

MEMORANDUM

SUBJECT: Establishment of the Dr. P. Phillips School of Real Estate

DATE: August 19, 2005

BACKGROUND INFORMATION:

Due to a combination of factors, UCF has an opportunity to become a national leader in real estate education and research.

Real Estate Programs in the U.S.: There are approximately 90 real estate programs in the U.S. These include a wide variety of undergraduate and graduate programs. Most are housed in business colleges, but they occasionally are found in schools of architecture or construction management departments. Many are just concentrations or areas of emphasis in finance or MBA programs. About half of the real estate programs are actually undergraduate or graduate major degree programs.¹

To put this in perspective, there are more than 1,200 business programs in the U.S., and 437 AACSB-accredited business schools. Clearly, real estate is usually a small program, which needs a special set of circumstances to be successful. The top real estate programs are typically located in growing metropolitan areas and are affiliated with research institutes or centers which conduct research and provide community outreach. There are currently 26 such institutes in the U.S. and only two named real estate schools. A named real estate school with a real estate research institute would enhance our visibility and reputation. The school and its association with a very active and supportive group of local industry leaders would help UCF quickly become recognized as a leader in real estate education and research. Significant industry support would further the university's efforts to become a leading partnership university.

Real Estate Programs in Florida: In the State of Florida, bachelors degrees in real estate are currently offered at Florida State University, Florida Atlantic University, and Florida International University. Masters degrees in real estate are available at the University of Florida and Florida International. The University of Miami School of Law offers a LLM degree in real property development. Florida and Florida State have real estate research centers. There are no named real estate schools in Florida.

UNIQUE CONSIDERATIONS

The Dr. Phillips Foundation has agreed to donate \$2,500,000 to create the Dr. P. Phillips School of Real Estate at UCF. The local chapter of NAIOP has pledged an additional \$600,000 and has raised more than half of that amount to date. With State matching, the Dr. P. Phillips School of Real Estate will have a \$6,020,000 endowment. The Dr. Phillips endowment will support an eminent scholar endowed chair, a real estate research institute, graduate assistantships and scholarships. The NAIOP gift will support a second real estate eminent scholar endowed chair. With this outstanding level of commitment, we will be able to assemble one of the top real estate programs in the country in a relatively short period of time.

¹ Real estate program data sources include the National Association of Industrial and Office Properties (NAIOP) and USNews.com.

STRUCTURE OF THE DR. P. PHILLIPS SCHOOL

The Dr. P. Phillips School of Real Estate will be a division of the College of Business Administration and will report to the college's dean, Dr. Thomas Keon. Creation of the school will be revenue neutral, and will not require new administrative or support positions. The Department of Finance chairperson will serve as director of the Dr. P. Phillips School of Real Estate. The Dr. Phillips eminent scholar endowed chair holder will initially serve as director of the real estate research institute. The Dr. P. Phillips School of Real Estate would not differ from the Department of Finance in terms of expectations and requirements for promotion and tenure.

ACADEMIC PROGRAMS AND TIMELINE

The Department of Finance in the College of Business Administration offers an undergraduate finance major and minors in finance, international business and real estate. With approximately 900 undergraduates, finance is the largest major in the college, and many finance students select real estate courses as major electives. Approximately 80 students are enrolled in the real estate minor program after only one year in existence. Real estate courses have become increasingly popular with students in recent years, as evidenced by a 69 percent increase in real estate enrollments in two years.

Real Estate Degree Programs: Currently, the Department of Finance is developing a proposal to create a Bachelor of Science in Business Administration (BSBA) degree with a major in real estate. With the heavy emphasis in business administration, this degree will be geared to students who are interested in commercial real estate. Our plan is for the BSBA degree program to be implemented in fall 2006. Our next step will be to develop a master of science degree in real estate (MSRE). A one-year, professional format is ideal for this degree, which will be offered on a cohort basis only. Cohort classes can be assembled periodically based on demand, and can be offered at a number of locations. We hope to have this program ready by Fall 2007. After that point, we may be in position to consider a BA degree geared toward residential real estate and a PhD degree in business administration with a major in real estate.

CONCLUSION

We believe that real estate has great potential to become an important niche for UCF due in part to our excellent location and our industry support. The real estate industry represents a significant part of the growing Central Florida economy. Commercial and residential real estate, construction, property management, and real estate finance should continue to grow and provide valuable internship and career opportunities for UCF students. The Dr. P. Phillips School of Real Estate will enhance the visibility and reputation of UCF and will provide a sense of pride and ownership for our active and supportive local real estate professionals. All of this will support the university's efforts to become a leading partnership university.

Supporting documentation: None

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