

**What Do Students Need To Know About Property?
What Do Textbooks Actually Teach About Property?**

by

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INTRODUCTION

To function effectively in multiple roles and priorities concerning property, students need to know *property knowledge* that they would not know *prior* and sadly, all too prevalently, *after* to an introductory real estate principles course. These roles subsume responsible citizen, consumer of property goods and services, choosing place in which to live, selecting and arranging the terms of a particular property interest, property in business, development and the place making process, property financing and investing, and the various functions of property and the careers associated with those property functions.

This big scope, big scale, big tent knowledge prescription implies an audience for property education extending well beyond those who might work in the property discipline per se. Introductory property textbooks, however, are predominantly oriented to those who would pursue property careers.

The design of a property curriculum necessarily follows from consideration of the scope and particulars of the property discipline as widely recognized and practiced.

If the property discipline is considered narrowly, as it most often is, then the needed knowledge may be very different than if the property discipline is considered more broadly, as it too seldom is. Consider the differences in how need to know property knowledge might be defined from such contrasting perspectives as:

- Sell side or buy side
- Business level or individual consumer level
- Private property or public good
- Property owner or tenant
- Property provider or property user

The property discipline is most effectively considered from dualistic perspectives, a portfolio of yin and yang contrasts.

Just as property practitioner and professionals education must reconcile the challenge of balancing established institutions and new models, tradition and innovation, continuity and discontinuity, so, too, must the articulation and instruction of property knowledge reconcile these competing objectives. This task is made even more fraught by the extraordinary change in so very many elements of the property discipline.

This paper builds on an empirical content analysis of real estate textbooks in relationship to their relative emphasis on major categories of knowledge, to consider the degree to which these textbooks cover the major perspectives that may be favored

for property knowledge. A structure to organize property discipline knowledge into 15 property knowledge domains is provided.

The property discipline's knowledge that students need to know encompasses (1) contemporary societal values and challenges that shape property experiences; (2) technology advances in the critical *TICMELM technologies*: transportation, information, communications, making, energy, learning and money; (3) shifting "rules of the game" as in the form of restrictions and regulation governing public places and private property interests.

These considerations are seen in varying degrees in the focus of scholarly research concerning the different elements and topics of real estate knowledge between different places and over time.

The cumulative interaction of these forces and factors defines what students need to know about property. Juxtaposing this *need to know prescription* results in a discordant mismatch if not a chasm between to what the textbooks actually teach about property and what students need to know. This paper introduces the means to enable students to know what they need to know about the property discipline.

OVERVIEW

"When the facts change, I change my mind. What do you do, sir?" John Maynard Keynes

Knowledge and skill are not only correlated with performance but the cause of performance. For economies, places, sectors, companies, and individuals, superior knowledge generally leads to superior outcomes. In periods of change, new knowledge is ever more important. Commentators on the implications of change are emphatic concerning the importance of enhancing knowledge. (Drucker 1968; Eisler, 1988)

The emphasis on evaluating the effectiveness of college teaching and how much students learn is reflected by more than 1,000 colleagues now employing various types of teaching performance effectiveness and learning outcome assessments. (Perez-Pena, 2012) New Leadership Alliance for Student Learning and Accountability executive director David Paris observes, "There's a real shift in attitudes underway. We used to hear a lot of 'the value of college can't be measured' and now, we hear more of, 'let's talk about how we can measure.'" (Perez-Pena, 2012)

As the foundations of the knowledge structure of a discipline are especially significant, those textbooks serving the beginning introductory courses to a discipline are most important, for they represent the foundations upon which the discipline's knowledge structure rests (Roulac, 1994). Excellent textbooks more effectively, responsibly, and sustainably disseminate knowledge than do flawed textbooks. A discipline whose introductory textbooks are characterized by excellence – as reflected by the focus allocation of publishing real estate to coverage of topics and the caliber of that coverage, the contemporary orientation and relevance of the contents, and the publishing presentation and publishing value – shall deliver superior knowledge

dissemination than might be delivered by a discipline whose textbooks are misfocused and obsolete.

While the real estate discipline has advanced significantly in the production of knowledge (Roulac, 2009) and the internationalization of that knowledge production, (Chan, 2008) the discipline lags in the dissemination of that knowledge. While knowledge discovery and manufacturing are visible in papers presented in scholarly meetings and in scholarly journals, the dissemination of that knowledge via textbooks, is less that distinguished. (Roulac, 1994; Roulac and Distad, 2004)

In the twentieth century, the performance of the real estate sector was less than exemplary. While some real estate market participants have fared very well, society has not. While a select group has prospered, the majority have incurred enormous losses. The 2004 review of introductory real estate principles textbooks observed that their contents, especially the decisions made concerning 'publishing real estate,' identified a marked deterioration in quality from the state of the introductory real estate principles textbook a decade earlier (Roulac and Distad, 2004). The implications of that deterioration were sobering:

“At a time when the economy is more complex and the factors that influence future performance of real estate investments and property goods and services enterprises, are greater rather than fewer, many of those studying real estate principles in the country’s colleges and universities are likely to find that their textbooks are less than adequate.

“Those pursuing real estate careers, who do so in reliance upon deficient real estate principles textbooks, will be more likely to render deficient, rather than superior professional services, and to miscalculate in their decision-making generally, and making capital commitments specifically.

“The consequence of a greater probability of miscalculations by real estate market participants, relying on contemporary real estate principles textbooks, is that markets will tend towards more inefficiency than efficiency.” (Roulac and Distad, 2004)

The latest collection of books, while containing some positive, even redeeming features, sadly reflect a continuing decline in the quality of learning resources available to students. (Roulac, 2013) These performance shortfalls can be directly traced to (1) their focus on career rather than general interest; (2) what is covered and not covered; and (3) the relative topic allocations of the 'publishing real estate' of the introductory real estate principles textbooks.

IMPORTANCE OF TEXTBOOKS

Black et al. (1996) emphasizes the importance of a discipline possessing the capacity to manufacture and disseminate knowledge widely. The importance of textbooks to society is evidenced by the observation of Paul Samuelson: "I don't care

who writes a nation's laws - or crafts its advanced treaties - if I can write its textbooks." (Nasar, 1995) Indicative of his influence is that the economics principles text that he wrote, still in print today, from 1961 through 1976, (Skousen, 1997) sold 300,000 copies per edition.

