

Schools scramble to woo students

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Enrollment down for sales, mortgage, appraiser licensing courses

By Abby Luby

The crisis in the housing market is having repercussions even at school — specifically at real estate schools in the New York metropolitan area. For many, enrollment is down, and educators are scrambling to come up with a more diverse menu of courses to woo prospective students, including those already out of a job.

The crisis is not just affecting classes for the sales side of the business; interest is dropping across a broader array of jobs connected with the real estate industry. Over the last year, enrollment has dropped sharply for standard licensing courses for mortgage brokers, title closers and appraisers, courses that are the bread and butter of these specialty education centers.

For their part, real estate schools are jockeying to fill the enrollment gap by targeting prospective students with no real estate experience as well as professionals who are required to keep their licenses current by taking continuing education courses. They're also offering classes in areas of real estate with growth opportunities, such as foreclosures, short sales and property management, and they're trying to offer more online licensing classes, which are increasingly popular.

Richard Levine, president of the New York Real Estate Institute in Manhattan (NYREI), said enrollment for mortgage broker and title closer classes has plunged.

"We used to run the mortgage broker class four to five times per year and get about 30 students per class. Now there is much less interest, and when a class does run, we only get about 10 people," he said.

A year ago, interest dipped so significantly that Levine canceled the three-day class altogether and started offering a one-day intensive class, which is now scheduled three times a year.

Between 2005 and 2007, NYREI offered the title closer class four times a year and attracted 50 to 60 students per class. Now, only about 15 are taking the course.

Last June there was a brief surge, after the state upped the requirement for agents to obtain a New York State sales license to a 75-hour course from a 45-hour course, effective July 1, 2008.

"You had a mad rush of existing salespeople trying to finish their 30 hours by the end of June," said Levine, who noted that NYREI enrollment numbers for the sales course expanded to 7,800 but then shrank to about 6,300 at the beginning of 2009.

Jack Nyman, director of the Steven L. Newman Real Estate Institute at Baruch College, which offers certificate and license programs, said new courses are being offered in construction administration and facilities management because student demand has shifted. The school also has introduced three new certification programs in sustainability.

"There's a strong interest in green themes, but it hasn't reflected in the enrollment numbers just yet," he said.

Nyman declined to give specific enrollment numbers, but the school's certification program office said current class enrollment for any of the real estate courses at Newman is five to six students.

Enrollment has dropped by 75 percent for home inspection classes at Ivy Real Estate Education on Seventh Avenue in Manhattan, said Ivy Beloff, who is head of the school.

"In 2005, our average class size was approximately 20," she said. "There were decreases in 2007 and more decreases in 2008. Home inspection has deteriorated down to hardly anything — unlike in 2002, when everyone got on the bandwagon."

Demand for classes has dropped 50 percent since the end of 2007 at the Real Estate Training Center (RETC) in Bayside, Queens, said Frank Langone, the school's director.

"Our school was graduating 2,000 to 3,000 students per year prior to 2008. Now it's approximately half that. We are seeing less and less across the board as far as interest and new people coming into the business," he said. "Once the mortgage industry imploded, it took real estate with it. Now there's less demand for our classes."

However, classes in short sales and foreclosures are gaining popularity, said Langone. "Unfortunately, these are hot topics, and although I don't encourage taking advantage of misfortune, there's a need to know what's out there," he said.

Independent sales agent Sharika Fuchs recently completed a course on foreclosures at RETC, where she obtained a sales license five years ago.

Fuchs said she works intermittently out of a real estate office in Howard Beach and has more time on her hands because of slow sales.

"I have the time to focus more on educating myself in different areas," she said. "The [foreclosure] class was very full, maybe about 40 altogether."

Fuchs said she also took classes in environmental issues and fair housing.

State changes in requirements have affected other licensing programs' enrollments. In Bohemia in Suffolk County, the Merrill Institute offers courses for home inspectors and appraisers; director and founder Bill Merrill said that over the last 12 to 24 months, the number of students pursuing new appraisal licenses has declined 35 to 40 percent.

"It's not directly because of the economy, but also because the requirements have gone from 75 hours to 150 hours," he said. "To enter the field of appraising it used to cost \$700. Now it costs \$1,500."

The drop in overall enrollment is being mitigated slightly by new students who are changing careers, said Beloff. One student at Ivy is James Hammet, a freelance advertising and television producer who is out of work.

"I started a course for my [real estate] sales license in October and finished the second week in December," said Hammet, 37. "I expect to take more courses and I want to be a broker in two years."

Some real estate professionals are being joined in the classroom by homeowners who have been impacted by the market. Alexander Frame, president and owner of the Real Estate Education Center, which has offices in Brooklyn and Queens, said homeowners are now inquiring about classes.

"A huge number of people got hit — they came to my school after they bought a house in a short sale," he said. "This prompted us to offer a mortgage origination course that explains short sales, deeds and foreclosures."

The course started at the beginning of the year, with an enrollment of about 25 students.

Frame said his regular enrollment for sales and broker licensing is down drastically from late 2007, with average enrollment of about 2,500 students dropping to 1,500 students by early 2008.

However, he is seeing other courses pick up. "Property management is one area that people are choosing to get their certification in," said Frame. "We have had an increase in that class by 25 percent."

NYREI also has noted an increase in property management classes, said Levine. "That course had seen an uptick, as well as construction project management courses," he said. "All buildings still need property management."

"People are looking to get construction management skills, not for large projects, but for smaller projects like retrofits and home renovations," he added.

"There are less students interested in development today," Frame said. "There seems to be a correlation between the softening of the enrollment in the development end and the weakening in the economy."

The rise in Internet-based education is also partly to blame for the growing number of empty classrooms, said Bill Merrill, who explained that of approximately 3,000 students who registered for courses last year at the Merrill Institute, about 15 percent took online courses.

"This year it's closer to 30 percent online," he said.

When New York State moved to require more hours for real estate licenses last year, a provision in the new law allowed for courses to be taken online. "Many people can't take several nights off to come to class, so they're signing up online any time they want to," said Merrill. "We saw a surge in online students when gas went up to \$4 a gallon."

Merrill just took over the online courses offered by Hauppauge Real Estate School, which he said went out of business about two years ago.

Langone is also beginning to offer more classes online.

"In addition to real estate sales license, we will offer courses for appraisers and home inspectors going forward," he said.

With more time on their hands, many sales agents and brokers are also joining bankers and entrepreneurs in special informational weekend seminars like those offered by Esther Muller, co-founder of New York City's Real Estate Academy.

"We are seeing more agents with banking and Wall Street backgrounds who want to acquire new skills," she said. "Enrollment for the seminars this year has been about 120 people." Last year, Muller's seminars took in an average of about 80 people, she said.

Muller said that in the last six months, agents also have been asking for different courses, such as a seminar about co-op board requirements.

Tonya Eversley, 22, who is taking a real estate sales course at NYREI, said she is anticipating a market upturn.

"Everything that goes down has to come up. When it does, I'll already be there," she said.