

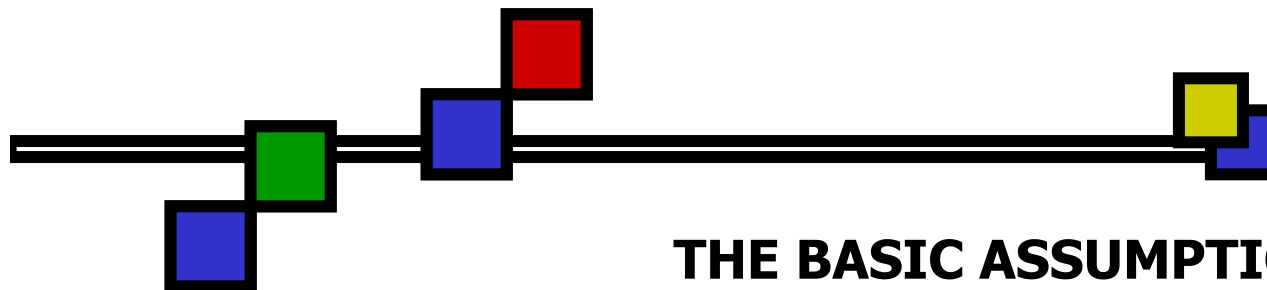
**REAL ESTATE EDUCATION IN EUROPE – THE BOLOGNA CONTEXT AND
THE POST-CRISIS PERSPECTIVE**

THE 4th EUROPEAN REAL ESTATE SOCIETY EDUCATION SEMINAR

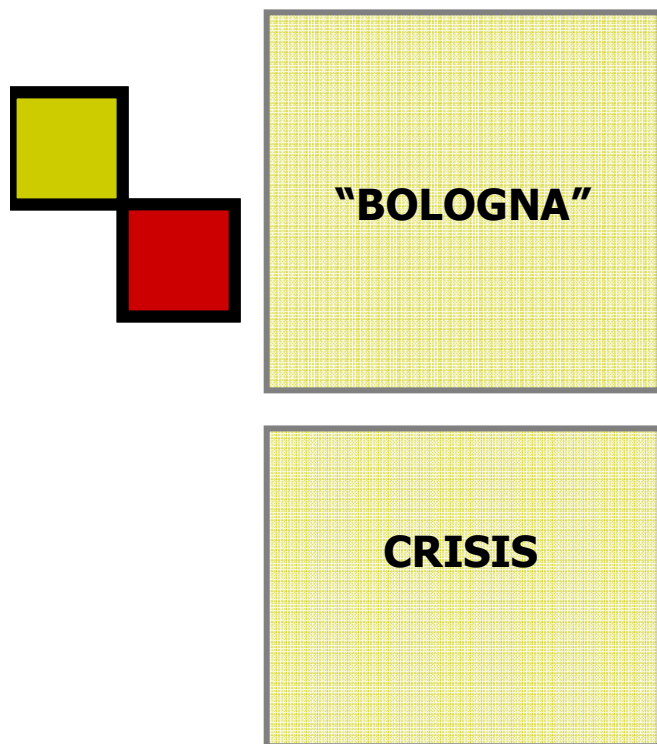


João Manuel Carvalho

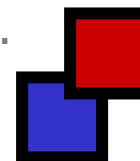
Economist, MAS Urban & Regional Planning, PhD Urban Planning,
Professor at Universidade Técnica de Lisboa / Faculdade de Arquitectura

