



# Annual Review 1997-1998



## Washington Center for Real Estate Research

The Washington Center for Real Estate Research focused on securing both short and long-term funding during the 97-98 fiscal year. The challenges were magnified since the Real Estate Education Account administered by the Department of Licensing with the advice of the Washington Real Estate Commission was no longer capable of providing funding at the level of the last two biennia. Accordingly the Center was forced to refrain from replacing the Associate Director who resigned effective July 1, 1997. Staffing during the year has consisted of the Director, 75% of whose salary is covered by this project, a 3/4 time secretary, a graduate student in management information systems, and up to three undergraduate students.

Consulting projects provided the remaining funding for the Center. Projects underway during the 1997-98 fiscal year included:

Organization	Topic
Housing Finance Commission	Real-Time Assessment of Single-Family Housing Need
City of Spokane	Fair Housing Education Services
Lorig Development	Pullman Apartment Market

The projects are noteworthy because of the way they mesh with the Center's primary mission of service to Washington's real estate licensees. The Housing Finance Commission project builds upon the Center's role as a national leader in statistical analyses of housing affordability, and positions the Center for future work in other states. The Spokane city project reinforces our commitment to work with local communities and positions the Center well for future research funded by the Department of Housing and Urban Development. The Lorig project provided a training ground for continuing research into rental housing markets statewide – research which now includes Vancouver, Tri-Cities, Yakima, and Wenatchee. Spokane will be added in 1998, positioning the Center to develop statewide rental housing market statistics in the very near future.

Any discussion of the year's activities must begin with the legislative initiative to secure stable

funding. After extensive review of the options, and study of the funding of similar real estate centers in other states, the Board of Trustees of WCRER approached the Washington Association of REALTORS® for support of an initiative to impose a \$10 fee on each new and renewal real estate license (including inactive licenses) in the state. That proposal was first formally made to WAR in September, 1996. The Association then embarked on the most exhaustive grass-roots review in its history before deciding in September, 1997 to endorse and promote the initiative. At the beginning of the legislative session Glenn Crellin and Board of Trustees Chair Dennis Johnson met with individual legislators seeking sponsors for the legislation. Ultimately the legislation was introduced in both houses and referred to the respective higher education committees. Representatives of the Center, the Board of Trustees, the Association and the Department of Licensing appeared at various committee hearings. The legislation passed the Senate by a 35-7 vote, then passed the House on a vote of 94-3. Many groups wrote supportive letters to the governor, and the staff recommended he sign the legislation. On April 3, the last day on which he could take action and citing opposition to creating any university program in statute, Governor Locke vetoed the entire bill. Considerable time and financial resources had been invested in this effort, only to be required again during the next session, since the Board of Trustees, the University and the Association believe it is worthwhile to overcome the objections and try again.

Special topic research under the Department of Licensing contract has been limited to completing the analysis of the Homebuyer/Seller profile, which was begun under the 1995-97 agreement. The survey of individuals who purchased homes in 1996 was begun in early 1997. The analysis of the data has been delayed, but was delivered to the Department in Spring, 1998.

On other fronts, activity continued unabated. The Center's Web site continues to expand, and licensees and the public generally applaud its content. Over 7,500 individuals have visited the site this year. Four quarterly issues of **Washington State's Housing Market** were produced and promoted. Columns were provided to all daily and weekly newspapers in the state at an average rate of two per month. Research requests via the toll-free hotline were processed routinely. Over 600 courses from 75 real estate education providers are listed in the clearinghouse, which is now accessible through the Web. An average of 250 calls per month from real estate licensees are received via our toll-free service.

## **Work Plan Status**

~ **Resource Bibliography/Library.** Resources in the Center continued to grow, with materials coming from both the academic and professional communities. Requests for reading lists typically involve searches of both printed and on-line databases. The Center works closely with the real estate faculty and University librarians to ensure efficient use of resources, with few duplications. Emphasis has been placed on acquiring materials with a practical orientation. The information center operates as a

non-lending library. WSU students increasingly are finding valuable resource materials at the Center to reinforce their classroom instruction

~ **CenterView Newsletter.** Publication of **CenterView** was eliminated from the current workplan as a cost saving. However, an electronic version of **CenterView** is under development. The current plan will retain the formatting of the published document, with the newsletter available in Adobe Acrobat format. A new issue should be available on the Web site during June.

~ **Center Brochures.** Brochures on Licensing Requirements, Property Condition Disclosure, Fair Housing and Residential Fuel Tanks continue to sell well. A new brochure on customer expectations of real estate licensees is underway. Brochures on the rent/buy decision and closing costs are under discussion.

~ **DOL Real Estate News.** The Center has prepared several articles for each issue of the Department's periodic newsletter. Feedback from licensees indicate these articles have been helpful, and have raised general awareness about the Center and the services provided.

