

Att. VIII

**New Program Proposal
Center for Real Estate Development
Clemson University**

Summary

Clemson University requests Commission approval of an existing research center entitled the Center for Real Estate Development (CRED.) The Center was established at the institution in 2001. Under current CHE guidelines, centers, bureaus, or institutes do not require CHE approval unless the institution intends to seek special state funding.

The purpose of this research Center is "to create the opportunity for encouraging future development entrepreneurs to produce exciting, quality projects respecting environmental and economic sustainability, social consciousness, design excellence, and financial feasibility within the risk-reward framework." The Center's focus on environmental and economic sustainability and social consciousness has parallels in the stated purposes of Clemson's Center for Community Growth and Change and its Master of Landscape Architecture program. This is consistent with Clemson's Academic Plan, which includes emphasis areas in Sustainable Environment, Family and Community Living, and Leadership and Entrepreneurship.

The Center, formed by the College of Architecture, Arts, & Humanities and the College of Business and Behavioral Science, has helped in the development of the Masters in Real Estate Development (MRED) program at Clemson. The proposal states that the MRED program and the CRED will have in the near future a shared advisory committee composed of about 15 real estate executives representing different disciplines. The proposal indicates that the Center will strengthen Clemson's commitment to being a leading institution in teaching, research, and community service related to real estate development. The Center is currently committed to expanding its mission in research and public service.

The on-going need for the Center is based on the projected growth in the state's population, which in 2025 is expected to be 5.3 million, approximately 1.1 million more than the current population. Such growth will require dramatic increases in housing, retail, office, industrial and hotel space. According to the proposal, the Center will directly influence the development that comes with population growth through focusing research and teaching on new suburban development, central city redevelopment, neo-traditional development/new

urbanism, historic preservation/restoration, and master planned/resort/retirement development.

The Center supports teaching, research, and public service ties with related university degree programs, especially the Master of Real Estate Development and the Ph.D. in Environmental Design and Planning, which will provide research capacity. According to the proposal, it "will be actively involved with an array of national organizations and their state/regional chapters representing the development industry such as the Urban Land Institute, National Association of Home Builders, International Council of Shopping Centers, National Association of Industrial and Office Parks, Society of Industrial and Office Realtors, Certified Commercial Investment Member, Mortgage Bankers Association,¹ Appraisal Institute, National Association of Corporate Real Estate Executives, Counselors of Real Estate, and others."

There are no comparable centers within the state and few within the region. The University of South Carolina's South Carolina Center for Real Estate has a different mission focus (finance and brokerage) and supports the approval of Clemson's proposed Center. The Clemson Center will also be unique in its land use/ecological focus in relationship to other real estate centers in the Southern region. The centers at Georgia State, University of Florida, Florida State, and University of North Carolina-Chapel Hill, are typically housed in schools of business and focused on issues of finance and brokerage.

Because the Center does not offer courses or degree programs, no enrollment estimates are required for the proposed Center. Students conducting research within the Center are enrolled in a degree-granting academic program at the University. Research funds generated by the Center faculty will provide graduate assistant support (i.e., stipends and hourly monies) for students.

The Center will not be required to seek any accreditation, approval, licensure, or certification.

The Center currently has three headcount faculty (.75 FTE), one headcount (.25 FTE) in administration, and one headcount (.25 FTE) staff. A faculty member will serve as the Director. By 2009-10, personnel are projected to increase to two administrative staff (.75 FTE), nine faculty (1.625 FTE), and three support staff (2 FTE.)

Funding of projects within the Center is through reallocated funds, grants, and endowment funds. Estimated new costs to the University for the Center start at \$225,000 in 2005-06 (Year 1) and increase to \$441,000 by 2009-10 (Year 5). The sources of funds are Reallocation of Existing Funds (\$80,000 in year 1, increasing to

\$115,000 in year 5); Federal Funding (\$10,000 in year 1 and increasing to \$51,000 by year 5); and Other Funding (\$135,000 in year 1, increasing to \$275,000 in year 5.) The "Other Funding" sources are primarily endowment funds. The proposal does not contain any specific information about Clemson's intention to seek special funding.

Recommendation

The Committee on Academic Affairs and Licensing recommends that the Commission approve Clemson University's Center for Real Estate Development.