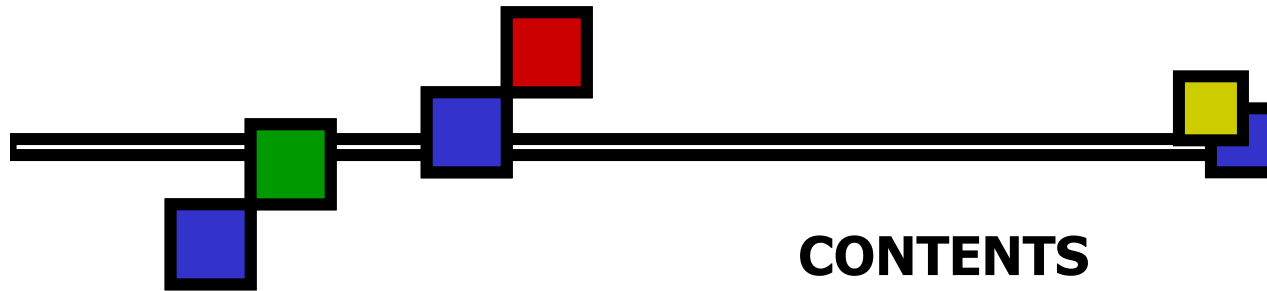


THE BASIC ASSUMPTIONS



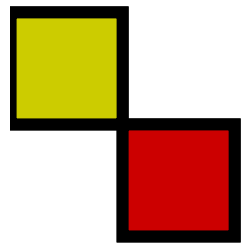
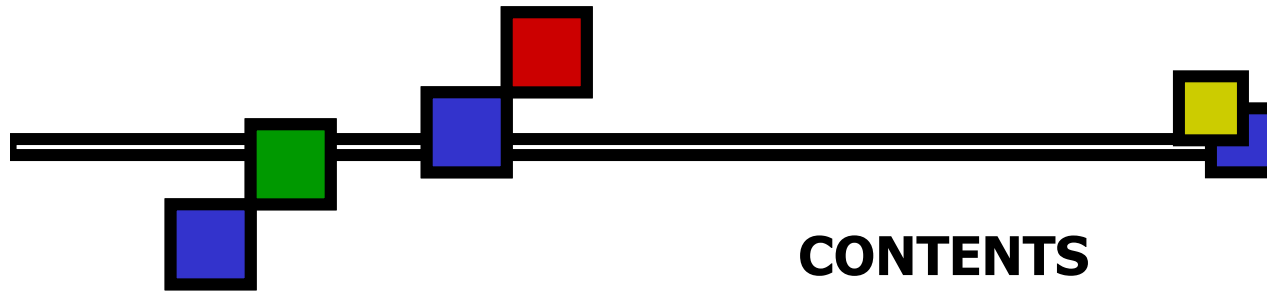
- The "competences" mantra (know-how preferable to pure knowledge);
 - The "mobility" principle (foreign students and equivalences through institutions and countries);
 - The "academic degree compression" frenzy.
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- Re-defining Real Estate as the financial system shows its troubles;
 - Real Estate Development and Real Estate Education;
 - Real Estate Education *curricula* revisited.



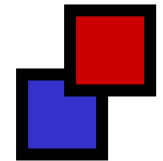


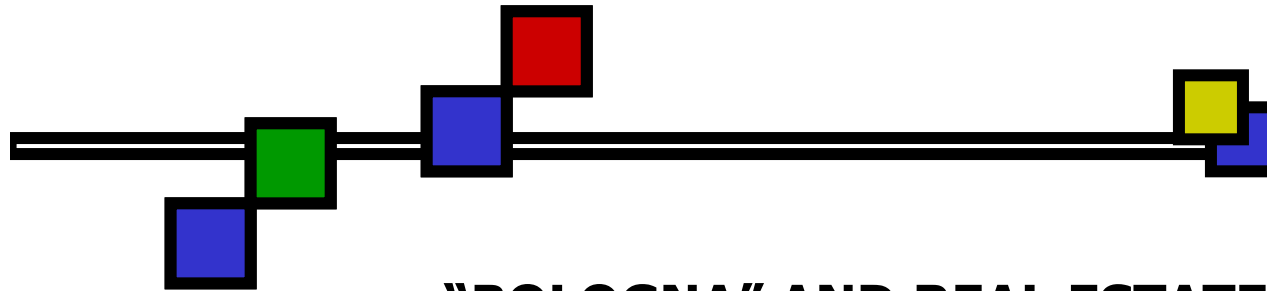
CONTENTS

- "Bologna" and Real Estate Education
- Real Estate Education and the Crisis
- Space production features in Real Estate Education *curricula*
- The role of the market in Real Estate Education
- Conclusion – final comments

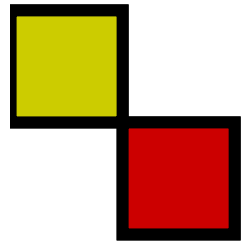


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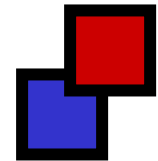
"BOLOGNA" AND REAL ESTATE EDUCATION

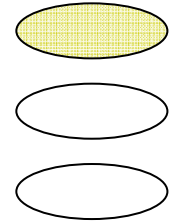
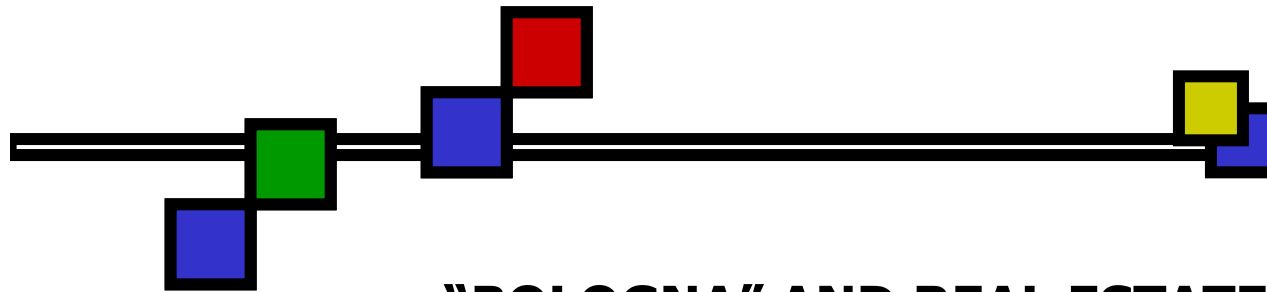