The important role of textbooks is underscored by the consideration that what is studied in college is more important in determining future earnings than the specific college that is attended. (James, et al, 1989) When a student chooses a course, necessarily that student chooses the textbook that the professor has selected for that course, the caliber of that textbook has profound implications not only for what is learned in the introductory/foundation course, but what is subsequently learned, for advanced courses that comprise a disciplines' concentration or major build on the knowledge foundations that is established in the principles course.

The conclusion of a comprehensive survey of education and personal finance is that economics study leads to higher levels of earning, home equity, and savings. (Allgood et al., 2012) By extension, a real estate textbook with strong, relevant economics content is, by these financial measures, superior to one which devoted substantial publishing real estate to law and brokerage, at the expense of economics and other more relevant topics. As house equity is much more of a significant component of household net worth for the general population than for those who major in economics, (Allgood et al., 2012) the importance of learning resources most directly connected to the financial decisions that might influence house equity, specifically the real estate textbook, is magnified. From a societal perspective, then, superior introductory real estate principles textbooks can enhance individuals' personal financial circumstance and the country's overall economy.

Beyond the significant finding that financial education programs are connected to higher levels of home ownership, (Martin, 2007) those who study economics tend to create more home equity, (Allgood, et al, 2012) with there being an important relationship between economics study and home equity. Economics majors, who by definition study more economics than do those who do not major in economics, have more home equity than do college grads who do not major in economics. (Allgood, et al, 2012)

The textbooks that introduce students to economics address the larger role of economics as a discipline that is relevant to society and every member of society, rather than educating solely those who aspire to pursue careers as professional economists. A leading economic researcher specializing in tracking the number of undergraduate students majoring in economics, estimates that though 2% of college graduates major in economics, some 40% of all undergraduates take at least one economics course. (Siegfried, 2012) Some 55% of respondents to a survey of college graduates'—general majors, i.e., not economics and not business—behavior and experience in labor markets and personal finance reported that they took at least one economics course. (Allgood, et al., 2012) Considering the scoring bias following from the strong probability that a survey about economics issues by economists is more likely to appeal to

individuals who have an interest in economics and took an economics course as an undergraduate, than to those who have less or no interest in economics and therefore did not take an economics class, the survey finding that 55% of grads took an economics class is consistent with and reinforces the 40% figures of all college graduates taking an economics course advanced by Professor Siegfried.

HOW THE REAL ESTATE WORLD WORKS

A textbook is a statement of how the world of that discipline works. Whether it be descriptive or decision—oriented, prescriptive or historical, transactional or policy oriented, individual or institutional in its orientation, focus, and presentation, a textbook implicitly if not explicitly communicates a version of how the world of that discipline works. And, a textbook contains one version of that discipline's *code to live by* in the world of that discipline, as chronicled, presented, and described in that textbook.

In the context of a religion, the holy texts are known, established, accepted. Challenging the holy texts is equivalent to challenging the teaching and authority of the religion. Such challenges are few, for the holy texts are accepted as the received wisdom. The plural of 'texts' refers not so much to multiple books presenting different, competing views of the same subject matter but to separate treatment of different topics. If one would but master those texts, then one would internalize how the world works and know the code to live by in that world. The parallel extension and application of this concept in an academic discipline, is that by mastering the textbook assigned for the introductory principles course to commence the study of that discipline, the student will learn the essential knowledge of how the world of that discipline works and the code to live by, in the context of that discipline.

The introductory real estate principles textbooks contain and communicate a collective view as well as separate individual views of how the real estate world works. Further, these books prescribe, both implicitly and explicitly, a code to live by in their views of the real estate world. In essence, these introductory real estate principles textbooks present the code that informs their readers how to do what works and how to work in that real estate world.

A textbook, arguably, serves a higher purpose. Though utilitarian in one sense, in another, a textbook can be analogized as representing the equivalent of *cognitive scripture*, the discipline's 'holy texts' which are studied "for an explanation of how the world works and a code to live by." (Prose, 2012) To the discipline's uninitiated an introductory sense textbook, both presents an explanation of how the world of that discipline works and also provides a code to guide living in the world of that discipline. Thus, introductory real estate principle textbooks are encountered with the implicit expectation that they contain the explanation of how the real estate world works and guidance for how to live in that real estate world. Consequently, the student encounters in the introductory real estate principle textbook an explanation of the world of real estate and a code of conduct for operating in that world of real estate, which code implicitly subsumes decision rules to apply in navigating the world of real estate. That

said, selecting the textbook—which selection in the academic context is generally made by the professor teaching the course, or sometimes by the college/university academic structure overseeing that course—has most important implications, for selecting the textbook is selecting the real estate world view and code to live by that students will be exposed to.

But what are the consequences of studying a textbook that presents a less than complete, somewhat inaccurate, even distorted view of how the world of that discipline works? What if the prescribed code to live by takes one not down the path of responsibility and righteousness but instead veers off in dangerous, irresponsible directions? One specific answer of these questions is the current and cumulative state of the real estate markets: the specific decisions and policies whose implementation have shaped our places, our cities, and our structures; defining society's, families', and individuals' experiences of place and therefore quality of life determining their financial status and fiscal health, their quality of life, health, and happiness. In a 'you do the math' amplification and explanation of recent times...the last decade of the housing crisis and toxic structured financial products featuring property securities, the last quarter century of misinformed urban policies and reckless property miscalculations, last half century of dysfunctional suburbanization...the answer to these two questions is sobering, disquieting, even alarming, when the dots of cause and effect are connected.

The introductory real estate principles textbooks do not present an accurate, comprehensive, knowing view of how the real estate world works. Nor do the introductory real estate principles textbooks offer a code to live by in the world of how the real estate actually works.

STATIC IN TIMES OF CHANGE

Collectively, the aggregate of real estate principles textbooks were written in 2005 and published in 2006. How does the 2005 and 2006 world compare to today? Consider that in 2005 and 2006 the prevalent conviction—of policy makers (including specifically the leadership of the Federal Reserve Bank), Wall Street investment banks, mortgage originators, and consumers—was that high employment levels, economic prosperity and housing price escalation would continue unabated and undisrupted. Subsequent events proved the fallacy of these expectations.

In my early 1990s assessment of the introductory real estate principles textbooks, I concluded that these books fell far short of reasonably and appropriately capturing the dynamics, majesty, and scope of the world of real estate. Since then, the world of real estate has profoundly and dramatically changed, yet the introductory real estate principles textbooks are more static and stuck in an earlier time, than evolving and contemporary in their coverage.

