May 19, 2016

MEMORANDUM

TO:        David Cronrath
           Dean, School of Architecture, Planning and Preservation

FROM:      Elizabeth Beise
           Associate Provost for Academic Planning and Programs

SUBJECT:   Proposal to Establish a Minor in Real Estate Development (PCC log no. 15061)

At its meeting on May 6, 2016, the Senate Committee on Programs, Curricula and Courses approved the proposal to establish a Minor in Real Estate Development. A copy of the proposal is attached.

The change is effective Fall 2016. Please ensure that the minor is fully described in the Undergraduate Catalog and in all relevant descriptive materials.

MDC/
Enclosure

cc:        Andrew Harris, Chair, Senate PCC Committee
           Barbara Gill, Office of Enrollment Management
           Reka Montfort, University Senate
           Chip Denman, Division of Information Technology
           Pam Phillips, Institutional Research, Planning and Assessment
           Anne Turkos, University Archives
           Linda Yokoi, Office of the Registrar
           Cynthia Stevens, Office of Undergraduate Studies
           Margaret McFarland, School of Architecture, Planning and Preservation
THE UNIVERSITY OF MARYLAND, COLLEGE PARK
PROGRAM/CURRICULUM/UNIT PROPOSAL

Please email the rest of the proposal as an MSWord attachment to pcc-submissions@umd.edu.

Please submit the signed form to the Office of the Associate Provost for Academic Planning and Programs, 1119 Main Administration Building, Campus.

College/School: School of Architecture, Planning and Preservation
Please also add College/School Unit Code-First 8 digits: 01202600
Unit Codes can be found at: https://hyperion.umd.edu/reports/units.htm

Department/Program: Real Estate Development Program
Please also add Department/Program Unit Code-Last 7 digits: 1260104

Type of Action (choose one):

☐ Curriculum change (including informal specializations)  ☐ New academic degree/award program
☐ Curriculum change for an LEP Program  ☐ New Professional Studies award iteration
☐ Renaming of program or formal Area of Concentration  ☐ New Minor
☐ Addition/deletion of formal Area of Concentration  ☐ Request to create an online version of an existing program
☐ Suspend/delete program

Italics indicate that the proposed program action must be presented to the full University Senate for consideration.

Summary of Proposed Action:
MINOR in REAL ESTATE DEVELOPMENT
This proposal for a 15 credit Undergraduate Minor in Real Estate Development is in response to expressed interest by undergraduate students, considerable input from industry professionals and start-up funding from The Colvin Family Foundation. The RED Minor is designed to enhance the major of students from many different fields that touch on real estate, in order to give these students some basic real estate concepts and understanding of the real estate development field that would be useful and helpful in their chosen field. For students who discover a focused interest in real estate, the minor would be a foundation for further professional study at the Master’s level. There will be 5 new courses offered at the School of Architecture, Planning and Preservation, and while 6 credits of the minor can be fulfilled by other courses on campus, no other courses or resources are required from any other School or Department on campus.

Departmental/Unit Contact Person for Proposal: Margaret McFarland, JD, Clinical Professor mmcf@umd.edu

APPROVAL SIGNATURES - Please print name, sign, and date. Use additional lines for multi-unit programs:

1. Department Committee Chair  Margaret McFarland  3/3/16
2. Department Chair  Margaret McFarland  3/3/16
3. College/School PCC Chair  Michael A. Ambrose  03/03/2016
4. Dean  David Cronnec  3 March 2016
5. Dean of the Graduate School (if required)  
6. Chair, Senate PCC  Andrew Horn  5/16/16
7. University Senate Chair (if required)  Elizabeth  5/19/2016
8. Senior Vice President and Provost  