1) "COMPETENCES" – PRAGMATISM *VERSUS* ESTABLISHED SCIENTIFIC DOMAINS

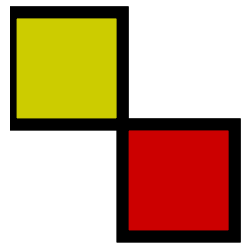
2) "MOBILITY" – VALUING SPACE DIVERSITY EXPERIENCE *VERSUS* ENLARGED COMPETITION

3) "DEGREE COMPRESSION" – LOWER DEGREE MARKET RECOGNITION *VERSUS* PUBLIC EDUCATION BUDGETS

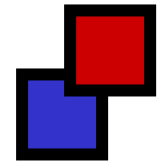




"BOLOGNA" AND REAL ESTATE EDUCATION



1) "COMPETENCES" – PRAGMATISM *VERSUS* ESTABLISHED SCIENTIFIC DOMAINS



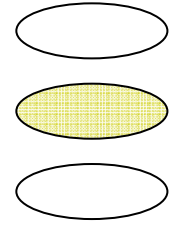
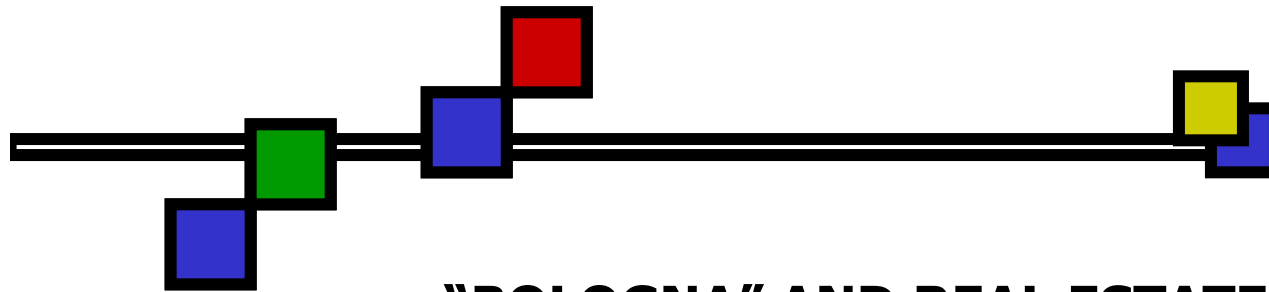
A new rationale



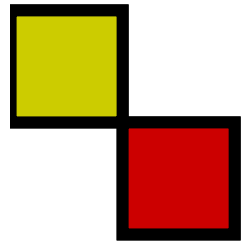
Pragmatic knowledge supported by theory more than pure theoretical knowledge (upside)

Applied research (upside)

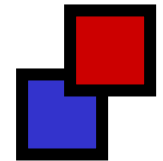
Traditional scientific / professional domains will anyway prevail over minor fields such as Real Estate Education (downside).



"BOLOGNA" AND REAL ESTATE EDUCATION

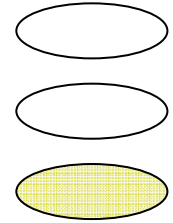
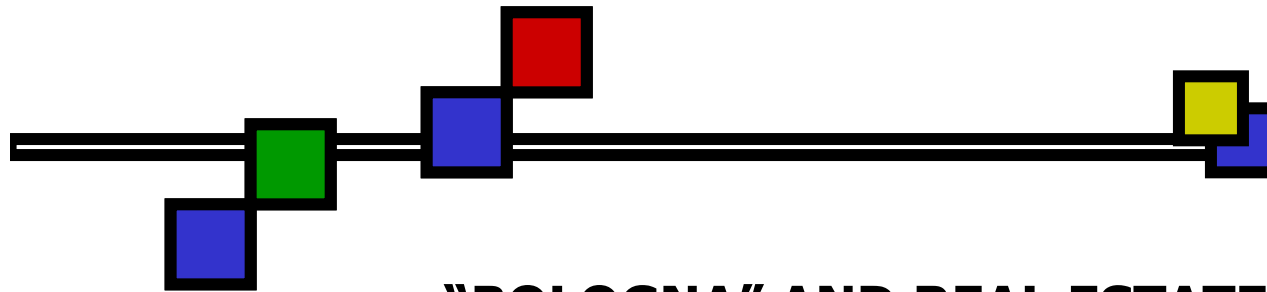


2) "MOBILITY" – VALUING SPACE DIVERSITY
EXPERIENCE *VERSUS* ENLARGED COMPETITION

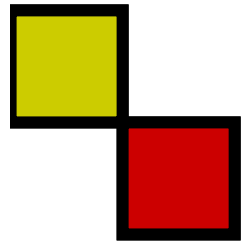


Space living experiences as an easy way to gain competences in Real Estate but also in Art, History, Sociology, etc, (upside)

Competition will again favour established scientific / professional domains (downside).