Many of the introductory real estate textbooks are dated, as reflected both by their focus/scope/ sophistication and by the consideration of their publication timing, making them relatively innocent of contemporary social economics culture, and

technological forces. Introductory real estate principles textbooks largely address the “yesterday” of the exhibit below, rather than the reality of their “today”.

CHANGING REAL ESTATE MARKETS

ATTRIBUTES	YESTERDAY	TODAY
Investment focus	Transaction deal-making	Strategy, Policy, Fiduciary
Economic environment	Solid growth	Uncertain prospects
Change predictability	Stable	Discontinuous
Change pace	Slow, long lead time	Fast, dynamic
Communications	Slow	Instantaneous
Markets structures	Stable	Fragmented, fluid
Tenant orientation	Passive, unsophisticated	Strategic, sophisticated
Tenant mobility	Stable, limited	High, prevalent
Capital access	Residual user	Primary, direct access
Finance source	National	Global
Investor source	Local	Global
Investment form	Direct only	Securities
Investor sophistication	Low	High
Professional service providers	Local	Global
Information availability	Modest	Overwhelming
Property market data	Local	National
Information sophistication	Low	High
Capital market data	Non-existent	National/global
Economic data access	Simple, minimal	Computerized access
Documentation	Short, simple	Lengthy, complex
Financial analysis	Simplistic	Sophisticated
Analytic tools	Slide rule	Computers
Regulation	Straightforward, predictable	Highly complex, uncertain
Building scale	Small	Large
Building complexity	Modest, narrow	Extensive
Academic programs	Sprawling suburbs	Urban high rise
Building form	Simple	High
Manager information disclosure	Limited	High transparency expectation
Primary economic influences	Local	Global
Role of technology	Nominal: primarily means to implement analysis	Significant: integrated into property function

Collectively the books devote only the most limited attention to the changes between yesterday and today, shown in Exhibit 1 and their implications. Many books hardly address them at all. To the extent significant change has happened, then commentaries concerning critical forces that influence property processes—written to describe conditions prior to such changes—risk being obsolete. Indeed, applying even the most casual empiricism to interpreting the implications of dated textbooks, leads to the conclusion that the majority of books are suffering economic obsolescence, which

the appraisal literature identifies as a primary factor contributing to the diminution of property value. Further, these textbooks are premised upon ideas which may no longer be relevant, reliable, and viable. And, these books necessarily omit coverage of the most salient, significant, and valuable ideas. Thus, these books manifest the proposition that the wrong ideas are the primary source of value destruction in real estate enterprises.

If a discipline and its context are static and unchanging, learning from a dated textbook may not be problematic for even though the most recent interpretations of the field may not be reflected in the dated textbook the core knowledge is still relevant, valid and reliable. If a discipline is dynamic, fluid, and changing, however, the ramifications of study based on a dated textbook may be alarming. The problem with studying from a dated textbook – at a time of accelerating innovation, rapid change, escalating pace of knowledge creation, introduction of new technologies, invention of new business models, and realignment of real estate practices—is that knowledge that once was pertinent, timely, and relevant may no longer be so. The real estate discipline needs to rebuild its foundation, starting with the introductory real estate principle textbook.

METHODOLOGY

This research involves the broad study of the collective contents of real estate principles textbooks intended to be used in introductory real estate courses. Rather than deep reading of a specific text, this research considers the composite of the genre, addressing the aggregate: its topics, themes, and emphases. This approach is the polar opposite of the traditional “close reading” of literary texts, which “close reading” focuses on a particular book that is analyzed in great detail. (Johnson _____) One illuminating application of this research approach is the tracking of British novelist genres from 1740 through 1900, by literary historian, Franco Moretti, who organized the British literary ecosystem into 44 subgenres, including such subgenres as the courtship novel, spy novel, gothic novel, historical novel, nautical tales, mysteries, sensation novel, fantasy, invasion literature, decadent novel, and new women novel. (Moretti, 2000)

This study builds upon and extends prior research in the *Journal of Real Estate Literature*, which evaluated the contents and disciplinary focus of introductory real estate principles textbooks. (Roulac, 1994; Roulac and Distad, 2004; Roulac, 2013) The research involves extracting critical information from these textbooks concerning their intended audience, perspectives and real estate market participants considered, expectations concerning prerequisites, and date published. The contents of these books were evaluated in terms of their relative emphasis on those topics identified in prior research as encompassing the most important knowledge domains that should be covered in an introductory principle textbook, as reflected by the allocation of 'publishing real estate' to these topics. (Roulac, 1994; Roulac and Distad, 2004; Roulac, 2013)

In this study, the contents of these 11 real estate principles texts are considered in terms of their coverage of eight distinct perspectives and roles concerning the real

estate discipline. The eight perspectives and roles pertaining to the real estate discipline considered in this research are:

1. Comprehending the place and property value chain, aka, real estate process and/or supply chain.
2. Managing and stewarding those places, citizens' experience and care about.
3. Choosing place to live at multiple stages of life.
4. Selecting places for and place aspects of fundamental functions, activities, consumer transactions/processes: food, learning, play/entertainment, transportation, travel, exercise, healing, and worship.
5. Deciding whether to own or rent property in place where choose to live.
6. Employing place and property in business, including marketing and corporate facilities.
7. Investing in real estate, which decision leads to numerous layers of subsequent decisions.
8. Working in some aspect of a real estate career.

The contents of the books are analyzed to determine the “publishing real estate” allocation to these eight topics. Coverage is measured in terms of the relative allocation of emphasis, aka “publishing real estate,” to the eight distinct perspectives and roles concerning the real estate discipline listed above. This research approach parallels that employed by John Naisbitt's in *Megatrends*, the highly acclaimed study of major forces transforming culture, society, and the economy. (Galatz, 2012). The result of this compilation provides the data employed in the analyses, which are the basis of the findings and conclusions described below.

Just as Naisbitt's powerful, clear methodology (Goetz, 2012) addressed how “the collective news hole becomes a mechanical representation of society sorting out its priorities,” (Naisbitt, 1982) so, too, does measuring the collective collection of the “publishing real estate” in introductory real estate principles textbooks represent a window—sobering, even troubling as it may be—into the discipline's version of the body of knowledge that is taught to those first exposed to and/or interested in learning about real estate.

