

KAHR NOTES

The University and the City

We're raising equity for a couple of large apartment investments over the next six weeks. That means that we need to expand our base of investors for both this deal and future ones.

If you're interested in investing in real estate with a seasoned operator, we'd love to speak with you. As always, I may be reached at josh@kahrrealestate.com or (212) 566-4085 x. 111.

OK... back to this issue of Kahr Notes....

As some of you may know, among the various hats I wear, one of them says "Professor" on it. This means that I periodically think about things other than real estate, and if there's an article on real estate and education, I'm all over it.

Recently, there was yet another depressing article about the job market and how graduates of MS in Real Estate programs are having trouble landing jobs ("Tough Time to Enter Real-Estate Profession", [Wall Street Journal](#), 5/4/11, Maura Webber Sadovi). The point of the article was essentially that in a weak job market, a degree is no longer a guarantee of employment.

Of course, this is why I read the WSJ... so someone can tell me the obvious.

The implication of the article was that there are just too many graduates, and by extension, too many graduate schools offering degrees in Real Estate.

While the author may be correct on the first point, it has been my experience that, if anything, there are not enough schools offering higher level education in real estate.

You may ask, why?

The answer is simple: location, location, and location.

Real estate is unlike many businesses in its emphasis on location, and this goes the same for graduate education. While there are a few schools that produce graduates that compete on the national level (Columbia where I teach being one of them), there are many other programs that are regional in nature. I've personally taught real estate finance at a number of schools both in New York City and across the nation, and I can comfortably say that most graduates of real estate programs end up working in the city where they obtained their degree.

In addition, most real estate programs draw most of their donor dollars from local real estate professionals so there tends to be a self reinforcing system that encourages graduates to go to work for local firms. Coursework also tends to be more focused on local issues; it should come as no surprise that schools in cities with a lot of urban sprawl spend more time discussing it than those in denser cities.

In other words, while the article makes for some nice light reading, it misses the fundamental point. While there may be too many graduates of the programs to be absorbed right now, there are not too many programs. I think

there's a strong case to be made that every major city should have at least one graduate level program that focuses on real estate and development issues. For all of the technical and educational advances that we've made, we remain tied to the land.

By the way, if you'd like to read the article for yourself, go here (and please note, that the WSJ requires a password... sorry):

<http://online.wsj.com/article/SB10001424052748703703304576299370641709308.html>

Regards,

Josh Kahr

About the Publisher

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