PCC LOG NO.  15061
PROPOSAL for NEW INSTRUCTION PROGRAM

University of Maryland, College Park

MINOR in REAL ESTATE DEVELOPMENT

School of Architecture, Planning and Preservation
Dean David Cronrath

Contact:
Margaret McFarland, JD, Clinical Professor
mmcf@umd.edu 301.405.6790

February 25, 2016
I. OVERVIEW and RATIONALE

A. Background

This proposal comes as an outgrowth of discussions with the late John Colvin, who, as a lifelong real estate developer and Maryland alum, had endowed the Colvin Institute in 2006. In late 2012 he approached the Director of the Colvin Institute for ideas, as he began looking for additional ways to enhance the opportunities for students to gain an education in his chosen field. The proposal for the real estate minor was instigated by Dean David Cronrath and Director Margaret McFarland to help focus Mr. Colvin’s expressed interest in advancing the School of Architecture, Planning and Preservation in a direction where there was interest from students and a need in the industry. John and Karen Colvin, following many discussions with Dean Cronrath and Provost Rankin, made a gift in March of 2015, to support the establishment of two undergraduate minors at the University—one in Construction Management and one in Real Estate Development. The Colvin Family Foundation signed the MOU with funding for an initial three year period, with the Office of the Provost matching the gift at a ratio of 1:2, which is a significant commitment by the University. This proposal is the outgrowth of the gift and the discussions it engendered.

B. Assessment of Need

Several steps were taken over the two years of discussions to confirm the need and interest of students and the industry.

1. The number of requests from undergraduates over the last 10 years since the 2006 establishment of the Master’s program in Real Estate Development, was fairly regular, although not large. Typically there were 2 – 5 at most in a year requesting to take graduate level courses in real estate. Requests from Seniors with appropriate preparation in economics or business were admitted typically one or 2 at the most in the introductory courses of the Master’s program. And not all students making the request were granted permission.

2. The Council of Advisors to the Colvin Institute of Real Estate Development, which is comprised of 60 real estate professionals, has had discussions over the last three years at its' semi-annual meetings, with input on the types of courses, and usefulness of offering real estate development courses to undergraduates. The real estate industry is very broad so the Advisors includes developers, lenders, investors, architects, contractors, engineers and consultants who all work in various aspects of real estate development, from small scale and entrepreneurial, to large scale commercial projects financed by major institutions. Their input thus was broad based as well.

3. A beta test of an undergraduate course, RDEV 150 Introduction to Sustainable Real Estate Development was offered in the Fall of 2013, with 15 students taking a broad based course in the basic principles and practices underlying real estate development through a series of lectures, field studies and
group session work. One of those students is currently enrolled in the Master of Real Estate Development program. An evaluation of that course, including extensive student polling throughout the course, revealed that the content was appropriate and welcomed but the level of the course was more upper division than lower, and therefore when looking to develop a minor, one or more basic courses would be needed before reaching the content and skills presented in RDEV 150.

4. In the Fall of 2015, RDEV 150 was revised, and offered as RDEV 350, with 18 students and was well received as the texts, lectures, site visits and exercises were geared to upper division students, although no prerequisites were required.

5. In May of 2015, a forum of external industry professionals, along with Director McFarland and John Colvin, as well as academic input from the Director of Cornell’s real estate program, Dr. David Funk, the Chair of the Department of Real Estate at DePaul University, Dr. Susanne Cannon, along with global real estate consultant, and author of the definitive textbook on Property and Place, Steven Roulac, CEO of RoulacGlobal, were convened for a half day forum. The discussions were very interactive and presented the experiences at Cornell and DePaul with a minor in real estate and the approached they took, to getting input on the needs and viewpoints of a wide range of industry professionals from development, consulting, design and finance.

6. In October of 2015, an on campus group was convened of staff and faculty from the Smith School and the Architecture School, including Dean Cronrath, for additional recommendations on a 5-course sequence of real estate courses that would be valuable in their own right, but also provide an expedited path for undergraduates from across campus in fields as varied, as business, engineering, economics, government, design, journalism, wanting to proceed to the Master’s degree in Real Estate Development

7. In the Fall of 2015, a Director of the Undergraduate Minors in Real Estate Development [RED] (proposed herein), and a Minor in Construction Project Management (approved in Spring 2015 and in its first year this AY 2015-2016) was hired. Heidi Bulich, who is based out of the School of Architecture, Planning and Preservation is a key resource for advising undergraduates from across campus who may be interested in pursuing one of the minors. She is currently teaching, in beta form, RDEV 250/ARCH 271 which is designed to be the foundational course for the RED minor as proposed herein. The course has 25 RDEV students plus nearly 100 students in the combined ARCH 271 course. The RDEV students are from a wide array of backgrounds -- Architecture, Accounting, Finance, Communications, Computer Science, Engineering, Government, Economics, even Chinese, etc. Overall the course is serving as a catalyst for undergraduate student awareness of the real estate field on campus.
C. Overview

1. The RED Minor proposal consists of 15 credits – five 3-credit courses – with 5 RDEV courses to be offered by the School of Architecture, Planning and Preservation. However, 6 credits will not be RDEV required courses, and the requirement may be met by other courses offered across campus. For example, as you will see below, the accounting course is one all business majors would be taking and it will be able to be counted towards one of the course requirements of the minor.