CONTENTS OF THE INTRODUCTORY REAL ESTATE PRINCIPLES TEXTBOOK

If the intention that introductory real estate principles textbooks contribute to the grasp of real estate literacy, then on completing a course based on that textbook and/or mastering its contents through individual study, an individual would be expected to have learned the requisite knowledge and skills to make choices within the broad real estate marketplace, just as financial literacy has been defined as demonstrating literacy and skills to make choices in their financial marketplace. (Huston, 2010, P. 309-310) A real estate textbook and the library of introductory real estate principles textbooks appropriately should educate students and readers concerning the real estate equivalent's of Alfred Marshall's dictum that "economics is about the business of life."

That said, what does the business of real estate life embrace? Much more than you would ever directly encounter in current introductory real estate principles textbooks.

The analysis of the contents of the introductory real estate principles textbooks considered in terms of the eight perspectives and roles discussed in the prior section, is presented in **Exhibit 1 – Knowledge Composition of Introductory Real Estate Principles Textbooks**. The textbooks address six of the eight topics, listed in the prior section, more implicitly rather than explicitly, narrowly rather than comprehensively, and with a descriptive rather than a decision-orientation. Most of the textbooks scarcely acknowledge or even overtly ignore the majority of these eight topics and narrowly cover the others. In particular, neither is the decisions framed nor is decision-making fully covered for these seven essential roles, functions, and decisions.

The particular topics and subjects appropriately should be considered in real estate principles textbook would include:

- What an individual would need to know to be an informed, competent, responsible participant in the real estate aspects of Alfred Marshall's observation economic is concerned with "ordinary business of life"
- Those subjects of knowledge that industry recognizes as important to effective participation in the real estate markets
- Primary issues, items and forces that are the focus of research by property scholars
- The history and institutions of real estate discipline
- Significant major forces, specifically fundamental change and market cycles, which determine the conditions of real estate markets in the context of the economy and society

Appreciation for history and civic institutions is integral to education. (Dee, 2005) Playwright Edward Albee asserts that every artist, every professional has the basic responsibility to learn the history of his craft. Because real estate is such a big factor in the country's history – Louisiana Purchase, land grants, national parks, highway system, government guaranteed housing finance, agricultural subsidies, rights to place experience championed through civil rights, etc. - one would expect that introductory real estate principles textbooks would provide overview coverage of the history of real estate and its institutions, and how that history has informed the country's history and civic institutions. This knowledge is important to enable more informed, competent, and responsible functioning in the first and foremost real estate role, as a citizen with responsibility to steward places. Further, exposure to real estate history and institutions encourages active civic engagement in the place stewardship role and community action, for "civic knowledge promotes political participation." (Galston, 2003, P.32)

It is well accepted that the introductory course to a discipline provides an overview of the entire field, covering topics that might be explored in a more advanced course in one or a few chapters—or in a section within a single chapter. Balance,

comprehensiveness, and connection to contemporary culture and society are common attributes of the basic text serving different academic disciplines; not so, however, for the majority of real estate texts and the collection of real estate texts. Beyond shortfalls in the introductory course, graduates of real estate programs are ill-prepared for the challenges that they may confront in the business environment. (Chambers, Holm, and Worzala, 20__) While the industry wishes graduates of university educational programs to be able to think critically, solve problems, and communicate effectively, (ULI, 2003) the content of many of the introductory real estate principles textbooks do not provide the knowledge to do this.

Since these introductory real estate principles textbooks tend to place excessive emphases on law and brokerage and to be more descriptive than decision-oriented, students' abilities to make choices within the broad real estate marketplace disproportionately turn on their professors' teaching and/or a student learning independently what is not in the textbook. But since professors tend in fact to teach what is in the textbooks, (Epley, 1996) students completing an introductory real estate course tend to have only limited knowledge and skill to make decisions within the broad real estate marketplace.

The deficient caliber and character of the introductory real estate principles textbooks is particularly sobering, inasmuch as professors tend to approach teaching through what has been described as the 'text-book' model which involves "adopting a text, and teaching whatever is in the book." (Epley, 1996, p. 232) As a consequence, students may remember little from the introductory course that is intended to provide a foundation for more advanced courses and lack clarity concerning how contents of that course connect "to the broad mosaic that is their major." (Butler, et al., 1998) That the academy collectively accepts what is offered in the introductory real estate principles textbooks in a passive learning environment (Butler, et al., 1998) is reflected by Born's observation in 2001 that the recent literature had not explored the "components of a university-level real estate course of instruction." (Born, 2001) The conclusion is that the learning resources for undergraduate real estate education have scarcely been examined in the literature.

INTENDED AUDIENCE AND LEVEL

Is the introductory real estate course intended for the broad audience or the real estate major? Save for one book targeting upper level business undergraduate or MBA students, (Miller and Geltner, 2005) all of the books are designed for the student who has had no prior exposure to the real estate discipline. Though two texts do not explicitly address their expectations concerning student background, their parallel targeting of the beginning student is evidenced through the tone and style of the preface and the text itself.

The author of the successor version of "the longest continuously published book in real estate," first published in 1922, states, "This book is written and designed for anyone seeking a clear understanding of the many decisions involved in the world of

real estate."(Shilling, 2002) Larsen writes, "Some students take this course in preparation for a real estate career, while many hope to use the information in making housing, investment, or other real estate related decisions."(Larsen, 2003) Geschwender proclaims, "Whether the reader plans to pursue a career in real estate or is interested in learning for the purpose of buying, selling, leasing, or managing real estate, the text covers the fundamentals of real estate principles and practices." (Geschwender, 2010)

Galaty, Allaway, and Kyle address the broad audience: "Whether you are preparing for a state licensing examination, fulfilling a college or university requirement, looking for specific guidance about buying a home or an investment property, or simply expanding your understanding of this fascinating field." (Galaty, Allaway, and Kyle, 2010) Floyd and Allen also aim to the general interests of "real estate market participants whether their primary real estate interests lie in consumption, investment, brokerage, appraisal, law, property and asset management, or any combination of these disciplines." (Floyd and Allen, 2011) Similarly, broader concerns are reflected in the presentation of a text "organized around decisions and the flow of the decisions-making process. Thus, the information is arranged in the order required by the typical consumer for decision making in a typical real estate transaction. The viewpoint is that of the consumer who is the prospective buyer, seller, or real estate agent." (Epley, Rabianski, and Haney, 2002)

The multifaceted aspects of the discipline - "Real estate is everywhere...How did it get here?...And why did it get here ? And why here and not there?" - are explored through the multiple roles and perspectives of career, wealth building, buying and owning a house, real estate markets, how real estate comes to have value, role of governments, real estate decisions, formation and decline of cities, in a very different text which emphasizes the 'people business' aspects of and behavioral influences on real estate. (Diaz and Hansz, 2010)

