ENHANCING Real Estate CURRICULUM

COLLABORATIVE RESEARCH AMONG FACULTY MEMBERS IS COMMON WITHIN THE SAME FIELDS OF STUDY BUT LESS COMMON ACROSS DIFFERENT DISCIPLINES, EVEN AMONG RELATED DISCIPLINES LIKE REAL ESTATE AND FINANCE.

Yet conversations among Charles Delaney, associate professor of Real Estate; Steven Rich, associate professor of Finance; and John T. Rose, professor of Finance and the Harriette and Walter G. Lacy, Jr. Chair of Banking; recently led the three faculty members to join forces to examine an issue that crosses discipline lines.

The collaboration was initiated as Rose was studying an introductory real estate textbook and discussing textbook treatment of certain topics with Delaney. "We noticed a contradiction — a contradiction between finance and real estate textbooks describing treatment of financing costs in net present value (NPV) analysis," Delaney said.

Soon Rich was brought into the conversation, and the professors expanded their review to several introductory finance and real estate textbooks. They concluded that the different treatment of financing costs in valuing a potential real investment was pervasive across the textbooks.

Most undergraduate business students are required to take a principles of finance course, and those business students majoring in Real Estate must also take a principles of real estate course. Both of these introductory courses present the analytics of investing in real assets, including the technique of NPV analysis. The contradictory treatment of financing costs in NPV analysis across the two disciplines can pose a potential for confusion, especially among real estate students, who must take both finance and real estate introductory courses.

In response, Delaney, Rich and Rose published "Financing Costs and NPV Analysis in Finance and Real Estate," which appeared in the 2008 issue of the *Journal of Real Estate Portfolio Management, Vol. 14, No. 1.* The professors examined this contradiction; reconciled the differences between textbooks; and ultimately recommended that real estate textbooks should explicitly address the issue to minimize students' confusion and provide them with a better understanding of NPV analysis.

Delaney and Rose also partnered to publish "Case Studies in Real Estate Education: The New AACSB Accreditation Standards and a Proposed Case Study in Real Estate Management," which appeared in the 2007 issue of the *Journal of Real Estate Practice and Education, Vol. 10, No. 2.* The article discussed the role and merits of case studies in real estate curriculum, and provided a sample case study.

Delaney and Rose have written several case studies as pedagogical tools designed in part to satisfy AACSB accreditation standards requiring interactive learning, collaboration among students, and students contributing to the learning of others. The case studies, combined with attendant teaching notes, can be applicable to a variety of real estate courses including real estate economics, finance, investment analysis and property management at the undergraduate and graduate levels. Through their case writing, these professors strive to make curriculum impactful for students in the classroom, who will later have an impact themselves as business professionals in the real estate industry.

REAL ESTATE TACTICS

As a real estate agent, is it more productive to send direct mail pieces or rely more on referrals when attempting to generate leads? Chris Pullig, associate professor and department chair of Marketing, found that lead generation techniques should vary according to the strength of the housing market. Laura Indergard, associate director of The Keller Center; Suzanne Blake and Jacqueline Simpson, graduate assistants for The Keller Center; also collaborated on this research.

The study "Lead Generation: What Really Works?" appeared in the summer issue of the Keller Center Research Report. The research focuses on the lead generation process as having three steps: lead generation, conversion of the lead to an appointment, and closure of the appointment to a transaction (listing or sale).

In the study, lead conversion is defined through two different techniques: "seek," a prospective strategy, and "attract," a marketing strategy. The researchers then deciphered which approach should be implemented in a variety of markets.

In a "stable" market, research showed that a 50 percent "seek" and 50 percent "attract" approach results in the highest lead conversion to an appointment and a transaction. As a market becomes "tough," research suggested utilizing a 60/40 approach shifting more towards "seek" mode. Conversely, when the market is "healthy," a more "attract" oriented approach is recommended.

The study presents additional key findings, including characteristics of successful real estate agents, areas of spending for lead generation activities, time elapsed to follow up on leads, and how to handle excess lead volume.

To read more about these findings and other real estate studies, go to the Keller Center Research Report at www.baylor.edu/business/kellercenter.