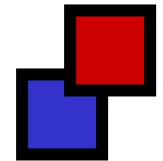


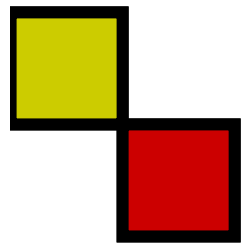
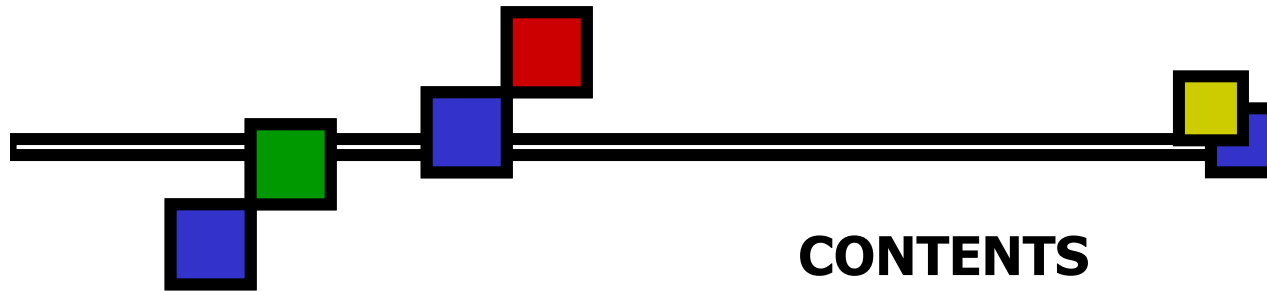
"BOLOGNA" AND REAL ESTATE EDUCATION



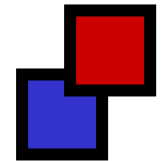
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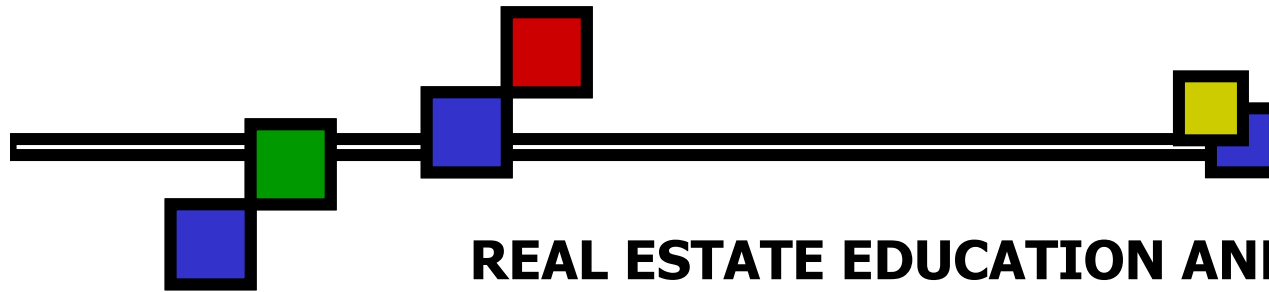
- Reduction of public educational budgets will leave Real Estate Education out of main priorities (downside);
- Short *curricula* with a practical content (upside);
- Lower degrees with more market recognition than 3 year "no-doctors", "no-architects", etc. (upside);



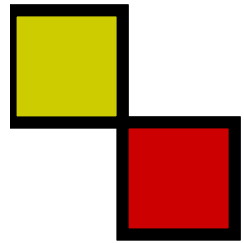


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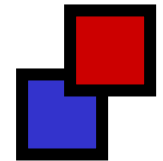


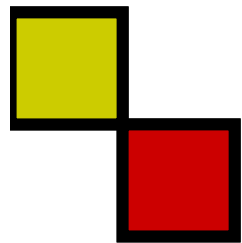
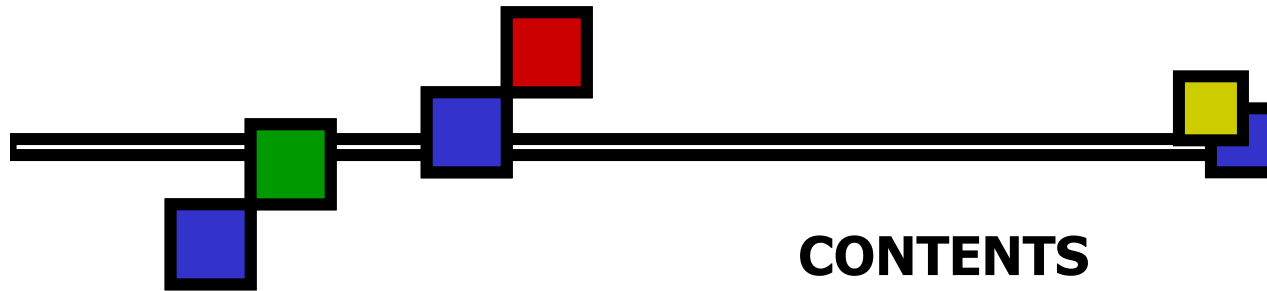