Of the multitude of perspective that might be elected, Ling and Archer "have adopted the value perspective as our unifying theme. Why? Because value is central to virtually all real estate decision making including whether and how to lease, buy, or mortgage a property acquisition; whether to renovate, refinance, demolish, or expand a property; and when and how to divest(sell, trade, or abandon) a property. Thus, whether a person the business of real estate in a direct way (e.g., development and ownership), becomes involved in a real estate services business (e.g., brokerage, property management, consulting, appraisal), or simply owns a home, he or she must continually make investment valuation decisions or advise others on their decisions."(Ling and Archer, 2010)

Miller and Geltner target the narrower audience of the business majors and professional trade association: "This book is intended to serve as an introductory level text to 3rd and 4th year business majors desiring an overview of the real estate field as well as for an introductory MBA or professional trade association course." (Miller and Geltner, 2005)

Other books are clearly directed to the career focused student. Palmer proclaims, "This book provides the beginning student with the principles and practices fundamental to a career in real estate...The overall goal is to prepare each student with the appropriate material...to enable him or her to pass the state licensing examination on the first attempt and in turn to become a successful practitioner." (Palmer, 1997) Jacobus writes to the same audience: "Most of those who read this book will move on to become licensed as a real estate professional, so I've tried to cover all pertinent topics to prepare the reader for the license examination and provide a good base for more education."(Jacobus, 2010)

PRESUME BEGINNING STUDENTS HAVE DETERMINED TO PURSUE REAL ESTATE CAREER

Notwithstanding the expressed beginning student orientation, as stated by authors in their prefaces, these books manifest an extraordinary career orientation in their coverage. As shown in **Exhibit 1 – Knowledge Composition of Introductory Real Estate Principles Textbooks**, some 76% of the contents of these books is geared to the interests of those pursuing a real estate career. While several books suggest that they prepare the reader for decisions about their consumption of real estate resources, unfortunately they suffer a focus drift from consumer information to a broker centric presentation. Significantly, two thirds of the real estate careers coverage involves brokerage and transactions, as seen in **Exhibit 2 – Different Career Emphasis Reflected in Introductory Real Estate Principles Textbooks**. When the coverage devoted to investing, which in the presentations in these books tends to be more primary career than personal portfolio in its orientation, is included, the total is 96%.

Although all but one of these texts are intended for the beginning student, how would that beginning student ever learn enough to make an informed decision to pursue a real estate career? Not addressed in these books is the implicit question of how students might make an informed choice of (A) do they wish to pursue a career in real estate and (B) if (A) is affirmative, then which aspect of a career might they pursue. Strangely, these books are written for an audience that is presumed to have prior exposure to real estate, yet they presume that somehow those students will want to pursue a career in real estate. Predominantly ignored, save for a minority of the books, such as the Epley text which focuses on the consumer's decisions, (Epley, Rabianski, Haney, 2002) is the role of individuals and their interests in real estate market.

Minimal contents are explicitly devoted to topics that do not pertain to real estate careers per se. While important "publishing real estate is allocated to the place value chain and property process, the treatment is predominantly expressed from the perspective of real estate careers, rather than:

- public policy concerning the economy and environment,
- individuals' personal place experiences and consumption of property goods and services, and
- the role of property as an input to economic activity.

Only 4% of the publishing real estate is allowed to cover the following five integral subject fields:

1. Citizen with responsibility to steward those places he/she experiences and cares about.
2. Choosing place to live at multiple stages of life.
3. Selecting places for and place aspects of fundamental functions, activities, consumer transactions/processes: food, learning, play/entertainment, transportation, travel, exercise, healing, and worship.
4. Deciding whether to own or rent property in place where choose to live.
5. Employing place and property in business, including marketing and corporate facilities.

Beyond the shortcomings of disproportionate inclusion of dated, functionally obsolete content paired with the omission of integral content, the books are primarily oriented to real estate career preparation, collectively devoting some 76% to real estate career topics.

TOO MUCH LEGAL AND BROKERAGE LEAVES TOO LITTLE SPACE FOR WHAT'S IMPORTANT

Introductory real estate principles textbooks devote a disproportionate amount of 'publishing real estate' to real estate law, which topic has no longer term specialized interest or relevance to the majority of students. No other discipline assigns such an emphasis to accrue technicality that would seldom, if ever, be encountered in the normal course of everyday life or in some professional capacity as does real estate in the introductory real estate principles course.

Introductory real estate principles textbooks devote a substantial share of their contents to, subjects that reflect only the smallest share of the discipline's research focus. Notably, brokerage and transactions, which topics are covered disproportionately in the introductory real estate principles textbooks, are not included in this list of the top 20 topics researched by property scholars in the 20th century. (Roulac et al, 2005) Inevitably and unavoidably, much of the results of the intellectual and other resources devoted to what schools recognized as important issues and topics of intellectual investigation are ignored in the introductory real estate principles textbooks. The introductory real estate principles textbooks collectively devote much of their publishing real estate to topics that the scholarly real estate community does not prioritize.

A survey of eight decades of the research published in *Land Economics*, the longest standing scholarly journal covering the real estate discipline, identified the priority research topics shown in **Exhibit 3 – The Top 20 Topics in the 20th Century Featuring Land Economics**. (Roulac, et al., 2005) While the editorial emphasis of *Land Economics* does not encompass the full scope of the real estate discipline, study of the composition of research published in *Land Economics* is important and relevant, re because of the stature and longevity of the oldest of the scholarly real estate journals. Studying the history of the real estate discipline's oldest journal yields illuminating

insights concerning which topic areas have dominated research interests over the last eight decades.

While real estate law commands some 25% of the space in introductory real estate principles textbooks, (Roulac and Distad, 2004) real estate law represents but 1.4% of articles appearing in *Land Economics* over eight decades of the 20th century. (Roulac et al., 2005) Though legal and brokerage account for only 6.1% of the research presented by the thought leaders of the real estate discipline over the last quarter century at American Real Estate Society meetings, (Roulac, et al. 2012) those two topics represent 33% of the 'publishing real estate' in the discipline's introductory textbooks. (Roulac and Distad, 2004) Much of the knowledge that is being manufactured by property scholars and real estate researchers is not included in introductory real estate principles textbooks. Topics other than legal and brokerage represent 93.9% of the research papers produced by the disciplines' thought leaders at the academic meeting of the organization whose members' interests are most closely aligned to the scope of the introductory real estate principles textbooks.