~ **Education Support.** The Center has continued to emphasize development of a database on continuing education courses offered throughout Washington. The objective is to match student needs to course offerings more efficiently. While telephone access to the clearinghouse remain available, the database is also accessible through the Internet. Preliminary feedback on the Web version has been positive, but the Center will continue to refine the search engine to better respond to the specific needs of real estate licensees and the education providers.

~ **Academic Contact.** The work plan calls for the Center to maintain and develop academic contacts. Both Center staff and real estate faculty participated in the meetings of the Real Estate Center Directors and Chairholders Association and the American Real Estate Society (ARES) in April. Dr. Epley edits the **Journal of Real Estate Practice and Education** for ARES and Mr. Crellin serves as Associate Executive Director for the Western Region of ARES. Both are members of the Editorial Review Board for the **Journal of Real Estate Research**. Dr. Wolverton is on the editorial review board of the **Appraisal Journal**. Dr. Epley serves on the Executive Committee for the Appraisal Foundation. Mr. Crellin presented a paper at the Pacific Northwest Regional Economic Conference in May. Dr. Wolverton presented a paper at an academic conference in London last summer. Drs. Epley, Wolverton and Throupe all presented papers or chaired sessions at the ARES conference.

~ **Presentations.** Outreach presentations, to both industry and community groups remain a priority. The Center took exhibit space at the Windermere Symposium and the Washington Association of

REALTORS® education conference. Staff participated in meetings of several local REALTOR® associations, including Lower Yakima Valley, Yakima, Snohomish County, Clark County, Tacoma-Pierce County and Spokane. The Center has taken an active role in the Spokane Homeownership Partners. Glenn Crellin participated in the annual symposium sponsored by the Washington State Housing Finance Commission and participated in a panel discussion at the Spokane-Kootenai Real Estate Research Committee's annual market forum. He also made a community presentation on growth management research in Missoula. Drs. Epley and Throupe participated in meetings of the Pacific Real Estate Institute.

~ ***Housing Supply and Demand Study.*** Housing market statistics for the state of Washington and each county are prepared in time for joint media coverage with the National Association of REALTORS® quarterly statistics. Media pick-up of the statistics has been excellent. This year has seen an increased emphasis on developing new approaches to measuring housing affordability and availability, and beginning to incorporate information about the rental housing market along with the ownership market..

~ ***External Support.*** Efforts to secure external support have been detailed above. It is important to note, however, that as an increasing share of Center activities are funded from groups other than the real estate licensee community, the licensee service focus of the Center is minimized. The Center's Board of Trustees believe stabilized funding is essential to the long-term survival of the Center as a statewide, licensee-oriented resource.

## **Board of Trustees**

The Board of Trustees of the Washington Center for Real Estate Research was formed to support and assist the Center in providing continuing research, education and technical assistance to licensees, colleges, universities, proprietary schools, state and local government, business and industry, and the citizens of the state of Washington. The Board is charged with long-range planning of future education and research needs, including providing a forum for coordinated planning of educational services among all elements of the real estate community. While their role is strictly advisory, the Trustees guidance in providing valuable services is essential to the long-term viability of the Center.

Dennis Johnson, an appraiser from Pacific Appraisal in Wenatchee is Chairman. Chris Wronsky, an appraiser/consultant from Wronsky, Gibbons and Riely in Seattle is Vice Chair.

The Board of Trustees is comprised of 15 primary trustees, serving staggered 3-year terms, and four ex-officio Trustees representing the Department of Licensing, the Real Estate Commission, the WSU Real Estate Program Advisory Board, and the Washington Association of REALTORS®. Because the initial draft of the legislative proposal to fund the Center through a fee assessed to all real estate licensees included a provision for a somewhat smaller Board of Trustees, several vacant positions were not filled during 1997-98. Even with a smaller membership, the Board of Trustees retains the diversity objectives in terms of geography, business specialty and demographics.

### **WCRER Trustees**

**Dennis Johnson**, Pacific Appraisal Associates, Wenatchee, Chair

**Christopher Wronsky**, Wronsky, Gibbons and Riely, Seattle, Vice-Chair

#### **Terms Expiring 1998**

**Paul Bascomb**, Paul A. Bascomb Associates, Seattle

**Pat Lindemuth**, ERA Franchise Systems, Edmunds

**John Sharp**, Sharp & Hatley, Spokane

**Craig Shriner**, Windermere Real Estate, Redmond

#### **Terms Expiring 1999**

**Kim Herman**, Washington State Housing Finance Commission, Seattle

**Dwight McRae**, Kennedy Associates, Seattle

#### **Terms Expiring 2000**

**Richard Muhlebach**, TRF Management, Bellevue

#### **Ex Officio representation from:**

Department of Licensing: **Sydney Beckett**

Washington Real Estate Commission: **Kent Jones**

Washington Association of REALTORS®: **Sam Pace**

WSU Real Estate Advisory Board: **Brent Palmer** and **Alvin J. Wolff, Jr.**

## **WSU Real Estate Program**

In July, 1997 Donald Epley, Ph.D. assumed the position as the Victor L. Lyon/CCIM Distinguished Professor of Real Estate, replacing William Goolsby who became Dean, College of Business Administration at the University of Arkansas, Little Rock. Dr. Epley was previously the Robert Warren Chair in Real Estate at Mississippi State University. Dr. Epley has a distinguished record of teaching, research and service, and is already an outstanding addition to WSU's real estate team.