REAL ESTATE EDUCATION AND THE CRISIS

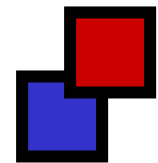


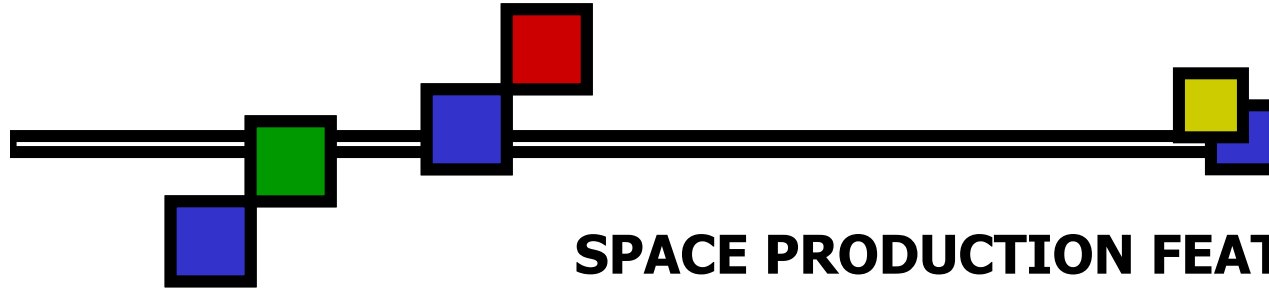
1. The identity of Real Estate and its image; the dependency of Real Estate Education on the definition of Real Estate as a positive business;
2. The nucleus of Real Estate is space or is it finance?
3. Real Estate as Real Estate Development (space production for the market);
4. Real Estate Education as aiming at the preparation of Real Estate Developers;
5. If space production is the essence of Real Estate, which is easier – Management or Economic Schools to install Architectural or Engineering capabilities, or the latter to provide teaching on Real Estate business items?



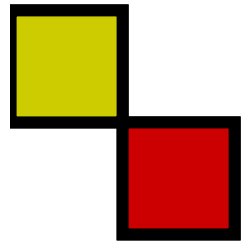


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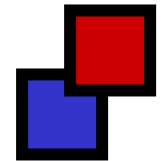


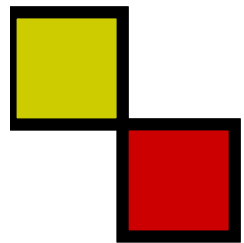
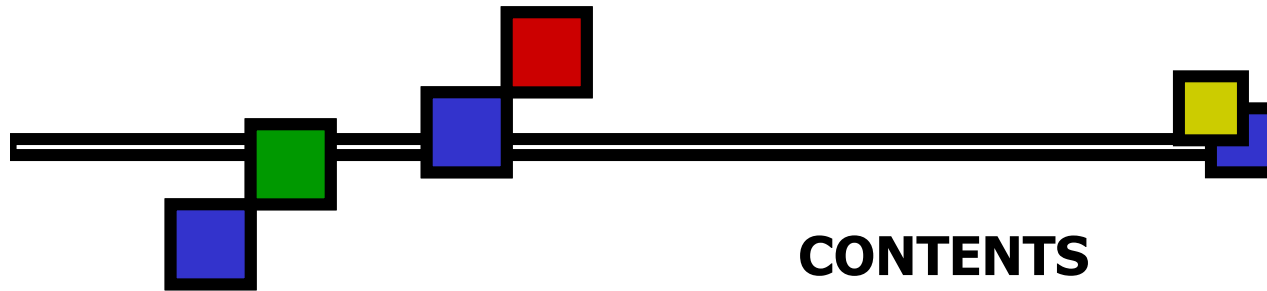


