

Preface

In recent years, growing attention has been focussed on real estate education. The objective of this monograph is to document the current status and perspectives of real estate education and the underlying research throughout the world. The intent is to inform students, academicians and practicing professionals about the situation in the widest possible range of countries and to provide a foundation for the future of the real estate discipline.

The editor started work on this monograph in autumn 1998. Some of the authors were found at once, others not until 2000. Some needed 2½ years to deliver their papers, others did so in only 4 weeks. As a result, there are slight differences in effective dates, but it did not seem fair to "punish" those authors who were on time.

The editor advised the authors of this monograph to use the same structure for their contributions, in order to make it easier for the reader to compare the content of the articles and to ensure that all necessary topics were covered.

This collection of papers is unique, in the sense that 50 authors have contributed to the monograph and 37 countries or regions in total are covered. The editor does not know of any comparable book.

The, perhaps ambitious, aim of this book was to give an overview of real estate education in the countries and regions of the world which are of greatest importance economically. For various reasons some areas are missing:

- It seems that most of the Arabian countries do not have any real estate education. There was either no response or a negative reply to letters directed to universities. Internet research was without success.
- The same applies to most countries in Latin America.
- Only a few countries of the ASEAN states are covered as one author did not deliver his paper, but I succeeded in finding authors in some, but not all, countries of Southeast Asia.
- It was difficult to obtain information on real estate education in India, and I was unsuccessful in finding an author in neighbouring Pakistan.

The structure of this monograph follows the organisation of the world-wide network of real estate societies. In Part 1, Stephen E. Roulac sets the framework for the other contributions. Part 2 contains 20 chapters that examine real estate education in Europe. Part 3 consists of two articles covering North America.

Part 4 includes two chapters dealing with Latin America. In Part 5, 8 countries in Asia are examined. Part 6 contains two chapters covering the Pacific Rim. Finally, Part 7 focuses on Africa.

Publishing a monograph with many authors always causes difficulties. For this book, the worst problem arose from the fact that most of the authors were not native English-speakers. Their papers had to be reviewed with respect to correct English. Then I received an email from which the next problem arose:

Alec Evans who checked all the manuscripts wrote:

...there is one very important point that comes from this thought. Some authors prefer "program(me)s" to "courses". This is an American usage, so the point is that we must be careful to use the same system in all the chapters and/or to explain in the introduction exactly what is meant by these terms.

In Britain it is usual to refer to e.g. "a Master's course" or "a university course", meaning the whole 3 (or whatever) year experience. The Americans (and some of our authors) use "course" to refer to what in England would be called a "subject", or alternatively (e.g. for CPD) a "short course".

Irritatingly, the British seem to refer to a collection of short courses (e.g. run in the summer vacation) as a "programme"!

I have done a quick bit of research to confirm my thoughts, please see for example <http://www.cam.ac.uk/cambuniv/guide/ugcourses/landecon.html> and you will see what I mean.

Although the whole process there is called a "course", it seems to consist of smaller chunks – "subjects", some of which are also called "courses" in the

American manner. Confusing. One thing is however certain – in British English "programme" does NOT mean e.g. a degree "course".

As a contrast, see <http://www.fas.harvard.edu/academics/courses/>.

To summarise: we have to decide whether to use the British or American terminology.

If it is decided to adopt the American system, we must revert to the American spelling of "program". The problem then is where to stop. My problem with American English is (presumably) the same as yours would be with Schwiezerdeutsch (*the very individual German spoken in Switzerland – ed.*). I can understand it, but I can't write it correctly – not enough to fool an American anyway.

Alternatively, if we keep everything in British English, we either change "programme" to "course" where appropriate, or (easier) leave it as it is and rely on the introduction to explain. But then "native speaker" chapters have to comply...

Sorry this has become rather long and complicated, but I hope you see what I am driving at (or as the Americans would say, "where I am coming from"). This was also the reason for writing in English!

Best wishes
Alec

And there was one more email:

Prof. Schulte's original instruction was to edit the papers into "Oxford English". This (I assumed) means "British English" – the type I speak – rather than the American variety. The differences are not huge, but are most evident in words like program(me), the American use of *..ize* rather than the British *..ise* on word endings, and the more careful use of articles (a, the etc.) in British English. I mention this because quite a few of the papers (particularly Asian ones) are written in a type of American English, which I have changed. Hope this doesn't upset the authors. If the book is intended for a mainly US audience, we ought to consider changing the words to American, although it may not be quite that easy.

Incidentally, "program" is used in British English, but only for computer software – it keeps its *..me* for other purposes (TV or theatre etc.)

Best wishes
Alec

As you will recognise, the editor decided not to use the same system in all chapters. I preferred to explain in the introduction exactly what is meant by these terms (program/programme or course or subject), and that word endings and the use of articles can be different in "British English" and "American English". I hope the reader(s) will find this acceptable.