There is a fundamental disconnect between the contents of textbooks intended to serve as the learning resource for an introduction to real estate course and the expectations of stakeholders of graduate real estate programs. In the curriculum of graduates programs offering the Masters in Real Estate Degree, real estate law is one of 18 real estate-related courses, other than the capstone/final project, thesis, or principles/introduction courses. Thus, the real estate law course would represent less than six percent of a graduate real estate curriculum, if all 18 courses were elected, (Tu, et al, 2009) yet the textbooks allocate as much as 44% to legal subjects (Roulac and Distad, 2004) that are but 5.5% of the overall scope of the graduate real estate curriculum.

Disproportionate 'publishing real estate' is devoted to certain topics, at the expense of other important, significant, highly relevant topics. Further, the coverage of those topics more emphasizes a producer/supplier and/or highly technical perspective, than a consumer/customer perspective. The treatment provided tends to be more narrow than comprehensive, more descriptive than prescriptive, more mechanical than analytical, more industry than public policy oriented, more technical than managerial, more concerned with the interests and motivations of the provider of services than the consumer of those services. Thus, the traditional real estate textbook coverage of the brokerage and transaction process generally emphasizes:

- Relationship of sales licensee to broker
- Relationship of sales licensee to client: purchaser/seller of property
- Legal instruments and means of creating and operationalizing these relationships
- Mechanics of closing the transaction

The treatment tends, in varying degrees, to be largely innocent of:

1. Economic implications of these relationships

2. History and evolution of brokerage function and transactions process
3. Alternative means of implementing transactions: self representation, discount brokerage, launch marketing, auctions
4. Advantages/disadvantages, goal congruency and incentives, economics of different forms of transaction representation and implications relative to alternatives
5. How consumers might identify, evaluate, select, interact with, monitor, and manage brokerage licensees representing them
6. How to prepare house/property for sale to realize objectives and maximize results
7. Consequences of technology innovation concerning availability and accessibility of information about particular properties, inventory of properties on market, relative pricing and values of properties, transaction processing and closing, etc.

In sum, not only is too much 'publishing real estate' in introductory real estate textbooks is devoted to the transactions process and traditional brokerage role but the coverage is misdirected inasmuch as disproportionate coverage is provided of less important than important issues.

Coverage in the traditional real estate textbook of legal issues focuses on highly technical legal terms and concept. The discussion of this material disproportionately tilts toward dry, highly technical, rather obscure, even arcane topics that:

1. Could appeal only to a feudalist scholar
2. Have only the most marginal relevance to an introduction to real estate course or even the comprehensive mastery of the subject
3. Explore a level of technical detail and complexity that mirror and even goes beyond what law students might encounter in a first year property law course, thereby being more appropriate for an advanced second or third year elective course in property interests
4. Involve technical details and complexities that few could recall, let alone apply constructively after completing a course requiring some level of recollection for purposes of satisfying an assignment or passing an examination: indeed, it is probable that fewer than 1% of experienced professionals practicing real estate and less than 10% of professors teaching real estate could pass an examination on these topics
5. Impliedly misrepresent the reality of practice, by not noting that a legal professional should appropriately be consulted to address and handle such specialized issues and subject matter, which would be beyond the ken and competency of the great majority of those million plus real estate professionals whose work, involves representing buyers and sellers in real estate transactions
6. Are burdensome and boring to professors to teach and off putting to students to study
7. Are of only the most limited relevance in the greater scheme of the real estate discipline

8. Have limited or no direct connection to any decisions that the vast majority of students are likely to encounter within any reasonable time subsequent to their studying the subject or even over the course of their professional careers
9. Do not enhance the experience of places and properties
10. Neither contributes value nor reduces risks in the use and ownership of property

Beyond the shortcomings of the coverage provided, important legal aspects of real estate omitted, inconsistently covered, or insufficiently addressed, in specific books and the collection of the aggregate of real estate textbooks, include:

1. Origins of different legal systems, their applications in different places
2. Comparisons of and implications of differences of those different legal systems
3. How various legal specialties apply to different aspects of real estate involvements and phases of real estate transactions
4. Legal economic analysis of specific legal provisions of real estate interests and transactions
5. Value enhancing and/or destroying consequences of certain types of rules and regulations
6. Applications to and consequences for different roles and perspectives re real estate involvements
7. Policy implications and sustainability consequences of particular provisions
8. Guidance concerning how to recognize legal issues, risks, and opportunities
9. Explicit coverage and description of the role of lawyers in very aspects of real estate
10. Considerations in identifying, evaluating, and selecting lawyers to represent parties to real estate transactions, including working with, monitoring, and managing their work
11. Economic consequences of legal issues and professionals retained to address those issues, specifically concerning transactions costs and economics, value creation and destruction
12. The role of the expert witness in litigation
13. Applicable rules and guidelines for employing analytical procedures and methodologies in the litigation context.
14. How legal services can mitigate and control risks

In sum, too much 'publishing real estate' in introductory real estate textbooks is devoted to legal topics and what is covered is of marginal, even trivial importance and relevance, relative to what is not covered.

INNOCENT OF MARKET CYCLES

There is a disconnect between these topics prioritized by academics and professionals and the topics that are actually included in the real estate principles textbooks.

Notwithstanding the high priority assigned to ‘property market cycles and forecasting’ – ranked 5th of 36 topics by academics and 3rd by professionals in a study intended to “define a body of knowledge for real estate” (Black and Rabianski, 2003)—seven of eleven textbooks now on the market for the introductory real estate principles course do not cover market cycles. The paucity of coverage of market cycles in real estate texts is evidenced in **Exhibit 4 – Coverage of Real Estate Cycles in Introductory Real Estate Principles Textbooks**. Collectively, the real estate principles textbooks, intended to be used in the introductory course, are startlingly innocent of real estate markets cycles. Market cycles represent three of the eight most important topics to professionals and three of the nineteen most important topics to academics of 36 topics studied in a survey to document and prioritize the real estate body of knowledge. (Black and Rabianski, 2003) Given the impact on professionals of market volatility and predictability their insight concerning the importance of comprehending market cycles are especially important. Indeed the response of professionals to this body of knowledge survey reflect action learning. Thus, their perspectives are informed by the direct experience of the property process, with their high rating of market cycles reflecting the inherent volatility of real estate markets over time. Nearly 40% of 685 substantial institutional investors rated *Real Estate Cycles and Their Predictability* as the most important research topic, some 80% rated real estate cycles among the top three research topics (Ziering and Worzala, 1997).