2. The overarching concept for the RED Minor, is that it is designed to supplement the major of students from many different fields that touch on real estate, in order to give these students some basic real estate concepts, and understanding of the real estate development field that would be useful and helpful in their chosen field. For students who discover a focused interest in real estate, the minor would be a foundation for further professional study at the Master's level, in order to obtain proficiency for entry to the complex field of real estate development.

For instance, an undergraduate engineering, architecture or landscape architecture student might want to have a greater understanding and knowledge of what their future “clients” in the real estate development industry are about, and where their field fits into the development cycle. Others in public policy, economics and government, would be looking for more knowledge and understanding of RED in order to provide a stronger basis for legislative proposals, or to work with various associations in Washington, DC, whose members are active in the development field, such as the National Association of Home Builders, the Urban Land Institute or the Affordable Housing Coalition.

3. The program is expected to start small in the first year with 18 – 25 students but, as happened at Cornell University, could grow beyond the current seat limits to a much larger number of students, if sufficient funding was made available. There will be no restrictions on the current designated major of students and students from across campus will be able enroll with no prerequisites. The introductory RDEV 250 is designed to be a larger scholarship in practice course that could introduce up to 100 students to real estate development, with the following three RED courses [RDEV 270, RDEV 350, and RDEV 450] courses anticipated to be 18 – 25 in the first two years with ability to scale up to 50 if there is interest. An elective RDEV course [RDEV 470] that would be designed for more limited enrollment. However, there are many other options for fulfilling the elective course requirement from across campus, as seats would be available in the normal course in those classes. The multiplicity of electives reflects the broad array of skills and knowledge that go into real estate development, which has an important side benefit in that it will be far easier for students with a wide range of majors across campus to fulfill this elective requirement, and no one
course or department will be asked to expand or provide a particular course as part of the RED Minor. Thus, it is not anticipated that additional courses or instructors would be required from any other program, college or school on the campus.

4. All RDEV instructional costs and offerings, as well as RED Minor program advising will be covered by the Colvin Gift. Heidi Bulich, is already on board with teaching the base line RDEV 250 course, and additional instruction is anticipated for the first three years to be undertaken by professional faculty.

II. CURRICULUM

A. Catalogue Description
The minor in Real Estate Development will be open for students from any designated major or no major, who wish to obtain a basis of understanding and knowledge about the principles and practice of real estate development – a wide ranging field – that starts with land planning and acquisition, to site and building design, to finance and investment, through construction and asset management. The pedagogy will range from lectures (and professional guest lectures from the field), to site visits, to scholarship in practice exercises in applied and active learning. The objective of the minor is for each student completing the minor to have a base line of knowledge about real estate development as the student proceeds to engage with their chosen major, as well as provide a basis for those who would want to go on to professional studies in one or more of the fields encompassed by real estate development, or to proceed to obtain a focused graduate degree in the field.

B. Course Listings
Successful completion of the Real Estate Development minor requires: Completion of 15 credits, from among the courses listed below, with a C- or better in each course, with 9 of the credits at the upper division level. Three specific courses are required RDEV 250, RDEV 350 and RDEV 450. There will be offered two additional RDEV courses: RDEV 270, Tax and Accounting for Real Estate Development and RDEV 470 Case Studies in Real Estate Development, but there are multiple other courses that would meet the requirements for those two courses.

The 5 course requirements are as follows:

1. 3 credits in RDEV 250 People, Planet and Profit: Building Sustainable Places

2. 3 credits in RDEV 350 Principles, Practice and Process of Real Estate Development

3. 3 credits in RDEV 450 Foundations of Real Estate Finance and Investment

4. 3 credits in Accounting at the Introductory or more advanced level, which could be fulfilled by taking one of the following:
- RDEV 270 Tax and Accounting for Real Estate Development (does not satisfy the accounting requirement for a Smith business major or minor)
- BMGT 220 Principles of Accounting I
- BMGT 210 Foundations of Accounting for Non-Business Majors (2 credits), if the student also has a 3 credit course in Economics
- Other Introductory Accounting Course credits that are transferred to University of Maryland from another educational Institution and approved for any other major or minor.