Finally, I hope this publication will serve as a reference tool and will foster healthy debate among you and your colleagues about the "ideal way" to educate future real estate professionals

Sponsorship for this monograph was provided by the Chair of Business Administration and Real Estate at the EUROPEAN BUSINESS SCHOOL (**ebs**) and by the ebs REAL ESTATE ACADEMY, both in Oestrich-Winkel near Frankfurt, Germany.

The editor would like to thank, first of all, the authors for their contributions, and

- Nico Rottke, MSRE, for his excellent assistance in collating this monograph
- Alec H Evans, FRICS, for his great support in the preparation of this monograph by superbly editing the manuscripts into correct (British) English
- Jim Webb, the former Executive Director of the American Real Estate Society, for his initiative to publish this monograph and for good advice
- and finally my sons Frank-Michael and Sven-Marten for supporting the email conversation with all the authors, and my wife Gisela and my son Kai-Magnus for their understanding.

Dr. Karl-Werner Schulte

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Chapter 1

Requisite Knowledge for Effective Property Involvements in the Global Context

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1.1 Introduction

The requisite knowledge for making effective decisions concerning property involvements in the global context of the 21st century transcends the curriculum content of traditional real estate education. Traditional real estate education, biased towards and reflects a narrow, even restricted interpretation of the dimensions and domain of the discipline, often reflects a limited, culturally narrow, even parochial view of the world. Consequently, graduates of the prevailing programs of real estate study are unlikely to possess the required knowledge for effective property involvements in the global

context. The knowledge that is needed to be known for effective property involvements in the global context. is the subject of this paper.

The dynamic forces of change realigning the environments in which the real estate/property professional operates are similar to those occurring within society, the global economic system, and the financial services markets in particular. As a consequence of property having gained substantial acceptance by and recognition within the institutional community, there are more pressures for professionalism on the part of those delivering services and also the need to “bridge” the traditional world of property and the cultures of the new participants. Thus, those who would be effective in their property involvements must blend the traditional with the innovative, the entrepreneurial with the fiduciary, private sector initiative with public sector policy concerns, and the immediacy of specific project focus with the continuity of going concern enterprise and institutional time horizons.

1.2 The Changing Property Discipline

The property discipline today is subjected to extraordinary forces that redefine its attributes and introduce new expectations for those with property involvements. Among the considerations are:

- *Urban Form* — In the United States of American people rate *urban sprawl* and crime as the two greatest societal concerns;
- *Technology Advances* — Advances in telecommunications and information technologies dramatically transform the means and location of work, changing what activities happen in physical spaces and where those physical spaces are located;
- *Environmental Concern* — With more people placing greater emphasis on spirituality and environmental sustainability, considerations of property as a commodity are less and less accepted;
- *Globalization* — With business enterprise expanding the scope of its geographical concerns, drawing resources from distant markets and selling throughout the world, physical proximity no longer is the primary defining guideline or constraint to access labor and customers;
- *Strategic Resource* — Companies increasingly recognize that workplace environment and retail facilities influence their ability to achieve their strategic objectives;
- *Public-Private Concern* — The nature of major urban development, involving linking of public policy objectives and private sector motives, requires partnerships that blend the social and financial attributes of property.

There is need for a cohesive and coherent framework to enable participants to comprehend the overall collection of phenomena, forces and relationships that comprise the property discipline. Further, each player seeks a framework appropriate to their role and purpose in order to rationalize how they perceive and interact with places, spaces, properties, and real estate as well as other players.

Many approaches to the property discipline are overly narrow in focus and limited in scope, thereby being characterized by misplaced emphasis and insufficient attention to critical issues that should be considered. More specifically, too often the traditional approaches are virtually devoid of a strategic orientation, in that they:

- View property involvements primarily from an outmoded deal-making transaction approach, without sufficient consideration of the important policy and portfolio issues;
- Fail to address how large scale political and economic forces generally and capital flows specifically drive markets and therefore property values and returns;
- Ignore the profound implications of advances in information and communication technology concerning how society relates to space and place;
- Pay scant attention to corporate management issues associated with the second largest expense line item on the income statement.

Since strategy involves synthesis and integration, a strategic orientation can provide the unifying approach to the multiple considerations that represent and affect property.

The property industry has moved from a transaction orientation to a strategic orientation. Superior outcomes and rewards result from superior knowledge of the property process and the ability to act on that knowledge. No longer can strategy be an afterthought to a transaction, but rather strategy should be the overriding guide to business decision-making. Effective property involvements follow from comprehending the strategic map of the property industry, identifying key areas of knowledge and the linkages between areas of knowledge.