It is essential to recognize that the research reporting these findings was published in 2003, five years prior to the events in 2008 that led to the Great Recession. Were that research to be replicated subsequent to 2008. A simple thought experiment leads to the conclusion that it is highly probable that market cycles would be rated higher than before.

The introductory real estate principles textbooks’ low prioritization of market cycles contrasts with a survey of academics, many of whom teach out of these textbooks, rating “financial market cycles and forecasting” as the 18th most important topic of the real estate body of knowledge. (Black and Rabianski, 2003) Market cycles was even more important to professionals, being ranked 7th in importance (Black and Rabianski, 2003). Significantly, “microeconomic cycles and forecasting” were ranked 8th by professionals and 19th by academics of real estate body of knowledge topics. (Black and Rabianski, 2003)

The market cycles topic is listed in three indexes (Diaz and Hansz, 2010; Ling and Archer, 2010; and Miller and Geltner, 2005) and in four tables of contents (Diaz and Hansz, 2010; Ling and Archer, 2010; Miller and Geltner, 2005; and Geschwender, 2010). In no glossary is the term market cycles defined. In one of the texts, some version of 'cycles' is discussed: ownership cycle and business cycle in one context, decision-making in another (Geschwender, 2010). Only four of 11 texts devotes any explicit attention to real estate cycles, through addressing the “inevitable real estate cycle,” (Miller and Geltner, 2005, p. 28), asserting that “effective market research must account for this.”

(Ling and Archer, 2010, p. 155) and questioning whether market volatility is better labeled “fluctuations” or “cycles.” (Diaz and Hansz, 2010).

The lack of attention to real estate cycles follows, not surprisingly, from the abbreviated coverage of markets, relative to other topics in these textbooks. (Roulac, 1994; Roulac and Distad, 2004; Roulac 2013) Although some textbook authors acknowledge the importance of markets, (Floyd and Allen, 2011, p.237) in most books there is virtually no attention to what drives markets: how markets function, forces that influence their behavior, causes of balance and unbalance, disequilibrium and extreme swings. While some of the real estate texts acknowledge that supply and demand may vary over time, what causes such variances, and, most importantly, the consequences of extreme variances as well as any patterns in such phenomena are unaddressed.

The lack of coverage, let alone even acknowledgement, of the role of market cycles is striking, especially given their importance and significance, recognized in the professional literature, in surveys of major investors, and in scholarly research. Leinberger asserts that the real estate cycle is the most important determinant of the strategy of real estate participants. (Leinberger, 1993) Roulac has added to this: “perhaps second in influence only to the real estate investment selection criteria location, location, location, the concept of market cycles dominates the concerns of and is employed as a rationalization by real estate investment professionals. Perceptions of market participants of the real estate cycle influences their strategies and transaction decisions, and is the crucial explanation of the probable future directions of real estate markets”. (Roulac, 1996)

While relatively few articles concerning market cycles appeared in the literature in the 1980s, since then there has been a proliferation of real estate cycles research, including cycles papers presented at various academic conferences, articles on cycles appearing in scholarly real estate journals, and the special cycles issue of the *Journal of Real Estate Research*. (Pyhrr, et al., 1999) If *location, location, location*, is used to justify a specific investment opportunity, *market cycles* has emerged as the rationale justifying the timing of various real estate strategies with regard to portfolio allocations, property types, and geographical market selection (Pyhrr, et al. 1999). Once rather ignored, the concept of real estate cycles is now in the forefront of consciousness of virtually everyone involved in the real estate markets (Pyhrr, et al., 1999, Roulac, et al., 2008)—save the majority of introductory real estate principles textbook authors.

INTRODUCTORY REAL ESTATE PRINCIPLES TEXTBOOKS ARE DATED

The books now available for courses that introduce the study of real estate are dated, as evidenced in **Exhibit 5 – Publishing Age of Introductory Real Estate Principles Textbooks**, which lists those books whose publishers represent are presently being used in introductory real estate principles courses. The mean publication age of the introductory books, calculated by subtracting the copyright date from 2012, is 5.5 years. Four were written a decade ago; one is 15 years old. Of the remaining books, one was published in 2005 and the others have 2010 or 2011 copyrights, consistent with a

customary two to four year textbook revision cycle. The average age of 5.5 years, , actually understates the real age of these books, given that the publishing cycle, especially in a large textbook publishing house, such as the several that publish these books, involves as much as a year and sometimes longer, from when an author might submit the manuscript until the finished book is published and distributed. Thus, realistically, these books reflect a view of the world anchored in 2005.

Collectively, the aggregate of real estate principles textbooks were published in 2006. How does the 2005 and 2006 world compare to today? Consider that in 2005 and 2006 the prevalent conviction of policy makers (including specifically the leadership of the Federal Reserve Bank), Wall Street investment banks, mortgage originators, and consumers was that high employment levels, economic prosperity and housing price escalation would continue. Subsequent events proved the fallacy of these expectations.

The educational context supporting the selection and adoption of the conventional introductory real estate principles textbook can be analogized to the old style large corporation, which could be described as a 'machine bureaucracy' whose senior executives "tend to be caretakers of existing strategies...dedicated to the pursuit of efficiency in very specific domains...the whole array of mechanisms...once in place act not to promote change in strategy but to resist it." (Mintzberg, 1990) As the once dominant old style machine bureaucracy becomes increasingly marginalized, the very conditions that characterize the context of the introductory real estate principles textbooks, progress follows a new vision that is implemented in a flexible, entrepreneurial way. (Mintzberg, 1990)

What are the implications of learning a discipline from a dated textbook? To the extent significant change has happened, then the perspective concerning critical forces influencing property processes risks being obsolete. Indeed, even the most casual empiricism leads to the conclusion that the majority of books plus the collection of all of the books are suffering economic obsolescence, which the appraisal literature identifies as a primary factor contributing to the diminution of property value. (Appraisal Institute, 201X) Further, these books are premised upon ideas which may no longer be relevant, reliable, and viable. And, these books necessarily omit coverage of the most salient, significant, and valuable ideas. Thus, these books manifest the proposition that ideas are the primary source of value creation and destruction in real estate enterprises. (Roulac, et al, 200X)

While the capacity of a particular property to respond to external influences is inherently constrained because of real estate's fixed location, (Williams, 1996) no such constraint applies to information and knowledge, which by definition are not fixed but evolving. Consequently, the discipline's knowledge and learning resources, specifically its core textbooks, in particular the introductory real estate principles textbooks, can be enhanced, revised, and improved in response to change forces that obsolete prior versions, forms, and presentations of that knowledge.

