

INFLUENTIAL ELEMENTS OF CURRICULUM DEVELOPMENT FOR MASTERS REAL ESTATE EDUCATION IN SOUTH AFRICA: A LITERATURE RESEARCH

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ABSTRACT

Purpose of this paper - The aim of this paper is to report influential elements of real estate curriculum development which were identified in a literature survey for postgraduate real estate education in South Africa.

Methodology/Scope - Several literature sources related to real estate education were used to identify elements influencing the development of real estate curricula.

Findings - Research revealed that several factors including: accreditation bodies; employers; environmental concerns; finance; globalisation; government and political factors; technology advances; land and urban form changes; local communities and professionals; real estate educators; social and cultural factors; and students are influential elements in curriculum development.

Research limitations - Results of the study will not directly influence change to the processes of curriculum development for postgraduate real estate education in South Africa. Curricula development will largely depend on outcomes of discussions of lecturing staff and university administrations implementing the courses.

Value - The study will contribute towards curriculum improvement of postgraduate real estate education in South Africa.

Keywords: Real estate, education, curriculum, South Africa.

1. INTRODUCTION

The paper describes the influential elements of real estate curriculum development based on a literature research which was conducted for the critical assessment of postgraduate real estate education in South Africa. The property discipline today is subjected to extraordinary forces that redefine its attributes and introduce new expectations for those with property involvements (Roulac, 2002). These changes can be viewed as being influential elements of university real estate curriculum development processes. A comprehensive understanding of these factors can support real estate educators in the processes of curriculum improvement. However, these changes which have recently occurred in the real estate industry seem not to have influenced university real estate education curricula in South Africa to the extent that they have been felt in the industry. This was undesirable because curricula could become irrelevant to the industry and students. To address this problem, real estate educators are required to regularly conduct curriculum review to accommodate new requirements from the industry (Callanan and McCarthy, 2003). This can be achieved partially by making use of relevant academic literature appropriate for real estate curriculum development processes (Gallupo and Worzala, 2004).

2. MOTIVES AND MASTERS REAL ESTATE EDUCATION IN SOUTH AFRICA

The postgraduate real estate programmes in South Africa which are linked with this literature research are five in total (Cloete, 2002; Chikafalimani and Cloete, 2006a; and Chikafalimani and Cloete, 2007). University of Pretoria offers Master of Science in Real Estate, which was introduced in 1990. The course comprises two years of course-work in property development, property management, property valuation and related subjects, as well as a treatise. The University of Witwatersrand offers a Masters in Property Development and Management, while the University of Cape Town has been offering a Masters in Property Studies since 1999 and the University of the Free State introduced a Masters in Property Science in 2002. The Nelson Mandela Metropolitan University started to offer Master of Science in the Built Environment on 24th June 2002.

It is important for real estate educators to understand reasons why individuals decide to enrol for professional courses in real estate in order for them to develop relevant curricula. Hakfoort, Berkhout and Manshanden (2003) did a study on the demand for professional real estate education in the Dutch real estate industry. Results revealed that individuals are attracted to attend professional real estate education due to the following motives: the knowledge deficiency motive; the network motive; the perks motive; the labour market motive; and the selection or screening motive.

3. INFLUENTIAL ELEMENTS OF REAL ESTATE EDUCATION

Important factors identified in the literature research which showed significant influence on real estate curriculum development are reviewed next in the section:

3.1 Accreditation bodies

Real estate education accreditation bodies are established to enforce and regulate laws responsible for governing issues related to real estate professionals for example registration of professionals, observance of professional ethics, and continuous professional development (Isakson, Rabianski and Schulte, 2003). They are also responsible for accreditation of real estate courses (Isakson, Rabianski and Schulte, 2003). In so doing they scrutinise real estate curricula to ensure that the curricula are always of high quality in order to produce competent students who would serve the public well. As a result, accreditation bodies' suggestions during accreditation exercises are critical in real estate curriculum development processes. Internationally, the RICS is a good example of a professional body which has enormously influenced the development of real estate curricula in different parts of the world (Schulte, 2003).

3.2 Employers

Employers recruit the graduates from real estate programmes. They are the ones who test the competence of students who have graduated. As a result, they are in a position to recommend areas requiring changes in the curriculum in order to improve the quality of graduates. In addition, employers have industrial experience and are aware of the challenges real estate is facing as a profession. In that way they are in the right position to recommend real estate knowledge and skills which require emphasis in the curriculum (Black, Carn, Diaz and Rabianski, 1996; and Galuppo and Worzala, 2004).