1.3 Multiple Place Contexts

Fundamental to effective property involvements in the 21st century, then, is appreciation for the importance of the global context. Effective property involvements in the 21st century necessarily embrace multiple geographies and levels of concern, extending from the most intimate and immediate to

the most global and expansive. Juxtaposed to the importance of the global orientation is the imperative of sensitivity to and emphasis upon the inherent *localness* of property and real estate. Consequently, to be global but to omit sensitivity to the more localized perspectives can be as perilous as to be local yet innocent of the import of global forces.

The orientation of the majority of participants in property and real estate is predominantly parochial rather than global. Many in approaching property manifest a Ptolemaic orientation, viewing their involvement, function, and role vis-à-vis property as the veritable center of the universe (Roulac, 1998). Such an orientation is increasingly vulnerable to miscalculation, disappointment, financial reversal, if not overt failure, in a time of globalization in which local outcomes are largely influenced by far distant decisions and actions (Friedman, 2000). The Copernican perspective to property champions the perspective not of the property being the center of attention but rather the patterns of society's use of property being the focus of emphasis (Roulac, 1998).

The local-global duality is reconciled by considering that property embraces many discrete segments or levels of involvement, orientation and experience. Effective property involvements derive from consideration of the most macro to the most micro as well as the many intermediate concerns. While many schemes may be employed to describe the multiple levels of location, one framework that has proven useful is to consider that the scale and personalization of where you live can be thought of as comprising sixteen levels, ranging from the continent in which you live to the most meaningful and personal of personal spaces in which you live. An array of these sixteen levels of where you live appears in Exhibit 1. Every property involvement, then, can be considered to consist of these 16 attributes of place and space relationships. Effective property involvement is informed by knowledge of the forces that influence each of these 16 levels, and how each of these 16 levels influence specific property interests, functions, decisions and involvements.

Place embraces the 12 critical elements of continent, country, county, state/providence, region within the state/providence, metropolis, city, region, community, neighborhood, street, and site, which in aggregate are the attributes of *location*. Space embraces the five critical elements of site, building structure, interior design/floor plan, room and *personal space*, which collectively comprise the particulars of the built environment personally experienced. Place and Space intersect at and share site, and each is influenced by the attributes of the other. These key elements of PlaceSpace are visually depicted in Exhibit 1. While all places are defined in these 16 dimensions, the relative priorities that people assign to these different dimensions of

where they live can vary dramatically between individuals and, especially significantly, for the same individual between roles.

1.4 Property and Context

Comprehending the relationship of different perspectives of place—property—real estate—facilities is essential to determining what knowledge relates to what level. A curriculum oriented to preparing people to be knowledgeable about considerations relevant to a *facilities* orientation is very different than what would be relevant for a *property* orientation. In the last quarter of the 20th century there emerged a clear schism between the British and American perspectives to education concerning property and real estate. Whereas in earlier times the American approach to higher education embraced property level considerations, over the last couple of decades of the 20th century the emphasis narrowed, resulting in curriculums that championed real estate and a more restricted view of the discipline, its curriculum content and relevant pedagogy. By the end of the 20th century, a disproportionate number of American real estate academics placed a primary emphasis on finance in their approach to the subject, which emphasis is inconsistent with the consideration that the vast majority of real estate academics are either housed in or affiliated with the college of business department of finance (Webb and Albert, 1995). The English approaches continued to reflect a property primacy, with a broader view of the discipline. Whether the dominance of the finance perspective is the appropriate and preferred paradigm for property and real estate involvements has been challenged by a number of thought leaders including Graaskamp (1976), Diaz (1993) and Roulac (1996).

Those who aspire to an impactful professional career in property involvements must exercise self-leadership in designing their academic curriculum and professional training. Presently, where one chooses to pursue graduate study in the property and real estate disciplines will, to a very large degree, determine the education one receives.

If one pursues graduate study in the United States, one most likely will take courses from and study predominantly with professors housed or affiliated with the department of finance in the college of business. Such a curriculum can provide a comprehensive exposure to the multiple disciplines of business, which exposure is all very apropos, for each property is itself a business. Further, as the tenants of non-residential buildings are businesses, the more one knows about business, the more effectively one can interact with those tenants.

Such a business school course of study will, however, omit the learning that could be obtained through a United Kingdom School of the Built Envi-

Chapter 2

Austria

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2.1 The Property Profession

2.1.1 Legal Framework

In the Austrian real estate industry, two different professions are officially recognised, namely the “Immobilienmakler” (real estate agent) and the “Hausverwalter” (property manager).

Federal law regulates access to both professions, in order to guarantee qualification standards.

Individual entrepreneurs or employees of firms intending to operate in these professional areas must have an authorisation, which may be obtained

by passing a standardised examination set by the relevant administrative body.

