



Real Estate Research: An Applied Pedagogy

By James H. Burton



peer reviewed

James H. Burton jburtan@westga.edu is Professor of Business Administration in the Department of Marketing & Real Estate of the Richards College of Business at the University of West Georgia. He has many years of real estate business experience in brokerage, appraising, development, mortgage banking, property management, investment analysis, expert witness testimony, and consulting.

Abstract

This article describes a new real estate course entitled "Real Estate Research on the Internet," which was created because of the growth of real

estate Web sites on the Internet and the need for increased real estate research at the undergraduate level. The objectives of the real estate research class are to provide applied research of regional real estate sales and rental data and to evaluate real estate information sites on the Internet. Based on the review of real estate programs at many universities, this real estate research on the Internet course may have been the first university course of its type in the United States.

The course content begins with a comprehensive review of traditional real estate research techniques. Following the review, the second phase of the course involves the formation of student teams for their research of real estate sites on the Internet. Each team is able to select a unique real estate category for Internet exploration. To practice interviewing skills and market data collection, the student teams are required to select a specific type of real estate sales or rental data to gather locally. The student teams are able to select the geography and the type of local market data to be collected. After the Internet sites are evaluated and the local market data is analyzed, the student teams make presentations of their research findings to the class. An assessment of this real estate course and suggestions for course improvements are presented at the conclusion of the article.

Introduction

The Department of Marketing and Real Estate in the Richards College of Business at the University of West Georgia (UWG) offers one of the three degree programs in real estate in the State of Georgia. The bachelor of business administration degree in real estate program is designed to prepare university students for a variety of real estate careers in brokerage, real estate finance, residential and commercial appraising, investment analysis, real estate development, property management, and real estate-related positions in government service. The Georgia Board of Regents of the University System of Georgia approved the real estate program at the University of West Georgia in 1993. The University's vision for all its majors is to provide "academic excellence in a personal environment"¹. UWG is a regional university located in Carrollton, which is about 50 miles west of Atlanta. Currently it has an enrollment of approximately 10,000 students. While the University is not a national research institution, professors are expected to balance their duties with teaching, service, and research.

The mission of the Richards College of Business (RCOB) is "to educate and prepare students for positions of responsibility and ethical leadership in society"². Student enrollment in the Richards College of Business was approximately 1,800 in the fall of 2005. The RCOB offers several degree programs, including accounting, business education, economics, finance, information systems, management, marketing, and real estate.

Real Estate Research Class

Worldwide Internet usage surpassed the *first billion* people on December 2005, and the growth in world usage showed an increase of 182% between 2000 and 2005.³ Because of the growth of real estate Web sites on the Internet and the need for increased real estate research at the undergraduate level, the faculty in the Department of Marketing and Real Estate decided to create a new real estate course in 2003, entitled “Real Estate Research on the Internet.” The objectives of the real estate research class are to provide applied research of regional real estate sales and rental data and to evaluate real estate information sites on the Internet. The primary goals of this course are consistent with the RCOB Bachelor of Business Administration (BBA) Learning Goals,⁴ and are listed below:

To learn more about traditional real estate research techniques by reviewing courthouse records, local data providers, and real estate associations (BBA Learning Goal 4);

To learn more about real estate Web sites by exploring and evaluating real estate topics on the Internet (BBA Learning Goal 3);

To learn more about applied real estate research by collecting sales or rental information in the west Georgia region (BBA Learning Goals 1, 5, and 6);

To conduct statistical data analyses of actual data collected (BBA Learning Goal 2);

To enhance communication and presentation skills by requiring students to present their research to the class (BBA Learning Goal 1);

To create an Internet Web site that summarizes the real estate research (BBA Learning Goals 1, 2, and 3);

To improve the self-confidence of the students by requiring them to collect sales and rental information from property owners and to present their research to their peers (BBA Learning Goals 1 and 6).

Based on the review of real estate programs at many universities, this real estate research on the Internet course may have been the first university course of its type in the United States.