SPACE PRODUCTION FEATURES IN REAL ESTATE EDUCATION *CURRICULA*

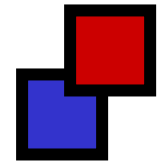


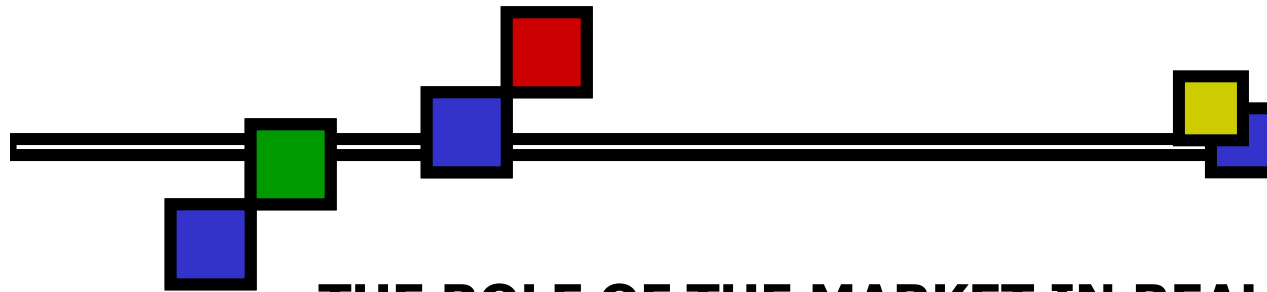
1. To describe real estate goods in a real and technical way to interact with end-users and to order projects from Architects and Engineers – to teach the design rules and norms for spaces aiming at specific uses;
2. Be aware of differentiation opportunities – to teach the criteria for physically differentiating within each type of Real Estate goods;
3. Specific knowledge of what is good space – to teach the degree and direction of innovation by exploring the links between Real Estate and Art, History, Sociology, etc.



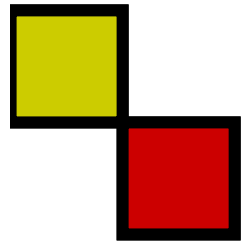


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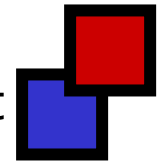


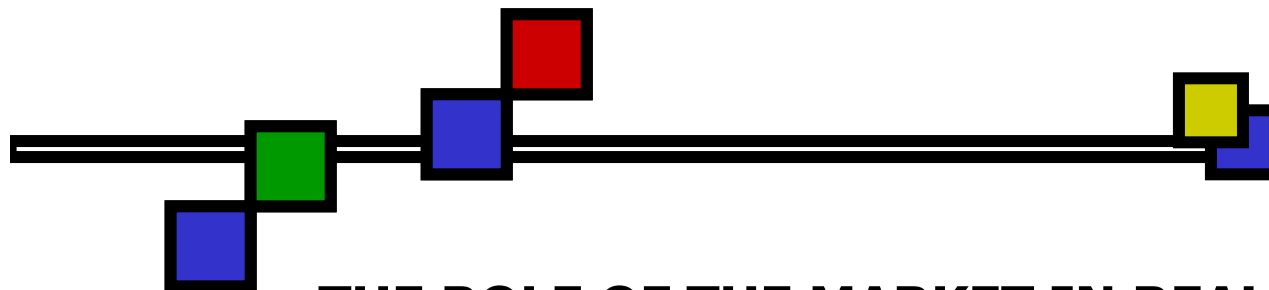


THE ROLE OF THE MARKET IN REAL ESTATE EDUCATION

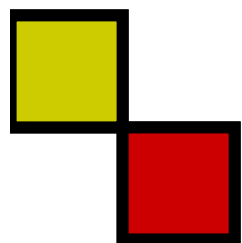


- Real Estate Developers are neither contractors nor insolvent demand suppliers;
- Risk lays on the final good supplier's margin – i.e., cost-benefit approach more than a cost-effectiveness one;
- Business analysis treats construction costs as most certain and value of sales proceeds as probable;
- Leave construction items out of Real Estate Education?
- Trade-off between design and construction favours the former;

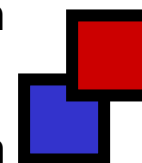


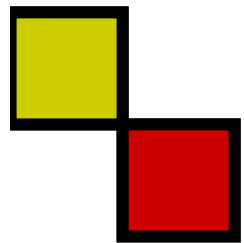
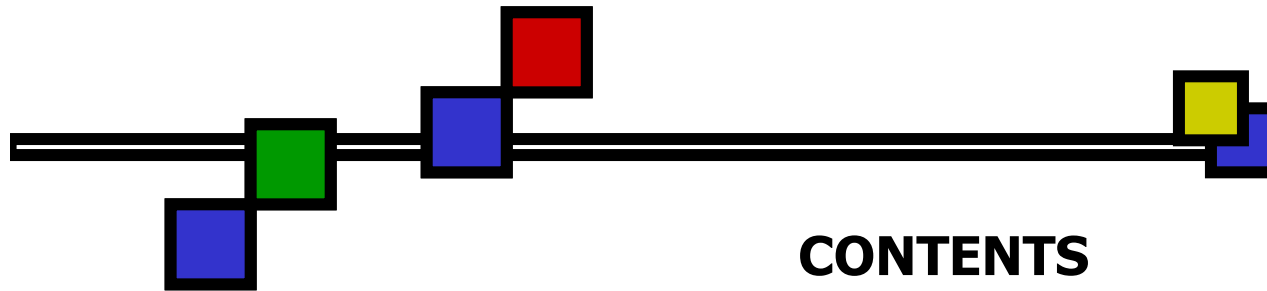


THE ROLE OF THE MARKET IN REAL ESTATE EDUCATION (CONT.)