3.3 Environmental concerns

Environmental concerns have now become very influential in many sectors including real estate industry (Roulac, 2002). There is a lot of lobbying going around the world against global warming and to protect the environment and endangered species. Construction which is linked to real estate is viewed as one of the major contributing factors to climatic change and environmental degradation. Regulations requiring that environmental impact assessment reports accompany

proposals for new property developments are being implemented by local authorities in South Africa. As a consequence real estate curriculum has been challenged to accommodate relevant environmental issues important to real estate students and their localities. In that way the environmental concerns has influenced selection of real estate topics.

3.4 Finance

Historically, real estate asset has been treated as a financial asset (Black, Brown, Diaz, Gibler and Grissom, 2003). As a result finance has been a major influential factor in changing real estate curriculum. The importance and emphasis of finance came to the scene when financial crises lead to the huge losses in property investments in America, Europe and Asia (Dasso and Wood, 1980; Black, Brown, Diaz, Gibler and Grissom, 2003; and Nappi-Choulet, 2003). Many financial institutions and investors became bankrupt. A major lesson learnt from these financial crises was to introduce a strong component of real estate finance in real estate studies. In America the loss was so much felt that the approach to real estate education changed to become more finance focused until today (Schulte, 2003). Recent emergence of real estate education in French business schools with real estate finance as one of the subjects being emphasised is new evidence where finance has influenced development of real estate curriculum (Nappi-Choulet, 2003).

However, the dominance of finance in real estate studies has been questioned. Schulte (2003) argues that in future the role of finance and investment in education and research will decrease partly because real estate educators and researchers not coming from America and Canada, whose participation in the continental and international real estate conferences is going to grow, view real estate broadly and not only from the finance perspective. This will change real estate education and research focuses in the future. Black, Brown, Diaz, Gibler and Grissom (2003) added that while the link to finance has proved to be a beneficial one, it has also resulted in the setting of artificial boundaries on real estate research. The authors recommend a broader look at real estate and propose the lowering of disciplinary boundaries. Black, Brown, Diaz, Gibler and Grissom (2003) indicated that if every real estate problem is seen as a finance problem, researchers miss the opportunity to use tools and thoughts from other disciplines. The observations made propose a balance in the real estate curriculum between finance and other courses to produce competent real estate professionals for the industry and unrestricted research.

Roulac (2002) compared the different real estate education approaches. He observed that if a student pursues real estate studies in the USA, most likely will take courses from and study predominantly with professors housed or affiliated with the department of finance in college of business. Such a curriculum can provide a comprehensive exposure to the multiple disciplines of business, which exposure is all very apropos, for each property is itself a business (Roulac, 2002). However, Roulac (2002) observes that such a business school of study will omit the learning that could be obtained through a UK School of the Built Environment, with its heavy emphasis on the classic surveying curriculum, involving an orientation to basic close-to-the-land disciplines. Consequently, strange as it might seem, the majority of graduates of USA real estate programmes may be blissfully ignorant of the subject of geography, generally, and how it relates to issues of property and place specifically (Roulac, 2002). The British approaches continued to reflect a property primacy, with a broader view of the discipline (Roulac, 2002). However, certain real estate education programmes in continental Europe seek to bridge the property emphasis of the UK and the financial emphasis of the USA. An interdisciplinary approach, bringing together the multiple perspectives of business management, finance, and the school of the built environment, prospectively offers a more balanced and richer course of preparation (Roulac, 2002).

3.5 Globalisation

Globalisation of estate education and transactions is gaining importance (Roulac, 2002; Schulte and Schulte-Daxboek, 2003). Today it is common to see students going to study real estate courses in

foreign countries either because in these countries no such courses are offered or merely to gain international exposure in real estate education and transactions (Chikafalimani and Cloete, 2006a). In addition, there is also an increase in the globalisation of real estate transactions being undertaken by investors in different real estate markets of the world (Roulac, 2002; Schulte and Schulte-Daxboek, 2003). Therefore, it was important today that real estate education convey the knowledge required for property involvements in the global context (Roulac, 2002; Schulte and Schulte-Daxboek, 2003). This can be achieved by including international aspects into the curriculum and by initiating international exchange programmes between the real estate departments of universities (Schulte, 2002). Schulte and Schulte-Daxboek (2003) observed further that the international exchange of real estate knowledge was important as the field of real estate education and research was a young discipline and many aspects of real estate have not yet been investigated sufficiently. As different countries have focused their real estate education and research on different issues it turns out to be even more important to internationalise real estate education (Schulte and Schulte-Daxboek, 2003). Some of the subjects with international contents which can be incorporated into the real estate curriculum are: foreign real estate markets, international real estate investment, globalisation of real estate markets, and comparison of international standards and practices in real estate (Schulte and Schulte-Daxboek, 2003). As a consequence, globalisation has influenced real estate curriculum development.