Review of Research Techniques

To review some of the traditional real estate research techniques and resources, the faculty adopted a textbook written by John T. Breedlove entitled *Real Estate Data Research: A Comprehensive Guide to Real Estate and Business Information Resources* (2002). This textbook was written initially as a two-day, 14-session seminar; however, the author is revising the text to be published as a real estate research book. A summary outline of this text is described in Table 1⁵ below:

Table 1 – Real Estate Research Text Outline

I. Introduction Uses of Real Estate Research External Information Scope of Real Estate Information Failures of Real Estate Information Information Paralysis (infobog) Definitions Kinds of Information & Data The Research Process Concepts of Land	II. Observation and Inspections Benefits of Continual Observation Techniques of Continual Observation Inspecting Sites Inspecting Improvements Inspecting the Infrastructure Inspecting Comparable Properties Personal Interview Interviewing Tips
III. County Records Tax Assessor's Office Tax Commissioner's Office Deed Room Benefits of Deed Room Research Price Indications Planning & Zoning Office Other County Departments	IV. State & Federal Records Department of Industry & Trade Labor Department Department of Transportation Department of Natural Resources Agriculture Department Federal Commerce Department Corps of Engineers General Services Administration Housing & Urban Development Interior Department Other Departments
V. Quasi-Public Organizations Definitions Some Quasi Organizations Area Planning Centers Chambers of Commerce Other Similar Organizations Associations & Institutes Some Real Estate Associations Directories of Associations	VI. Bibliographies & Directories Definitions Kinds of Bibliographies Sources of Bibliographies Sources of Directories Kinds of Directories Uses of Directories in Real Estate Encyclopedias
VII. Computer Databases & the Internet Access Older & Newer Systems INFOTRAC ABI/Inform Business Dateline UWG Library & GALILEO Internet	VIII. Research Centers & Consultants Research Center Functions Some Regional Research Centers Benefits of Research Centers Using Consultants & Experts Finding Experts Audio & Video Materials Trade Shows & Conventions

The text material is reviewed during the first several weeks of the semester. Although many of the students enrolled in the real estate research course have studied statistical analysis in other business classes, some of the basic statistical techniques are reviewed. In addition, the uses of many of the statistical features in computer spreadsheet programs are presented.

Internet Research

Following the review of real estate research resources and techniques, the second phase of the course involves the formation of student teams for their research of real estate sites on the Internet. Each team is able to select a unique real estate category for exploration, including residential brokerage, commercial brokerage, real estate finance, property management, residential appraising, commercial appraising, leasing, licensing, real estate education, development, and demographics. Student teams are encouraged to select a category that they are sincerely interested in researching. The teams are required to surf the Web for sites related to the category chosen and to evaluate these sites on a scale of 1 to 10, according to the following five criteria: content, attractiveness, ease of use, reliability, and cost. In addition, an overall rating is assigned to each site by the student teams. The best Web sites, selected by the student teams, are displayed as links to the class Web site. An example of the research results from last year's research class can be found at the following link:

<http://www.westga.edu/~mktreal/RealEstateResearchV/indexII.htm>

Please note that the undergraduate students, including student Web masters, created this Web site. If this link is inoperative, contact the author, who will provide you with a copy of this material.

Direct Research

In order to practice interviewing skills and market data collection, the student teams are required to select a specific type of real estate data to gather locally. The student teams are able to select the geography and the type of data to be collected. For example, one team may select apartment rents in the City of Carrollton, another team may select home sales in neighboring Heard County, and yet another team may select industrial sales in Carroll County, the county in which Carrollton is located. The resulting real estate data are helpful to other real estate students, the faculty, and the community. The Real Estate Research class created a Web site that evaluated various real estate Web sites and, as a result, reports current real estate market data.

While investigating real estate sites on the Internet does not require direct contact with other human beings, the collection of local sales and rental data can be emotionally challenging because it requires talking to people in the marketplace. This process tests the students' skills of effective communication, trust building, data analysis, and perseverance. Although real estate sales prices can be estimated from deed records in the courthouse, the verification of these prices, gross income, vacancy rates, operating expenses, and overall capitalization rates must be estimated from actual interviews (e.g., buyer, seller, broker, lender, or closing attorney). All rental information in the west Georgia market area must be collected directly from a person, such as the landlord or the

tenant. Students consistently report that getting this information from the individuals involved in rental matters is the most difficult part of the applied research process. However, the student researchers may ask any reluctant owner or manager to telephone the professor and verify the validity of the research project.