Persons lacking an authorisation may however work as employees in one of the numerous firms in the sector.

2.1.2 Professional Bodies

Bundesinnung der Immobilien – und Vermögenstreuhänder

(Federal guild of real estate and property trustees)

Schottenfeldgasse 69/4

1070 Wien

Tel: +43 (0)1 522 25 92

Fax: +43 (0)1 522 25 93

<http://www.wkimmo.at>

Österreichischer Verband der Immobilientreuhänder – ÖVI

(Austrian society of real estate trustees)

President: Dr. Thomas Malloth

Favoritenstraße 24/11

1040 Wien

Tel: +43 (0)1 505 32 50

Fax: +43 (0)1 505 32 50 18

<http://www.ovi.at>

Hauptverband der allgemein beeideten gerichtlichen Sachverständigen

(Central association of chartered general valuers)

President: Dr. Matthias Rant

Doblhofgasse 3/5

1010 Wien

Tel: +43 (0)1 405 45 460

Fax: +43 (0)1 406 11 56

Vereinigung der gerichtlich beeideten Sachverständigen für das Realitätenwesen

(Association of chartered valuers of real property)

President: Komm. Rat. Peter Frigo

Mariahilferstraße 23-25

1060 Wien

Tel: +43 (0)1 587 71 20

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FIABCI Austria

President: Brigitte Jank
Alser Straße 54
1090 Wien
Tel: +43 (0)1 408 78 84
Fax: +43 (0)1 408 78 84 20

Oesterreichischer Verband Chartered Surveyors (OeVCS)

(Austrian association of Chartered Surveyors)

President: Komm.-Rat Alfons Metzger, FRICS, CRE
Administrator: Claudia Wilhelm
Gumpendorferstraße 72
1060 Wien
Tel: +43 (0)1 596 48 50
Fax: +43 (0)1 596 48 54
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2.2 Real Estate Programmes at Universities and Polytechnics

2.2.1 General Overview

So far, there are no courses that focus primarily on real estate economics in Austria. Existing courses, offered by universities or by institutions at a comparable level, only cover real estate economics as part of one of their curriculum's subject areas. Such subjects are not always mandatory.

It is therefore reasonable to conclude that specific courses in the real estate field have not yet been established. The very small number of courses which do exist are either included in, or designed as follow-up education to, courses concentrating predominantly on business administration, economics, law, or technical studies.

Several efforts are currently being made to extend the existing, small range of courses with programmes specialising in real estate economics.

The current possibilities consist of either participating in a postgraduate programme or studying at a Fachhochschule.

The Fachhochschulen offer an alternative choice of higher education from studying at a university. Fachhochschulen mainly emphasise the development of practical skills, in a tightly scheduled programme of studies. They provide a weaker theoretical background than the universities however, with less stress on fostering scientific research.

As a rule, admission to a post-graduate programme requires a university degree. However, appropriate long-term professional experience may often be accepted as a substitute.

The length of both university and Fachhochschule courses varies between four and eight terms. Some course schedules are organised to allow attendance while continuing with a full time job. Some courses are free of admission charge and fees. Most of the courses confer degrees that are recognised throughout Europe.

Apart from the courses mentioned, there are other forms of real estate education in Austria, which are not, however, linked to universities or polytechnics. A training course, which leads to the award of the title Immobilienkaufmann (literally “real estate businessman”) has recently been started, but is still in the experimental stage. A few private courses and seminars (usually one- to three-day courses) are also offered, but they are of an extensive character and therefore will not be described in detail.

Further general information and statistical data about real estate and other types of education in Austria can be obtained from the Bundesministerium für Bildung, Wissenschaft und Kultur (Federal ministry of education, science and communication).

Bundesministerium für Bildung, Wissenschaft und Verkehr

Minoritenplatz 5

1010 Wien

Tel: +43 (0)1 531 20 0

<http://www.bundestkanzleramt.at>

2.2.2 Detailed Description of the Courses

In the following section, all relevant courses in Austria, i.e. courses that are at least related to the field of real estate economics, are listed and concisely described.

As all data were collected by the use of standardised questionnaires, facts and figures concerning e.g. the core curriculum, student numbers, technical equipment, etc. allow direct comparison between courses. Differences in duration, level of the programme, etc., however meant that a conclusive ranking of all programmes could not be established.

The questionnaire used is shown in the Appendix.

