

## **Request for Authorization to Establish a Master of Science in Real Estate at UNC Charlotte**

The University of North Carolina at Charlotte requests authorization to establish an M.S. in Real Estate degree program (CIP 52.1501).

### **Program Description**

The proposed multidisciplinary Master of Science in Real Estate (MSRE) program is designed to prepare graduate students for careers in real estate finance and development by offering specialized coursework consistent with the evolving needs of the industry. The new program, which will be offered by the Belk College of Business, will also involve the faculty, resources, and/or courses of the Center for Real Estate, the School of Architecture, the Department of Civil and Environmental Engineering, and the Department of Geography and Earth Sciences. Coursework will be multidisciplinary in scope and practice, focusing on all aspects of the real estate development and investment process. The overarching educational objective of the MSRE program is to provide graduate students with the skills required to analyze, structure, and execute complex real estate investment and development transactions. The program requires 32 graduate semester hours to complete.

### **UNC Tomorrow Relevance**

This proposed program would address several Recommendations within the UNC Tomorrow Report including the components to enhance Our Citizens and Their Future: Access to Higher Education (Recommendation 4.2), Our Communities and Their Economic Transformation (Recommendation 4.4) and Our University's Outreach and Engagement (Recommendation 4.7).

### **Highlights from UNC-GA Data Template**

No other public or private college or university in North Carolina offers a similar degree. In the past three years, UNC Charlotte has established one doctorate, five masters, and two baccalaureate programs, and has discontinued six masters and nine baccalaureate programs.

### **Outcome of Consultation with Disciplinary Panels**

The panel included one faculty member from NCSU in addition to the UNCC faculty presenters. (The fact that only one other campus attended the disciplinary panel session is indicative of the specialized nature of this proposed graduate degree program.) Panel members discussed the curriculum and some of the coursework in the proposed program, which includes a study abroad component that requires students to travel to an international real estate market as a summer course. The employment opportunities for program graduates were also addressed. Overall discussion was positive, with consensus on the desirability of offering this degree program.

### **Student Demand**

The application describes how UNC Charlotte's location in one of the largest and fastest growing metropolitan areas in the southeast makes it a desirable candidate for a graduate program in real estate. The strength and sophistication of the region's financial services industry also creates demand for high level training in real estate finance, which has been observed in a number of ways: (1) Existing Courses: UNCC has experienced increased student demand for real estate courses over the last several years; (2) Support from the Real Estate Industry: The Center for Real Estate at UNCC was established in 2005 by the generous support of the local real estate community, which has provided a five million dollar endowment to the Center; and (3) Market Demand for Graduate Level Real Estate Education: Nationally, there is an increasing number of graduate programs similar to UNCC's proposed MSRE. UNC Charlotte projects full enrollment of the program in its fourth year will be twenty full-time students.

### **Opportunities for Graduates of the Program**

Students graduating from the program will have the skills necessary to qualify for positions such as development associates, underwriters, brokers, asset and property managers, acquisition specialists, and financial analysts. The proposal states that UNC Charlotte is in a unique position to provide graduate level training in real estate because of its location in a thriving urban environment. Future demand for new residential and commercial space will create employment opportunities for individuals with an understanding of the various facets of real estate finance and development.

### **Resource Implications**

**Resource needs:** No new faculty, facilities, equipment, or information technology services are needed to implement the proposed degree program. The campus library has been appropriately consulted on the need to acquire some additional library resources for the new program. Because the Center for Real Estate has funding in-hand to offer the MSRE, enrollment growth funding would be supportive but not essential to the program.

**Resources allocated:** The Center for Real Estate has \$40,000 in annual state funding and \$5 million in pledged endowment funding that are available to operate the MSRE. Seven new courses will be developed either in-load or with faculty compensated by the Center. The participating departments will utilize existing courses, faculty, facilities, technological infrastructure, and library resources to offer and support this new program.

**Estimated cost to the State:** Based on the University funding formula, when the program reaches full enrollment, UNCC would receive additional state appropriations of approximately \$133,000 if fully funded by the General Assembly.

### **Recommendation**

It is recommended that the Board of Governors approve UNC Charlotte's request to establish a Master of Science in Real Estate degree program (CIP 52.1501) effective January 2012, subject to the availability of funding.

## **General Information Template for Academic Program Review**

### ***Degree Area and Level:***

M.S. in Real Estate (CIP 52.1501) at UNC Charlotte

### ***Addressing UNC Tomorrow:***

This proposed program would address several Recommendations within the UNC Tomorrow Report including the components to enhance Our Citizens and Their Future: Access to Higher Education (Recommendation 4.2), Our Communities and Their Economic Transformation (Recommendation 4.4) and Our University's Outreach and Engagement (Recommendation 4.7).

### ***Role of Program in Relation to State and Regional Needs:***

According to the Center for Real Estate at UNC Charlotte, "Because of the major presence and sophistication of the real estate and financial service industries in Charlotte, there is a need for practical and academic research on real estate topics of concern to the real estate community. Additionally, there is a growing regional demand for employees with graduate level education in real estate finance and development. Specifically, highly-trained employees are needed for positions in appraisal, brokerage, lending, consulting, market research, development, financial analysis and capital markets."

### ***US Labor Department Analysis:***

- *Summary* – Employment of property, real estate, and community association managers is projected to increase by 15 percent during the 2006–16 decade, faster than the average for all occupations. Job growth among onsite property managers in commercial real estate is expected to accompany the projected expansion of the real estate and rental and leasing industry. An increase in the Nation's stock of apartments, houses, and offices also should require more property managers. Developments of new homes are increasingly being organized with community or homeowner associations that provide community services and oversee jointly owned common areas requiring professional management. To help properties become more profitable or to enhance the resale values of homes, more commercial and residential property owners are expected to place their investments in the hands of professional managers. Moreover, the number of older people will grow during the 2006–16 projection period, increasing the need for specialized housing, such as assisted-living facilities and retirement communities that require management.