Grading

The grading system for this course is based on quizzes, midterm examination, applied research, Internet research, and the final presentation of the student's research (final examination). The approximate grade weights are summarized below:

	<u>Minimum</u>	<u>Percents Maximum</u>	<u>Likely</u>
1. Midterm Examination –	25	35	30
2. Quizzes –	10	20	15
3. Applied Research –	20	30	25
4. Final Examination –	25	35	30

Students cheating in any form will receive a failing grade and excessive absences may also reduce final grades. Although the grading of the final research presentations is relatively subjective, the grading from the students of each other is helpful input to the instructor. The course syllabus can be viewed at the following web address or, if unavailable, be obtained from the author:

<http://www.westga.edu/%7Emktreal/RELE%203711.doc>

Course Evaluation and Assessment

The Real Estate Research course has several positive outcomes that are listed below:

1. Research skills of the students are improved.
2. Communication skills of the students are increased.
3. Regional real estate sales and rental data are collected, analyzed, and summarized on the Web site developed.
4. Some real estate Internet sites are evaluated and summarized on the Web site developed.
5. Self-confidence of the students is enhanced.

To acknowledge student research, the University of West Georgia promotes "Big Night" each spring, when students present their research findings in competition with other students within their respective colleges. Students from

the Real Estate Research class won first place in the Big Night research competition in the Richards College of Business in both 2004 and 2006.

Each student in the class completes an anonymous written evaluation of the class at its end. Some recurring comments from the student evaluations of the course include:

1. The textbook had too much information and was difficult to read.
2. Although collecting and analyzing sales and rental information was difficult, the process was a positive learning experience.
3. The PowerPoint presentations by the professor had too much information and too little information (a natural paradox in student evaluations).
4. Tests were difficult but fair.
5. The course content was helpful for future careers in the real estate field.
6. The instructor was knowledgeable, effective, and caring.
7. The student evaluations of the course were based on a 5-point numerical scale; the average scores were 4.2, 5.0, and 4.2 in the years 2003, 2004, and 2005, respectively.

Suggestions for Future Course Improvements

Based upon information reported on the student course evaluations, instruction can be improved by connecting the assignments more directly to the tests; incidentally, this comment is relatively common in student evaluations. The students appeared to want more clarity about the grading system used by the instructor. While the textbook presents many real estate research techniques and a comprehensive description of real estate data sources, students suggest that the textbook be used as a reference book; hence, other real estate research textbooks should be considered for adoption in the class.

A problem in evaluating the real estate Internet sites is the large volume of possible sites to review. The current review process involves the student team selecting a real estate category to investigate and to periodically report a list of sites reviewed to the instructor. However, checking the completeness of the category searches is a challenge to the instructor. Perhaps an improvement to this process would be for the instructor to maintain files of prior Internet sites that have been evaluated by real estate categories and the dates reviewed. Another improvement may be to narrow the real estate categories selected by the student teams by submarket, location, and rental patterns.

Another concern voiced by the students is the comparative difficulty of some of the selected applied research projects; for example, collecting rental data on forty apartment developments in Carrollton requires more time than analyzing five apartment sales in Carroll County. A method of improving the

fairness of this applied research part of the course would be to have additional students on the teams for the research projects that require more time. However, overall the Real Estate Research course has had positive student outcomes.

Sources

¹ University of West Georgia Vision Statement retrieved February 2, 2006, from <http://www.westga.edu/documents/vision.php>.

² Richards College of Business Mission Statement retrieved February 2, 2006 from <http://www.westga.edu/~busn/mission.htm>.

³ Internet World Stat News retrieved February 4, 2006, from <http://www.internetworldstats.com/pr/edi014.htm>

⁴ Richards College of Business Undergraduate Learning Goals retrieved February 2, 2006, from http://www.westga.edu/~busn/lq_bba.htm.

⁵ John T. Breedlove, *Real Estate Data Research: A Comprehensive Guide to Real Estate and Business Information Resources* (Atlanta: John T. Breedlove, 2002).



<http://www.westga.edu/~bquest>