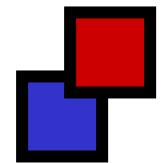


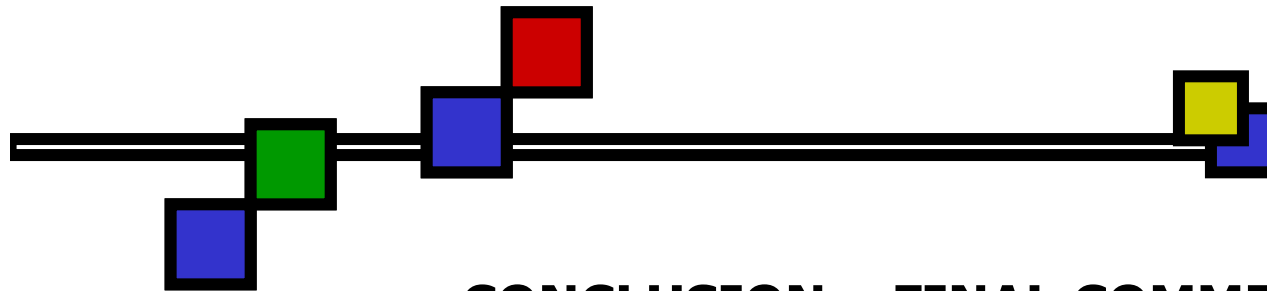
- Real Estate Education is nevertheless supposed to deal with Real Estate Development business analysis – knowledge enough to buy construction from contractors and projects from Architects and Engineers;
- Investors gained an excessive role in Real Estate Development and in Real Estate Education due to huge liquidity in global markets;
- Liquidity seems to have become more of a normal thing and Real Estate Development is back to fundamentals – end users will be the target; investors will come afterwards.





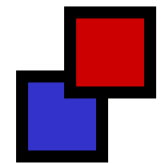
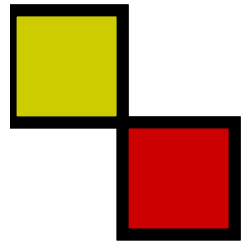
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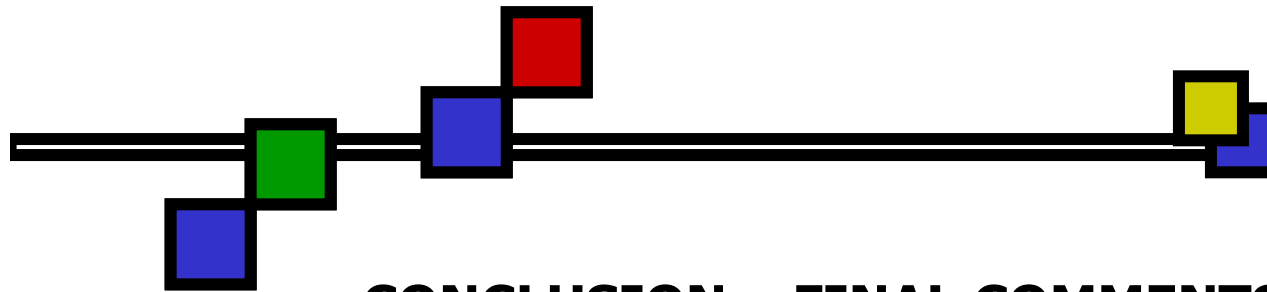




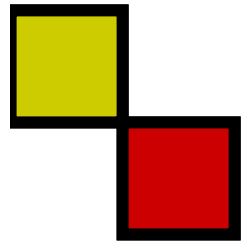
CONCLUSION – FINAL COMMENTS

1. Real Estate Education (REE) can be re-introduced as a bulk of specific knowledge with evident links to daily reality but allowing for connections to several theoretical fields;
2. REE can be strategically supported by applied research, connected to Real Estate problems, capable of justifying the presence of Real Estate items in the *curricula* of the main traditional sciences with links to it;
3. REE could be mainly focused on Bologna 3rd Cycle, though not on Doctorates, but on “Advanced Studies”;
4. REE at Graduation or Masters levels could be the off-spring of a central institution (some kind of “Real Estate Institute”), with particular protocols with Universities for interchange (“Erasmus”); *curricula* would emphasise the “physical space” experience (as well as enhancing and upgrading the role tourism already has in Erasmus-like mobility);