2.2.2.1 „Kolleg“**2.2.2.1.1 Facility Management, HTL Wien 16**

ZIP-Code:	1160
City:	Wien
Street:	Thaliastraße 125
Telephone number:	++43 (0) 1.49111-410
Telefax number:	++43 (0)
Homepage:	www.wifiwien.at
E-mail:	deimel@htlw16.ac.at
Start of the programme	1998
Location:	Wien
Duration:	four terms
Schedule:	full - time course
Fees:	none
Students / year:	30 (maximum)
Applicants / year:	no statement
Entrance examination:	yes
Drop out ratio:	no statement
Graduates:	no
Prerequisites for admission:	advanced level
Degree/qualification:	no
Educational focus:	technology, economy, law - scientific engineering - facility planning - facility technology and IT - business management - management & communication - economic basics
Group size:	-30
Library:	available
Computer equipment:	available
New media:	yes
Tech. equipment of rooms:	no statement
Lecturers:	no statement
Soft skills:	yes
Applicants:	- basic understanding of technology, economy - communication competence - creativity - willingness to work in teams

Chapter 3

The Baltic States

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Kaarel Sahk

Tartu University, Tartu, Estonia

3.1 Introduction

In the early 1990s, ownership reforms commenced in all three Baltic States (Estonia, Latvia and Lithuania), following the rebirth of their independence and the foundation of a new democracy.

During the ownership reforms large numbers of ownership rights were restored, and properties were returned to their former owners. In addition, many people became property owners for the first time as a result of the privatisation of dwellings and state property. These processes all added to

the growing need for qualified, specialised real estate professionals, of whom there were none in the market.

This overview describes real estate education, past and present, in the Baltic States. It is based mainly on experiences in Estonia but also makes comparisons with Latvia and Lithuania.

3.2 Economic and legal framework

The independence process in all three Baltic States (Estonia, Latvia and Lithuania) began in the mid-1980s as a result of the new Soviet policies of *Perestroika* (reconstruction) and *Glasnost* (openness) led by Mikhail Gorbachov, the former general secretary of the Soviet Communist Party. These two policies liberalised almost all aspects of life throughout the Soviet Union.

The independence movement in the Baltic States started in August 1991, after the August putsch in Moscow and the shock of the collapse that followed. Immediately after their independence and return to statehood, the Baltic States began the process of restitution of the rights of former owners whose land, buildings and other property had been nationalised, as a result of the incorporation of the Baltic States into the Soviet Union, in 1940. The systems of ownership reform decided on by the Baltic parliaments in the early 1990s will play the most important role in the structure and modelling of real estate education. The system will include the following aspects, which substantially change the local legal environment (Appendix 1):

- The concept of land reform;
- The concept of restitution of real property;
- The concept of privatisation, containing also the two named main ideas;

The restitution of real properties is based on the land reform laws and involves three separate stages, which follow each other, each having different legal influences:

- The legitimisation of former owners or their lawful heirs;
- The restitution of buildings and facilities;
- The restitution of the land on which buildings are situated;

The second, and no less important, part of the ownership reform is the privatisation of properties and real estate that are still in state ownership. There are four constituent parts of the privatisation process:

- The privatisation of dwellings. (Appendix 2);
- The privatisation of state property;

- The transfer of properties (land and buildings) from the state into the ownership of local authorities (municipalities);
- The registration of property which is or will be required for government purposes and which will remain in government ownership.

In addition to ownership reform processes and restoration of possessions in the Baltic States, the status of property owners as a social group was also restored. The spectrum of property owners includes a distinct subgroup, the “forced owners”. These are persons who become property owners as a result of the privatisation of dwellings but who are unable, for whatever reason, to assume the responsibilities of ownership. There is also a subgroup of “forced tenants”, living in apartments or houses which have been returned to their former owners and who, as a result of the restitution procedures, have not been able to take part in the ownership reform.

Property owners in general, including these two special groups, are exerting major influence on the present situation as well as on the development of real estate education and its future trends.

In addition, the government sectors of all three countries have a continuing shortage of qualified real estate specialists at both levels, i.e. national government and local authorities. During the Soviet period, there was no mechanism for the education or training of property specialists to higher-education standards. As a result, there is neither a historical tradition nor a fund of real estate experience.

The circumstances mentioned, coupled with social and political pressures from the whole of society to complete the reforms, mean that the current difficulties can hardly be exaggerated.

The second important influence on real estate education is the legal and economic environment of the real estate market and its players, together with the gradually growing role and impact of local and international professional bodies on the real estate environment. The Estonian real estate market (Appendix 3) may be regarded as typical of the situation in all the Baltic States at the local level. All legal and governmental bodies concerned in the real estate market are currently considering the content and the restrictions of the package of laws that came into force at the time of independence, together with subsequent amendments. All the procedures involved in real estate transactions, including construction of buildings, must be certified by government bodies (the Ministry of Economic Affairs and the Ministry of Environment) and are controlled and registered by local authorities. A number of bodies are, however, able to work without special legal restrictions and are subject to supervision only at governmental level. Examples of these bodies are:

- The Chamber of Real Estate Brokers;
- The Chamber of Real Estate Managers;
- The Real Estate Appraisers Society;

The effect of the geographical location of the three states is important. They have Finland, Sweden and Russia on one side and continental Europe on the other. This location affects first of all the real estate market and legislative procedures and, through them, the basic requirements and curricula for real estate education. The planning of real estate education and the design of courses must have regard to existing market trends in countries neighbouring the Baltic States, i.e. both the educational and real estate markets. The developing trends of the Baltic market, long-term Scandinavian traditions and the fast-developing Russian emerging market, with its special national eccentricities, all need to be considered. In the near future Baltic real estate education will certainly also have to take into account trends in the development of real estate education in the European Union and must harmonise with international standards and methods.