Beyond the consideration that the textbooks may promote ideas whose relevance is past and omit addressing those which are most important today and in the future, these books may promulgate decision rules that no longer meet the essential attribute of what Harvard Business School one of the country's leading business schools proclaims is the focus of its education: "currently useful generalizations." Consider one of seven trends "that should influence the structure of the real estate business in the future highlighted" in a text published in 2002 and intentionally positioned "to offer the marketplace a good alternative" through making "four unique contributions." One of the highlighted trends is that "lenders are moving toward lending a lower percentage of the purchase price; hence, the new buyer will need more cash." (Epley, Rabianski, Haney, 2002)

Like a clock that does not work being accurate twice every 24 hours, a real estate prediction may, with the passage of time, again be accurate. This 2002 observation concerning the shifting lender/borrower relationship was accurate in 2008 and subsequent years, but in the period following the publication of this text, it moved in the very opposite direction. True at this statement was at the time it was written prior to the 2002 publication, in subsequent years lenders dramatically increased the loan-to-value ratios employed in mortgage assessments, thereby lowering and at times even eliminating the need for any cash down payments by purchasers.

Though lacking the research base, knowledge content, and academic stature of what Mintzberg (1990) labels the 'the design school' of strategic management, developed and promoted by the faculty of Harvard Business School(HBS), collectively the supporters of the library of contemporary mainstream introductory real estate principles textbooks seem to mimic the strategic management design school supporters who "might contend that the model was good enough in 1965 and remains so today." (Mintzberg, 1990, p. 180-1) Impliedly, the collection of the intro real estate principles texts would seem to echo the assertion by the authors of the primary Harvard Business School text that "The core idea of the book...has stood the test of time." (Christensen, et al, 1982, p. viii) Just as the HBS authors would claim that continuity reflected by multiple editions – six editions of *Business Policy: Text And Cases* were published between 1965 and 1987 (Mintzberg, 1990) – combined with continued course adoptions of that book, represent passing 'the test of time,' (Christensen, et al, 1982, p. viii) so, too, could real estate textbook publishers, authors, and faculty adopting those books assert that the introductory real estate principles textbooks, by virtue of multiple editions and widespread course adoptions, have passed 'the test of time.'

Concluding that the introductory real estate principles textbooks have passed 'the test of time' does not follow from the facts and the analysis of those facts. Reviews of their content two decades ago (Roulac 1994) and a decade ago (Roulac and Distad, 2004) identified that the books collectively in their coverage were veering from what both property academics and professionals identified as primary topics to be covered. And the current introductory real estate principles textbooks manifest, even magnify the same troubling trends that were identified 20 and 10 years ago. (Roulac, 2003) Just

as Mintzberg, (1990) in critiquing the design school of strategic management, as promoted by Harvard Business School faculty, observes, concerning the contemporary relevance of the core ideas emphasizing the determination and implementation of corporate strategy concludes, "But it does not, even in their own school," (Mintzberg, 1990, p. 181) so, too, does the thinking reflected in the collective contents of the introductory real estate principles texts fall short of passing such a test. Significantly, Michael Porter, a coauthor of the very text whose authors proclaim "has stood the test of time" promulgated a view of strategy that departed from the HBS business policy core idea. Then, in subsequent years Harvard Business School Press, commencing with the Gary Hamel's and C. K. Prahalad's classic *Competing For The Future*, has published more than a score books - some by HBS faculty and some by strategy scholars and experts not directly affiliated with HBS - that directly challenge if not overtly contradict the core ideas of the HBS design school view of corporate strategy. Concurrently, many HBS professors authored books and articles in scholarly strategy and management journals that similarly challenge and contradict the core idea of corporate strategy as originally articulated in BUSINESS POLICY: TEXT AND CASES.

Notably, because of the market leadership position of that book, the dominant role of HBS in the 1960s and 1970s in the strategic management field, plus the consideration that such a high proportion of doctoral graduates in strategic management graduated from the HBS business policy program, (Mintzberg, 1990) the HBS business policy book was functionally the equivalent of the collection of the 11 introductory real estate principles textbooks in the market in 2012. Notwithstanding that the HBS view of the world of strategy "dominates...the world of pedagogy," Mintzberg(1990) questions the very relevance of its premises, suggesting that the approach falls far short of considering and integrating requisite data, the inherent complexity of organizations, and the nuances of critical, high stakes decisions. His observation that the simplifying and simplistic view of the world contribute to horrendously erroneous and tragic decisions - consider that HBS alumni schooled in its corporate strategy models, include some who have been convicted of criminal conduct and/or condemned in the court of public opinion for having engaged in egregiously wrong conduct include Robert McNamara, Jeffrey Skilling, George W. Bush, and Raj Gupta - can be extended to a parallel assessment of the world view reflected in many introductory real estate principles textbooks.

IMPLICATIONS OF CHANGE

If a discipline and its context are static and unchanging, learning from a dated textbook may not be problematic even though the most recent interpretations of the field may not be reflected in the dated textbook, the core knowledge is still relevant, valid and reliable. If a discipline is dynamic, fluid, and changing, however, the ramifications of study based on a dated textbook may be alarming. The problem with studying from a dated textbook – at a time of accelerating innovation, rapid change, escalating pace of knowledge creation, introduction of new technologies, invention of

new business models, and realignment of real estate practices is that knowledge that once was pertinent, timely, and relevant may no longer be so.

While some 30 material changes in almost every key attribute of real estate—focus, economic environment, change predictability, change pace, communications, market structures, business space market condition, business space market demand, tenant orientation, tenant mobility, capital access, finance source, investment form, investor sophistication, investment orientation, manager orientation, professional services providers, property market data, analytic tools, information sophistication, information availability, capital market data, databases, documentation, financial analysis, regulation, building scale, building complexity, academic programs—were identified (Roulac, 1992) prior to the publication of the collection of introductory real estate principles textbooks, collectively the books devote only the most limited attention to these change forces and their implications. Many address them hardly at all.

To the extent significant change has happened, then commentaries concerning critical forces that influence property processes—written and thereby expressing conditions prior to such changes—risk being obsolete. