In light of this trend, the emphasis of the LERE program gradually shifted its focus more and more to urban properties and increased its business and financial orientation. In 1995, this shifting focus was formalized when the program officially became part of the Lowry Mays College and Graduate School of Business.

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