3.3 Real estate education and professional bodies

The three institutions of real estate professionals mentioned in chapter 1 have the main influence on real estate education and on the organisation of courses. The leader in this field is the Estonian Society of Real Estate Appraisers (EKHÜ) (8), established in 1995, which was the first society of professionals in the real estate market to standardise the operations of the market and to establish educational requirements. In 1998, the Estonian Society of Real Estate Appraisers established the requirement for basic education, in accordance with the TEGoVA regulations, for certified appraisers. The Society also compiled a list of the universities whose courses and curricula it would accredit.

Up to 1998 the requirement was for technical or economical applied higher education only, but since then a Bachelor's degree has been required before a certificate of basic education can be granted to an attested (certified) appraiser. The Estonian Banking Association has had considerable influence: commercial banks are only prepared to accept appraisers attested by the Estonian Society of Real Estate Appraisers. Currently 40 members of the Appraisers' society are attested, out of a total membership of 87. The Estonian Chamber of Commerce and Industry has also had considerable impact since it is, at present, accredited and authorised by the Government to lead the attestation process. In the future the Chamber of Commerce will act under the Statute of Professional Law as an accrediting body for vocational certification.

The Chamber of Real Estate Brokers, established in 1997, has made similar preparations. The first accreditation according to the standards and curricula of this institution took place in January 2001. Its standards also set fixed requirements for education and list acceptable universities.

The third and the youngest institution in the local real estate market, the Union of Real Estate Managers and Administrators, established in 1998, has also made progress in this area. Its first accreditation is planned for May 2001.

The educational activities of the last two mentioned institutions are carried out in connection with two organisations of the Third Sector¹: the Apartment Ownership Societies, established in 1996, and the Estonian Union of Real Estate Firms, established in 1994, as well as the Estonian Housing Agency, which undertakes the Government's housing policy.

An overview of the programmes prepared by these professional societies for appraisers, brokers and managers shows that there is no suitable undergraduate course in Estonia or in the Baltic States generally. The closest to these generalised standards is the programme of the Estonian Agricultural University.

3.4 Trends in the development of higher education

The former state universities, academies and institutes are active in the field of higher education, in accordance with legal requirements and their own revised regulations. Laws passed by the respective governments control the higher education systems in all three Baltic States.

- In Estonia, the Statute of University Law (1996) (5);
- In Latvia, the Law of Higher Education Establishments (1995)(6);
- In Lithuania, the Law of Research and Higher Education (1991) (7);

However, some higher education establishments may operate subject to separate, special acts of parliament (e.g. Tartu University).

The Ministry of Education has ordered the constitution of a special governmental institution (council), which will work under its auspices. According to the law, the Council for the Evaluation of Higher Education is responsible for the accreditation of the following areas of higher education:

- The universities
- The universities' courses
- Programmes of Master's studies
- Programmes of Doctorate studies

Chapter 4

Belgium

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4.1 Introduction

In Belgium, real estate programmes at graduate or postgraduate level only began about five years ago. To date, there are two postgraduate programmes in the Flemish part of the country. No programmes have been started in the French-speaking part of the country. Some institutes are planning a programme, but the Belgian market is probably too small.

4.2 Real Estate Programmes

The existing programmes in Belgium to date are listed in Table 1.

Leuven organises occasional updates for alumni of its programme. These updates take up one afternoon and deal with a number of current issues, although they have mainly been concerned with real estate law.

There is no real estate education in the French speaking part of the country, apart from the CMO, which teaches a real estate course. CMO stands for Centre for Retail Education. It is a night school, where people can obtain a licence to set up a business. These licences are necessary to enter the regulated retail professions. The academic level is low, in both the Flemish-speaking and French-speaking parts of the country.

The Higher Technical Education course is especially aimed at the profession of real estate agent. It also has a rather low academic level. In terms of content, it cannot be compared with academic studies.