5. 3 credits selected from any of the following courses as an elective for the minor:
- RDEV 470 Real Estate Case Studies
- ARCH 435 History of Contemporary Architecture (or other ARCH history Seminar as offered from time to time)
- AGNR 301 Sustainability
- URSP 372: Diversity and the City (or other URSP Seminar at the 300 or 400 level as offered from time to time)
- LARC461 People and the Environment
- LARC452 Green Infrastructure and Community Greening
- BMGT 340 Business Finance
- BMGT350 Marketing Principles and Organization
- BMGT364 Managing People and Organizations
- BMGT461 Entrepreneurship
- BMGT XXX Advanced course for Business majors
- PUAF313 Advocacy in the American Political System
- COMM330 Argumentation and Public Policy
- COMM385 Influence
- COMM425 Negotiation and Conflict Management
- ENSP330 Introduction to Environmental Law
- ENSP340 Water: Science, Ethics and Law
- Or other 300 or 400 level course as may be approved by the Director of the Minor in Real Estate Development

15 CREDITS TOTAL

C. RDEV Course Catalogue Descriptions

The 5 RDEV courses to be offered and their catalogue descriptions are:

RDEV 250: People, Planet, and Profit: Building Sustainable Places (a three credit foundation course presenting basic tools, the variety of professions that contribute to real estate development as well as field evaluations of real places introducing how a multitude of
various professions impact the build environment: Provides the foundation, and is prerequisite to proceeding to the upper division RDEV courses.

**RDEV 270:** Tax and Accounting for Real Estate Development, a 3-credit course that would fulfill the requirement for each student in the minor to take an accounting course. This requirement could be met with this course, or by any accounting course in the School of Business, or by any accounting course from a Community College in Maryland or other institution that qualifies for transfer credit and appears on the student’s University of Maryland transcript.

**RDEV 350:** Principles, Process and Practice of Real Estate Development, a 3-credit course introducing the key building blocks of what it means to “build communities and create value,” with introductions to the history of real estate in the US, microeconomics and the impact of changing demographics, legal principles underlying property rights and government regulation, social constructs and markets, design thinking and future living patterns, as well as building, landscape and urban design that creates value. Focus will be on the Quadruple Bottom Line and the processes to add value for Financial Viability, Environmental Respect, Social Responsibility, and Sustainable Design. Prerequisite: Completion of RDEV 250 with a C or better.

**RDEV 450:** Foundations of Real Estate Finance and Investment builds on the principles introduced in RDEV 250 and 350 and moves to how real estate value is established, the financial concepts of return on investment, net operating income, and time value of money, the components of real estate sources and uses statement, sources of real estate equity and debt financing, commonly used debt ratios and equity returns in real estate, as well as concepts of exit strategies, and tax considerations that impact after tax returns, that are critical to financing and investment in Commercial Real Estate Ventures. Prerequisites: Completion with a C or better of RDEV 350 and RDEV 270 or equivalent.

**RDEV 470:** Real Estate Development Case Studies takes the principles learned in RDEV 250, 350 and 450 and takes an in depth look at local, national and international case studies in residential, commercial office, retail and/or hospitality and analyzes the fundamentals of success and failure, short term and long term. Prerequisite: Completion with a C or better of RDEV 350 and 450, and RDEV 270 or equivalent.

D. Pedagogy. Courses and Pedagogy will be focused on experiential and entrepreneurial methods, with active learning. It is planned for at least 3 of the courses to be submitted for approval for classification for General Education and “scholarship in practice” status.

### III. STUDENT LEARNING OUTCOMES AND ASSESSMENT

A. Learning Outcomes. Students should be able to recognize the fundamental building blocks of Real Estate Development that Enhances Value and Builds Communities:

1. The Tradeoffs of Risk and Reward in Real Estate Development
2. The Time Value of Money in Real Estate Development
(3) Real Property Law as the Basis for Value Creation in Real Estate
(4) The Real Estate Development Process and its Key Players

B. The outcome assessments for those students completing 5 courses in the minor, will be undertaken by two or more real estate professionals and faculty who will:

(1) Review and assess at least two projects and/or written reports prepared by each student completing RDEV 350 and 450, and
(2) Attend and evaluate final presentations by students completing RDEV 470

C. Rubrics will be developed by the faculty teaching in the RED minor in order to provide consistency of evaluations and assessment.