Dr. Marvin Wolverton just completed his second full year at WSU, and has proven himself to be a dynamic instructor and prolific researcher. Dr. Wolverton was appointed as the first Alvin J. Wolff Distinguished Professor of Real Estate, an appointment which includes part-time assignment to WCRER-related projects. Dr. Ronald Throupe, an assistant professor of real estate who just completed his third year

at WSU rounds out the faculty.

The Real Estate Program claims roughly 60 current majors. Since 1996 a real estate option in the MBA program has existed. Successful development of this program depends on WSU's ability to offer the curriculum on a part-time basis in major population centers. While administrative obstacles are slowing the development of this program's full potential, it remains a faculty priority, fully supported by the WSU Real Estate Advisory Board..

Washington State University remains the only four-year real estate degree-granting program in the state of Washington, and the only active program in the Pacific Northwest. This program requires 120 total semester hours. To complete the requirements for a major finance with a specialization in real estate, students must take a core of general university requirements, plus the following courses:

**General Business**

Business Law 210 (contracts, torts, agency)  
Decision Science 215 (statistics)  
Accounting 230/231 (principles)  
Economics 101/102 (principles)  
Management 301 (organizational behavior)  
Decision Science 340 (operations management)  
Management 350 (business information systems)  
Finance 325 (principles of business finance)  
Marketing 360 (principles)  
Management 491 or 492 (business policy or small business policy)

**Real Estate**

Real Estate 305 (principles)  
Real Estate 405 (valuation/location theory)  
Real Estate 407 (investment)  
Real Estate 409 (finance)  
Business Law 414 (real estate law)

**Electives (three of the following)**

Architecture 331 (materials and construction)  
Construction Management 442 (urban design and development)  
Real Estate 406 (brokerage management)  
Real Estate 408 (advanced appraisal)  
Environmental Science/Regional Planning 444 (environmental assessment)  
Environmental Science/Regional Planning 486 (geographic information systems)  
Finance 427 (investments and security analysis)

The real estate program began offering its courses via Washington Higher Education Telecommunications System (WHETS) to other WSU campuses during the 1996-97 academic year, with the

objective of offering the real estate specialization to students on the branch campuses (Vancouver, Tri-Cities and Spokane) in the near future. Success of this venture depends on the willingness of Pullman to broadcast the programs, and of the branch campuses to receive them.

## **WSU Real Estate Advisory Board**

The WSU Real Estate Advisory Board was formed to improve the condition of real estate education in the state of Washington. This is to be accomplished by advising and guiding the WSU Real Estate Program in the areas of curriculum development, education outreach, real estate research that enhances education and knowledge, intern development and student placement, and continued financial support for the program. Mike Miller, President of Intracorp was President of the Board until his resignation in April.

## **Research Initiatives**

The Real Estate Program and the WCRER have emphasized coordinated research agendas this year, building or areas of excellence reflected in the academic program, and the research strengths of the faculty.

Areas of excellence identified include:

- ~ Market Analysis and Valuation
- ~ Real Estate Finance
- ~ Brokerage
- ~ Growth Management
- ~ Education and Pedagogy.

### **WSU Real Estate Advisory Board 97-98**

**Kirk Anderson**, Fisher Properties, Seattle  
**Ned Barnes**, Witherspoon, Kelley, Davenport and Toole, Spokane  
**John F. Bliss**, Unico Properties, Seattle  
**Paul T. Chiles**, Chiles & Company, Seattle  
**Dave Grant**, Shurgard Capital Group, Seattle  
**Jim Harmon**, Sabey Corp., Seattle  
**Richard Howsley**, Attorney, Vancouver  
**Jeffrey S. Lyon**, Kidder, Matthews.-- Oncor Intl., Tacoma  
**Mike Miller**, INTRACORP, Seattle  
**Robert S. Mitchell**, Department of Licensing, Olympia  
**Bill Mundy**, Mundy and Associates, Seattle  
**Brent Palmer**, Seafirst, Seattle  
**C. Paul Sandifur, Jr.**, Metropolitan Mortgage and Securities, Spokane  
**Bob Shedd**, Weyerhaeuser Real Estate, Tacoma  
**Dale Strom**, City of Spokane, Spokane  
**Gary P. Swartout**, U.S. Bancorp Mortgage, Spokane  
**Alvin J. Wolff, Jr.**, Alvin J. Wolff, Inc., Spokane

**Ex Officio**  
Donald R. Epley, Ph. D.  
Marvin Wolverton, Ph. D.  
Ronald Throupe, Ph. D.