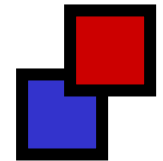


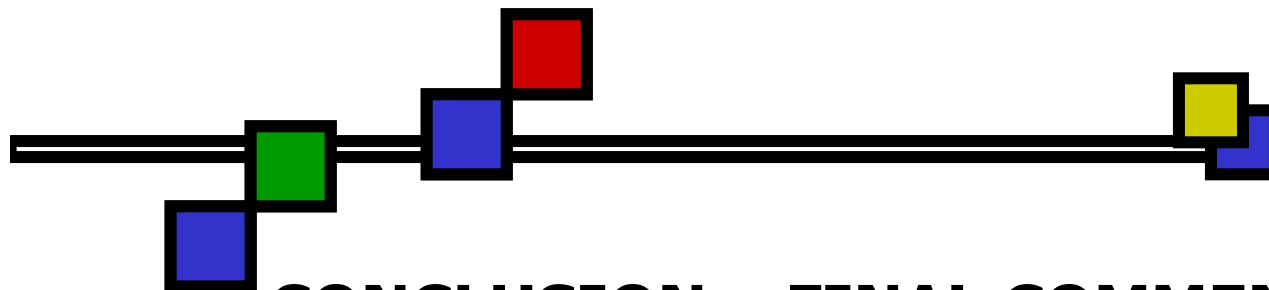


CONCLUSION – FINAL COMMENTS (cont.)

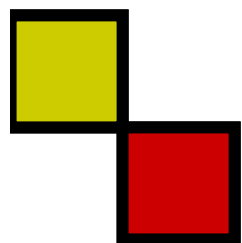


5. REE should address Real Estate Development if the latter is taken as the essence of Real Estate;
6. REE would prepare people for a specific business which is “supplying space to the market”, this being the object of Real Estate Development;
7. REE *curricula* at graduation level would be twofold – programs concerning “space” and programs concerning “business analysis”;
8. Advanced REE (3rd Cycle) would deepen (any) specific aspects of Real Estate Development; research could take any direction provided “physical space” is not out of sight;

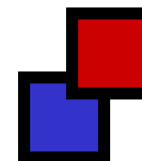


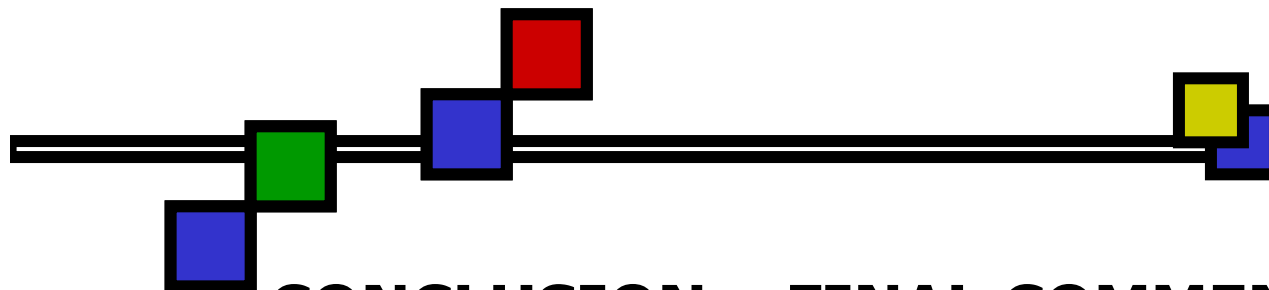


CONCLUSION – FINAL COMMENTS (cont.)

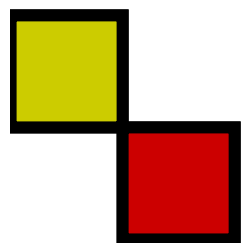


9. Real Estate has been fed by non-reliable information as far as market analysis is concerned; it needs to find new solutions to systematically obtain reliable information;
10. Real Estate has become a financial product (much in advance of “subprime” or “derivatives”); it needs to regain its’ natural role by taking primarily into account end-users’ requirements and affordability;
11. Agents have the lion’s share of the available market information;
12. Investors and Banks (quite mingled), once having complied with the provided market information and “entered the game”, don’t have a real interest in denouncing the scheme an get in trouble (it happened after all, but induced by end-users difficulties);





CONCLUSION – FINAL COMMENTS (cont.)



13. REE has been mostly funded by Agents, Investors and Banks and has therefore been a hostage of a (now ending) “game”;
14. Shall REE get free (and lose its traditional funding support)?
15. Should REE be mostly supported by Real Estate Developers?
16. Will the “new” financial system be in need of serious REE and support it anyway?
17. REE should indeed fight for both the latter.