3.6 Government and political factors

Government and related institutions have also influenced change to real estate curriculum. The responsibility of government and related institutions is to set and enforce laws which include laws for property. It is important for real estate students to be exposed to these laws in the curriculum for them to function competently when they graduate.

In South Africa, since political stability and election of a democratic government in 1994, real estate education is equally transforming to accommodate government and society concerns (Chikafalimani and Cloete, 2006b). Blacks prior to 1994 never experienced the benefits and responsibilities of property ownership due to racial discriminatory policies and laws. To address inequalities of the past in these important sectors of the economy, government introduced property and construction charters; and land transformation policies. Another significant development after 1994 has been the increasing participation by blacks and women in real estate educational programmes (Chikafalimani and Cloete, 2006b). It is the duty of real estate educators to understand such issues and identify appropriate real estate educational needs which should be incorporated in the curriculum to address new real estate educational needs in the democratic South Africa.

3.7 Information technology advances

Bill Gates, Chairman and founder of Microsoft Corporation, the world's largest computer software company, identified real estate as one of the industries which will be revolutionised by technological change (Bridal and Laing, 1998). The change has already started and is moving at fast pace. Those who realise this and welcome it will ensure survival in the profession (Bridal and Laing, 1998). This revolution has indeed influenced the adaptation of real estate curriculum to equip students with relevant computer skills.

All real estate professions have been affected either negatively or positively by advances in information technology. Real estate appraisal is one of the real estate professions under threat due to the rising predominance of information technology (Bridal and Laing, 1998). With the growth of structured databases, more appraisals will be automated, resulting in fewer appraisers who will be paid less money to complete more appraisals in less time (Bridal and Laing, 1998). In South Africa, property valuers offering private valuation services to banks for home loan purposes are going through similar threats. Appraisers face two options to survive: become generalists and diversifying their reliance on other aspects of real estate; or become specialists, focusing on one exclusive niche

in appraisal or on some other innovative way to add value (Bridal and Laing, 1998). Bridal and Laing (1998) recommended to the Appraisal Institute of Canada to move rapidly towards introducing a new programme to train candidates to be competent appraisers over the whole range of subjects related to real estate. They added that today's competitive environment due to advances in technology demanded professionals who are innovative, creative and adaptable (Bridal and Laing, 1998).

3.8 Land and urban form changes

To a large extent, real estate development is dependent on land and urbanisation (Appraisal Institute, 2002). As a consequence, real estate studies in different parts of the world are influenced to a great magnitude by land issues and urban form (Roulac, 2002). Land may be used for many purposes, including agriculture, commerce, industry, habitation, and recreation. Land use decisions are influenced by climate, topography, distribution of natural resources, population, and industry (Appraisal Institute, 1992). Economic conditions, technological practices, and cultural influences have also affected land use. In addition land is one of the major resources in the real estate industry (Appraisal Institute, 1992). As a result changes in land economics, use, laws and management practices have influenced the development of real estate curricula differently in different parts of the world over the years (Roulac, 2002).

The effects of urbanisation on urban land use and form are another concern for the society and real estate industry today (Roulac, 2002). Today the increase of urban decay, crime, traffic congestion, and long travel distances from residential areas to workplaces in the urban areas have influenced a new pattern of real estate investment decisions. These society concerns have challenged the real estate curriculum and educators to accommodate new topics and research focuses.

3.9 Local communities and professionals

Local communities and professionals have an influential role in the design and development of real estate curriculum because they also benefit from a relevant curriculum. Local professionals can be helpful contributors in the process of real estate curriculum development because most of the time they employ or work with real estate graduates from a local university. They are also in constant touch with new developments in the real estate industry. As a result they are in a good position to recommend topics and other relevant issues in curriculum development (Galuppo and Worzala, 2004). Therefore, it is important for real estate educators to involve local communities and professionals in processes of curriculum development. This issue also relates to the moral obligation universities have to undertake by serving their local communities.

3.10 Real estate educators

Real estate educators are critical in the processes of real estate curriculum design, review, quality control, development, and delivery (Butler, Guntermann, and Wolverton, 1998; and Galuppo and Worzala, 2004). Responsibilities of real estate educators include: introducing new innovations in the traditional curriculum, applying high quality teaching techniques, and teaching relevant material. Additionally, real estate educators are always required to investigate needs of the industry and students, and to conduct relevant research so that curricula are regularly updated based on those needs and not necessarily based on their personal desires and satisfaction (Manning and Roulac, 2001; and Callanan and McCarthy, 2003). As consequence, hiring of experienced and well qualified educators is fundamental to improved real estate curriculum development and delivery (Hardin, 2000). Educators also investigate course contents of peer institutions offering similar curricula to ensure that they are offering competitive programmes (Murphy, 1999; and Galuppo and Worzala, 2004). In that process, curricula of peer institutions have also contributed towards curriculum design and development for other institutions.