IV. FACULTY and ORGANIZATION
A. Academic Direction and Oversight of the Program

Academic Direction and Oversight will be provided by the Director of the Graduate Programs in Real Estate Development in consultation with the Director of the Minors in Construction Project Management and Real Estate Development. Outcome Assessment will be provided by real estate faculty and industry professionals under the direction of the Directors. A focus group of industry professionals will be convened during the third year of the program to provide key input on changing industry trends and needs.

B. Administrative Unit

Many disciplines and courses are associated with or touched by real estate development such as economics, business finance, accounting and marketing, architecture and landscape architecture, engineering, information science, environmental science. It is anticipated that students pursuing these disciplines may wish to undertake the minor in real estate development. The administration of the minor will be in the School of Architecture, Planning and Preservation and no administrative, student advising or other support of the RED minor will be required from staff or faculty outside the School of Architecture, Planning and Preservation.

V. OFF CAMPUS PROGRAMS

At this time, no off campus or distance learning offerings are planned.

VI. OTHER ISSUES

A. Cooperative Arrangements.
No formal, cooperative arrangements are required to launch the program or support its success. However, both the Engineering and Business School Deans are signatory to the Colvin Foundation gift that supports the establishment of this minor, and have been very supportive with advice and referrals to staff in the development of the minor itself.

However, no other expansion of courses, or seats, will be required from other Departments for students to complete the minor. The large array of electives identified is to assure that students have many ways to complete their 5-course sequence, as they may use a 5th course from multiple other disciplines at their election, provided there is seat availability in that course. RDEV will provide the elective RDEV 470 for any student in the minor who is unable to find a seat in an eligible elective course elsewhere on campus.

Moreover, additional electives may be proposed to the Director of the RED Minor by any student as part of their advising. The Director of the Real Estate Development minor will provide advising for students, and any coordination that is required to resolve issues with the Department awarding a student’s major.

B. Accreditation
There are no real estate education accrediting bodies in the US either at the graduate or undergraduate level. Professional certifications and licensing for brokerage and appraisal may be sought by students completing the minor, but the program is not narrowly designed to support those professional exams.

VII. COMMITMENT TO DIVERSITY

The professional faculty as well as guest speakers from the industry that will be engaged will themselves be selected for both expertise, but also to demonstrate the diversity of gender, race, age and academic discipline that runs across the real estate development field. There are outstanding women and minority professionals in RED through this region many of whom are already engaged with the University through the Master of Real Estate Development program. This strategy has worked very successfully for the Master of Real Estate Development, where female and minority professional faculty are highly visible in the program and also assure that opportunities for underrepresented groups see the opportunities for all types of students to find a successful career relating to the built environment.

In addition, Graduate Assistants will be drawn from the Master of Real Estate Development student body which has a diverse student body, assuring that students in the minor have a diverse set of GAs to interact and support them through the RDEV courses.
Finally, the Director of the RED Minor will coordinate with the undergraduate directors at Business, Economics, Landscape Architecture, Architecture and Engineering to provide information and outreach about the RED minor to women and minority students in those disciplines. Invitations to attend key guest lectures by women and minorities in real estate will be advertised across campus as well as to student clubs for minorities in Business, Engineering and Architecture.

A careers workshop will be held annually by the Director of the Graduate Programs in Real Estate Development, featuring both graduate students and professionals, that is diverse in age, gender, background, race and ethnicity, to showcase the breadth and depth of opportunities in the many professions that are part of the real estate industry.

VIII. REQUIRED PHYSICAL RESOURCES

A. Library and Information Resources

Library resources and other information resources have been developed and acquired for the Master of Real Estate Development Program, and no additional resources are anticipated to be required at this time for the undergraduate minor.

B. Additional Facilities and Equipment

There are already in place office and equipment for the Director of the Undergraduate Minors in Real Estate and Construction Management.

No additional faculty hires are anticipated for the RED minor, and guest lectures and professional faculty facilities, training, handbooks and equipment for adjuncts are already in place at the School.

