

## Interest in real estate degrees speeds up

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Housing prices in many domestic markets may be cooling, but interest in real estate education remains hot. An industry that has always been welcoming of dilettantes and the ladies-who-lunch set is maturing and is creating demands for more trained professionals.

An informal survey of both undergraduate and graduate real estate university programs around the country reveals that despite a softening in many housing markets, interest from students is growing slightly, and the real estate profession is taking heed.

"It's become a destination career," said **Esther Muller**, co-founder of New York City's Real Estate Academy. "People are beginning to plan to go into real estate, gaining master's degrees and taking more courses. There's a trend toward making real estate a very serious, respectable profession."

About 5 percent of undergraduate students at Wharton, the business school at the University of Pennsylvania, choose to concentrate on real estate. An in-house survey done in 2007 shows that among those, 88.5 percent were employed full time upon graduation, with an average salary of \$59,960.

The salary was virtually the same for undergrads focusing on real estate at the Stern School of Business at New York University.

According to officials at Wharton's career services office, many of its real estate alums, both undergraduates and graduate students alike, end up in New York City, where they work on the financial side of the business.

The magazine U.S. News & World Report ranks real estate programs around the country, focusing mainly on undergraduate studies. According to the magazine's survey, the top three university-level real estate programs in the country are at Wharton, the University of Wisconsin at Madison, and the Terry College of Business at the University of Georgia.

New York University's Stern School comes in fourth.

On the graduate level, meanwhile, there are now about 35 stand-alone programs in real estate studies. NYU currently has about 440 students enrolled in its Masters of Real Estate program, and another 170 studying for a graduate certificate in Real Estate. Many of these students attend part time while holding down jobs within the industry.

According to university officials, admittance to these programs is quite competitive. At MIT, the real estate program admits fewer than 40 students each year, out of an applicant pool of about 150; many students already have six to eight years of experience in the field.

The selectivity reflects the fact that real estate jobs can be even more lucrative with a master's-level education.

Surveys of MIT alumni indicate that the degree helps them improve their salary by about 25 to 30 percent, to about \$100,000, within a year of graduation.

A survey of the past three years' worth of students graduating with a master's degree from NYU's Real Estate Institute, an institution separate from the Stern School of Business, indicated an average salary of about \$138,000.

Among the graduate-level real estate programs, based on factors like rigorous admittance standards, the credentials of professors and post-graduation salaries, the Massachusetts Institute of Technology, Cornell and NYU are considered leaders.

The programs emphasize that they can cover real estate better than an MBA with a stronger focus. "The real estate field is so rich today, and we're creating new target slots to develop in," said Jack Nyman, director of the Steven L. Newman Real Estate Institute at Baruch College. (The Steven L. Newman Institute offers certificates in real estate as part of Baruch's continuing education program.) "The field offers almost limitless opportunities for learning, creativity and opportunity."

That view is echoed by officials at MIT.

"We tell prospective students that if they're interested in business, then they should get an MBA, because it's more flexible, but if they want a high-powered and rigorous grounding in real estate, they should come to MIT," said Marion Cunningham, managing director of the program. "We train people to understand the real estate industry."

While each of these programs concentrates on fundamentals like finance, asset management and development, differences emerge. For instance, Baruch and NYU have strong ties with the city's development community, and their graduates are snapped up by firms based in New York.

An interesting feature of the MIT program is its international outlook. Recent class outings have included trips to the Middle East and Asia; while many students remain in the U.S. post-graduation, graduates are often offered jobs by foreign developers.

"Most real estate development right now is happening outside the United States, and in some places in Asia, whole cities are being built," said Cunningham. "It's not only about seeing opportunities abroad, but how the scale of projects abroad is impacting the cost of

materials and development in the U.S."

While few real estate development firms are big enough to have regular yearly recruiting drives, when they seek to hire, an increasing number of firms are turning to universities for talent. This is seen as a victory for schools that invested in specialized concentrations in real estate, proof that they are beginning to yield results.

"In a field like sustainability, the compensation is just starting, but it will be worth more in time," said Nyman. "Real estate always will have deals; there's always a need for expertise. The better you are, the more you're going to make: That's an old adage that still remains true."

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