3.11 Social and cultural factors

Social and cultural factors involve human elements of decision making which include all aspects of non-financial decision factors normally called “tastes and preferences” (Gibler and Nelson, 2003). Also included in this are beliefs and religion. These factors influence the real estate customers in the processes of real estate investment decision making (Gibler and Nelson, 2003). It is therefore advisable for real estate educators to identify the social and cultural factors showing huge influence in the real estate markets and get them incorporated in the curriculum. However, Gibler and Nelson, 2003 noted that most real estate study is based on neoclassical economics. They argue that human elements of decision making should not be ignored in the study of real estate. Integrating the study of consumer behaviour with the economic approach to real estate can benefit real estate students, teachers, researchers and practitioners in their real estate decision making processes. Great knowledge of real estate consumers and their behaviour will lead to better understanding and prediction of decision makers’ actions in the real estate market, as well as greater success in the marketplace (Gibler and Nelson, 2003).

3.12 Students

Students have a significant role to play in the process of real estate curriculum development. They are influential because they also investigate what skills they need to be able to function well in the workplace (Manning, 2002; and Callanan and McCarthy, 2003). In addition, feedback received from real estate student assessment reports can support educators in the efforts of improving real estate curriculum at the universities. However, Manning (2002) argued that when it comes to the selection of specific course content, many faculty place little or no importance on suggestions from students because their students (particularly undergraduates) are too inexperienced and unfamiliar with the “bigger picture” to be a good judge of what specific topics would be better to include within a particular course. While this is true, real estate educators should not underestimate the value of getting today’s students more involved in their own education.

While prospective employers obviously possess valuable knowledge that can assist faculty to select more useful and relevant course content, students are also in an excellent position to assist faculty to improve their courses for at least three reasons (Manning, 2002). First, many students (particularly graduate Masters’ students) have substantial work experience and are aware of skills and knowledge needed at workplace. Second, many students (even undergraduates) investigate knowledge and skills required for them to become successful in a particular employment area. Third, while some students may not be familiar with what specific knowledge and skills would help them become successful (particularly undergraduates with little work experience), virtually all students can assist faculty with an evaluation of the effectiveness of their teaching materials and pedagogy and thus improve the quality of future student learning in a particular course. Students may also be used by universities to assess the teaching abilities of faculty members to improve teaching programmes (Manning, 2002). The study by Manning (2002) identifies the need to involve students in the process of real estate curriculum development as they are in a position to also contribute valuable input.

Another way in which students have contributed towards real estate curriculum development is based on the type of training real estate professionals require. Kohnstamm (1995) posed a question: “What type of training will real estate professionals need in the twenty-first century? What sort of people will be required?” To address this question, real estate educators need to undertake detailed research on the type of students to be taught and the suitable curricula to be developed to meet their needs. Kohnstamm (1995) added that the big debate in the UK was about whether future real estate professionals should be given undergraduate training (full-time or part-time) immediately after secondary school or whether the profession has more need of people who have had a different academic education at degree level and need to be given extra training in real estate later at postgraduate level as a conversion route. A single answer cannot be given to this question. Based on

Kohnstamm's (1995) opinion, both routes are possible. The significant point to be identified from Kohnstamm's article is that students with different backgrounds will influence postgraduate real estate curriculum development differently so that their unique educational needs are addressed.

4. CONCLUSIONS AND RECOMMENDATIONS

This paper investigates elements influencing curriculum development for postgraduate real estate education in South Africa and other parts of the world. This literature research has revealed that accreditation bodies; employers; environmental concerns; finance; globalisation; government and political factors; technology advances; land and urban form changes; local communities and professionals; real estate educators; social and cultural factors; and students are some of the influential elements of real estate curriculum development. As a consequence, it is recommended for real estate educators to conduct holistic investigations by considering all relevant factors applicable to real estate and education in the processes of curriculum development for students and the industry. The study has also proven that real estate is a complex asset and multidisciplinary in nature. Production of competent graduates who will meet industrial requirements can only be achieved by exposing students to a several range of issues and concepts in the curriculum. A part from the traditional real estate course content, a competent real estate professional also requires exposure among others to the effects of finance; social and cultural factors; laws; and political factors in the curriculum. Finally, findings of the paper have revealed that the real estate industry is going through a lot of changes and challenges. It is the responsibility of real estate educators to review the curriculum regularly in order to accommodate the concerns from the society and industry.

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