C. Impact on Use of Existing Facilities

Classroom space may be challenging with the addition of these courses, if they are offered in the Architecture Building, but in the past, classrooms have been able to be located at the Art/Soc building across the street. While it would be ideal to be able to use ART/SOC or Van Munching Hall for any classes that cannot be accommodated in the Architecture Building, LeFrak is relatively close. Moreover, the new St. Johns Learning facility should free up classrooms at the west side of campus when it comes on line, which should be timely, as the RDEV courses are rolled out over the next two years, with RDEV 270 and RDEV 450 rolling out in AY 2016-2017 and RDEV 470 expected to be 30 students or less. RDEV 250 and RDEV 350 were accommodated in the ARC building during the current academic year.
IX. RESOURCE NEEDS AND SOURCES

A. New Courses

The new courses to be developed and offered are the 5 RDEV courses identified above to be offered by the School of Architecture, Planning and Preservation. No additional courses or sections of courses are expected to be required, although students may elect to fulfil the accounting requirement elsewhere on campus, or by transferring credit in from another institution acceptable for transfer for UMD credits.

B. Instructional Staff

No new full time faculty are anticipated for the RDEV courses.

At least one course will be covered by the Director of the Minors in Construction Project Management and Real Estate Development, and the additional courses will be taught by contract Professional Faculty. Professional Faculty will be one of the attractive features for students who will have instructors with practice in the field and a desire to connect with students interested in a future in the real estate industry or its allied fields. There is an extensive network of professional faculty who have been teaching over the last 10 years in the Master of Real Estate Development program to draw on.

C. Teaching, Advising and Administrative Duties

The Director of the Undergraduate Minors in Real Estate Development and Construction Project Management will be teaching at least one course per year, and is currently teaching RDEV 250 in Spring of 2016, the foundational course for the minor. It is anticipated that the Director will continue to teach this course, which will have the largest breadth of students potentially interested in pursuing the additional courses to complete the minor

Advising is the responsibility of the Director of the Minors in Real Estate Development and Construction Project Management who is already in place. Administrative duties will be supported through the staff of the School and are not expected to be extensive for a minor.

D. Source of Revenue to pay for Physical Resources

Not applicable

E. Resources.

Resources to launch and maintain the program for 3 years are provided in the Gift Agreement entered into on March 3, 2015 by the President, the Provost and the Deans of the Schools of Engineering and Architecture, Planning and Preservation. Continuation of the minor will be dependent on identifying continuing funding.
X. STUDENTS

A. The minor will serve students with interests in fields related to and associated with real estate development, such as architecture, landscape architecture, engineering, law and public policy, and particularly business and economics. It will serve students who wish to go on to graduate work in these fields, or who wish to go on to a Master of Real Estate Development. Students who complete the minor will have completed 9 of the foundational credits they would otherwise take for the Master of Real Estate Development program here at the University, thus reducing the cost of completing their Master of Real Estate Development.

B. Anticipated Number of Students Undertaking the Minor.
   1. 15 – 25 in first year; 50 per year at steady state with current funding
   2. There will be a seat limit of 120 on the number in the introductory overview course RDEV 250. However, not all those students are expected to be interested in going on to take the full complement of RED minor courses.
   3. Those who have completed RDEV 250 with a C- or better will be able to apply to officially become a student in the RED minor, before they take RDEV 350 and RDEV 450. RDEV 350 must be taken prior to or simultaneously with RDEV 450. The number of seats available for those courses will be #50.

C. Criteria for Admission.
   Students from any major, or undeclared, starting as second semester freshman, may register for RDEV 250, which is a prerequisite to applying for admission to the minor.

D. Procedures for Admission
   1. A short application form will be submitted to the Director of the RED Minor Program for students who have completed RDEV 250 who wish to go on with the RED minor. The application will require them to (1) submit their UMD transcript showing a GPA of 2.0 or better, (2) specify their major, (3) identify the source of their interest in real estate development, and (4) project how they anticipate they might use the courses to advance their major discipline or as a prerequisite to going on to graduate professional education.
   2. Priority admission to the real estate development minor will go to those students who have identified an interest in (1) pursuing graduate professional education in real estate, or in (2) entering fields affiliated with real estate, such as finance, economics, architecture, landscape architecture, engineering, urban planning, etc.