Employment of real estate brokers and sales agents is expected to grow 11 percent during the 2006-16 projection decade—about as fast as the average for all occupations. Relatively low interest rates and the perception that real estate usually is a good investment may continue to stimulate sales of real estate, resulting in the need for more agents and brokers. However, job growth will be somewhat limited by the increasing use of technology, which is improving the productivity of agents and brokers.

Employment of appraisers and assessors of real estate is expected to grow by 17 percent, which is faster than the average for all occupations, over the 2006-16 decade. Employment of appraisers will grow with increases in the level of real estate activity. Additionally, more appraisers will be hired to help with litigation claims, probate cases, foreclosures, business valuations, and divorce settlements. Employment of assessors will grow with the increase in the amount of real property to be assessed. However, employment will be held down to a certain extent by productivity increases brought about by the increased use of computers and other technologies, which make for faster valuations and allow appraisers to take on more customers and each assessor to assess more properties.

Source: Occupational Supply Demand System

APPENDIX G

**Availability of Program Statewide (Enrollment and Degrees Awarded in Last 3 Years):**

- Public universities – Not available.
- Private universities – Not available.

**Available or not from Academic Common Market:** Not available

**UNC Charlotte enrollment and degrees awarded by similar programs at the Masters level:**

*(Based on two CIP digits – 52 CIP is the summary group for Business, Management, Marketing, and Related Support Services under which Real Estate is a program.)*

| Enrollment |   |      | Academic Year |        |         |        |         |        |         |
|------------|---|------|---------------|--------|---------|--------|---------|--------|---------|
|            |   |      | Fall 07       | Spr 08 | Fall 08 | Spr 09 | Fall 09 | Spr 10 | Fall 10 |
| UNCC       | Business Administration and Management, General | MBA  | 419           | 449    | 506     | 455    | 482     | 458    | 411     |
|            | Accounting                                      | MAcc | 97            | 94     | 106     | 104    | 145     | 132    | 133     |
|            | Business/Managerial Economics                   | MS   | 33            | 32     | 37      | 38     | 51      | 47     | 58      |

| Number of Degrees Awarded |   |      | Academic Year |           |           |
|---------------------------|---|------|---------------|-----------|-----------|
|                           |   |      | 2007-2008     | 2008-2009 | 2009-2010 |
| UNCC                      | Business Administration and Management, General | MBA  | 181           | 202       | 227       |
|                           | Accounting                                      | MAcc | 54            | 51        | 72        |
|                           | Business/Managerial Economics                   | MS   | 3             | 18        | 12        |

**Campus Average of enrollment and degrees awarded per degree program in this area at the Masters level over the over the last 3 Academic Years, Fall 2007-Fall 2010:**

*(Based on two CIP digits – 52 CIP is the summary group for Business, Management, Marketing, and Related Support Services under which Real Estate is a program.)*

| Campus Average  |                           |                         |                          |
|-----------------|---------------------------|-------------------------|--------------------------|
|                 | Number of Active Programs | Enrollment per Semester | Degrees Awarded per Year |
| ASU             | 2                         | 48                      | 30                       |
| ECU             | 2                         | 416                     | 94                       |
| FSU             | 1                         | 48                      | 23                       |
| NCA&T           | 1                         | 20                      | 11                       |
| NCCU            | 1                         | 57                      | 20                       |
| NCSU            | 2                         | 250                     | 113                      |
| UNC-CH          | 2                         | 482                     | 274                      |
| UNCC            | 3                         | 204                     | 91                       |
| UNCG            | 3                         | 88                      | 44                       |
| UNCP            | 1                         | 29                      | 7                        |
| UNCW            | 2                         | 78                      | 54                       |
| WCU             | 5                         | 75                      | 25                       |
| WSSU            | 1                         | 45                      | 19                       |
| Campus Average: |                           | 142                     | 62                       |

***UNC Charlotte Degree Programs added in the past three years:***

- *Bachelor*
  - BA Special Education, General Curriculum (03/20/2009)
  - BA Japanese Studies (04/09/2010)
- *Master*
  - MUD Urban Design (06/13/2008)
  - MS Construction and Facilities Management (06/11/2010)
  - Master Fire Protection and Administration (06/11/2010)
  - MA Anthropology (08/13/2010)
  - MS Health Informatics (09/09/2011)
- *Doctoral*
  - PhD Bioinformatics and Computational Biology (1/14/2011)

***UNC Charlotte Degree Programs discontinued in past three years:***

- *Bachelor*
  - BA Special Education: Mental Handicaps (03/20/2009)
  - BA English, Secondary Education (02/11/2011)
  - BA Mathematics, Secondary Education (02/11/2011)
  - BS Mathematics, Secondary Education (02/11/2011)
  - BA Chemistry, Teacher Licensure (02/11/2011)
  - BA French, K-12 (02/11/2011)
  - BA German, K-12 (02/11/2011)
  - BA History Education (02/11/2011)
  - BA Spanish, K-12 (02/11/2011)
- *Master*
  - MEd Special Education, Cross-Categorical Disabilities (03/20/2009)
  - MEd Special Education, Behavioral-Emotional Handicaps (03/20/2009)
  - MEd Special Education, Mental Handicaps (03/20/2009)
  - MEd Special Education, Learning Disabilities (03/20/2009)
  - MEd Special Education, Severe and Profound Handicaps (03/20/2009)
  - MA Art Administration (03/20/2009)
- *Doctoral*
  - N/A