Table 1: Existing programmes in Belgium (July 2001)

Institution	Programme name	Faculty	Specialisation	Programme description	Number of graduates /yr.	Location
University						
KUL Leuven*	Real Estate Studies	department campus KU-LAK (Kortrijk)	none	See website Kulak	±40	Leuven
	Real Estate Law	department campus KU-LAK (Kortrijk)	Real Estate Law		±40	Kortrijk
UFSIA Antwerpen	Real estate Management	IPO management school	none	See website Ufsia	±40	Antwerpen
Polytechnic						
Polytechnic Sint-Lieven	Real Estate	Construction	none	Brochure on request	n/a; variable	Campus Aalst
Polytechnic Gent	Real Estate	Construction	none	Brochure on request	n/a; variable	Campus Gent
Polytechnic Antwerpen	Real Estate	Construction	none	Brochure on request	n/a; variable	Campus Mechelen

* this programme has been accredited by the RICS in 2000

4.3 Real Estate Research in Belgium

There are no foundations or organisations for real estate research in Belgium, which are comparable with, for instance, the SPR in the UK. There are also no magazines or newsletters in this area.

4.4 Real Estate Publications in Belgium

The only representative real estate publication is the fortnightly newsletter *Expertise*, which is published both in Dutch and French. The publishing company is A-linea.

However, *Immotrends*, an appendix to *Trends*, the financial economic weekly, is also published in both Dutch and French.

Most newspapers have an appendix on real estate at least once a week. Other publications are predominantly advertising and residential oriented.

Chapter 5

Central and Eastern European Countries

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5.1 Introduction

First of all, it is necessary to be precise concerning the geographical coverage of this chapter. European countries with transition economies are situated in Central and Eastern Europe and include Albania, Armenia, Azerbaijan, Belarus, Bosnia Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzia, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Russia, Slovakia, Slovenia, Tajikistan, Turkmenistan, the Ukraine, Uzbekistan and Yugoslavia. All of these countries, which are based on the ruins of former socialist systems that collapsed in the early 1990s, are now undergoing a transition from administrative to market economies. The real estate market has emerged as one of the essen-

tial elements of a market economy in those countries. In the Baltic States of Estonia, Latvia, and Lithuania, as well as in Poland and in Slovenia, the traditions of university education and of the market still existed. Real estate education is therefore more developed in those countries and they are not covered in this section, since they have their own chapters in this monograph.

The evolution of real estate education in countries with transition economies is occurring naturally. There were real estate agents even during the period of socialism, although the profession was then illegal. After economic liberalisation, legitimate real estate offices began to be opened. However, some of their owners continued to run their businesses in ways that were neither very transparent nor ethical, as they used to during the previous regimes. Nevertheless, those active in the new field soon began to understand that it is necessary to pursue ethical norms of behaviour for a number of reasons. These are: to enhance mutual co-operation in all areas of real estate; to increase the quality of services; to exert influence on government in order to update the legislative conditions related to real estate activity; to open their activities to the world; and to implement modern management methods. With the emergence of real estate markets, professionals felt the need to be active in the market and to understand its principles. These professionals are real estate agents or brokers, real estate developers, real estate valuers or appraisers, and real estate managers. They have joint professional societies, which have become members of international organisations. In this region, widely recognised international organisations are the European Real Estate Society, ERES, the European Group of Valuers' Associations, TEGoVA, and the International Real Estate Federation, FIABCI.

Subsequently, with the growing need for specialists, a training system for professionals appeared and, as a result of this, the development of real estate education. As a first stage, needs have been met through various educational programmes designed, in general, to re-train economists, engineers, and lawyers.

The next stage was the appearance of university real estate programmes. Society views a real estate professional ideally as a specialist with Master's degree from a technical or economic university. To begin with, Western European programmes (see *e.g. Schulte 1998*) were quickly applied. The requirements of higher education are quite naturally that the professional should be at the equivalent of partner level, or in management in the appropriate departments of economic entities and, especially, of financial institutions. This also applies to work for judges, notaries public, attorneys-at-law, architects and engineers (in court, before building authorities, etc.). Further, a demanding, specialised postgraduate study is required as follow-up to the university qualification. No amount of experience can substitute for a uni-

versity education: to analogise, “A nurse with ten years’ experience cannot do a doctor’s work”.

However, the introduction of the university real estate specialisation also created the prospect that graduates might have a problem in finding jobs in the industry in the future. This has already happened in some countries, for instance in the case of students who had specialised in insurance and banking. During the last ten years, rapidly developing banking services have attained their threshold of saturation. The introduction of a specialised real estate programme, with the tuition of small groups of students for a limited employment market, makes such a study quite expensive. This brings into question the ideal educational profile for the future real estate specialist. Should he or she receive a very narrow and specialised education, applicable only to the real estate field? Or should it rather involve broader, less specialised knowledge, enabling the graduate to find a future job in an adjacent field where some of his or her learning would still be of relevance?

The globalisation of real estate markets, the weakening role of national states and the European integration processes are the strong forces that will gradually change the existing situation in the countries in review. The universities in the region will probably have to do something about specialised education for real estate professionals. The preparation of the high quality, specialised programmes in real estate will take some time, because it will be necessary to educate professors to teach real estate. There is also the question of available financial resources for the preparation of new programmes. In most of the countries in transition, the present situation of university education is not very favourable to the opening of new specialisations. This is a result of the public finance crisis, when less and less funds flow to the universities. As a result, young people do not want to work as professors, and thus, the average age of university teachers is increasing. For the future of the universities this development is particularly unhealthy. At some stage, we must expect a radical shortage of highly qualified university teachers. At the same time, the increasing average age of university staff means that the academic senates, which are the important part of the university self-government, are also ageing and becoming more conservative. They are therefore less willing to support innovations such as the introduction of new university specialisations. The policy of low wages for professors means that, at the same time, an important part of the universities’ staff begin to consider their university employment as being of a secondary nature. As what may actually become their first priority, they try to earn money outside the university. The private universities could play some role in changing these unfavourable trends, although so far their role is only marginal. For the majority of the population, however, they are just too expensive.

This situation is typical for all countries but of course every country has its specific characteristics. In some countries, such as Albania, Bosnia, Macedonia, some regions of Russia, Tajikistan and Yugoslavia, the political situation is unstable and there are even armed conflicts. In these conditions, the real estate market loses its importance and as a result real estate education is decreasing and even disappearing. For these and other reasons, there is no real estate education in Armenia, Azerbaijan, Bosnia, Croatia, Georgia, Kazakhstan, Macedonia, Tajikistan, Turkmenistan, or Yugoslavia. This article therefore does not cover those countries.

Nevertheless, there is real estate education in this region. As a typical example, the situation in Belarus was chosen, not only for its geographically central position in the region, but also for its median position in the development of the real estate market and real estate education. The personal bias of the author has also played a role in the choice. These are the reasons for selecting Belarus as a typical example of real estate education in countries with transitional economies. The major differences between Belarus and the other countries will be discussed later in this article.

5.2 Belarus

5.2.1 Introduction

The real estate market in Belarus is still modest (*Trifonov 1999*). Prices are relatively low compared with those quoted in the developed economies and in neighbouring Russia. Property transactions are encumbered with many difficulties, as a result of an insufficient legal basis. Transactions are also affected by high levels of inflation, which causes very high interest rates on long-term loans. In Belarus, there are no strict barriers to prevent the inflow of foreign capital. In such cases (e.g. for purchasing land) foreign investors have, in effect, better conditions than domestic investors.

The transition to a market economy and the process of privatisation in Belarus has created the need for professionals in the emerging real estate market. Real estate education began in Belarus in 1995, when short courses for post-graduate students were established and, later, a programme for high school students.

In this article the following issues are covered:

- The real estate profession in Belarus,
- Real estate research in Belarus,

- Real estate programmes in Belarusian universities (degree specialisation, brief programme description, student numbers, teaching methods, ranking, etc.).

5.2.2 The Real Estate Profession and Research in Belarus

With the developing real estate market, a number of real estate professionals have appeared in Belarus. Most of them are members of the Belarusian Real Estate Guild, BREG. BREG is a republican, public, non-government, non-commercial organisation, which was registered with the Ministry of Law of the Republic of Belarus in 1994. Among its founders were representatives of the major bodies which own, manage, and dispose of real estate properties in the republic, e.g. ministries, local municipal authorities, commercial banks, main development organisations, real estate agencies, state and private enterprises as well as individual businessmen. BREG members include all kinds of real estate professionals, such as agents, investors, developers, valuers, owners, managers, constructors and builders, as well as interested foreign investors and property professionals, who may be looking to the Belarus market to increase efficiency and co-operation in all stages of the development process.

Its main aims are:

- to promote marketing instruments for the privatisation of state property,
- to assist in the forming of a modern real estate market in Belarus,
- to carry out consultancy in the real estate fields of renting, selling and buying as well as investing.

BREG is one of the largest public organisations in the Belarus property market. It has about 100 firms and individuals as members. As well as local real estate market players, firms from Russia, Lithuania and Germany have become foreign members of BREG. There are collaboration agreements between BREG and the Ministry of Management of State Property and Privatisation of the Republic of Belarus, the Bulgarian National Real Property Association, the Russian Guild of Realtors, the Association of Real Estate Professionals (Realtors) of Ukraine and the Moscow Association of Realtors. BREG is an institutional member of the European Real Estate Society, ERES. Every year, in autumn, the Belarusian Real Estate Guild, together with government bodies, manages the International Real Estate Fairs of the CIS Countries.

For the last few years, BREG has conducted real estate research in Belarus. From 1997 onwards, the Republican workshop for real estate econom-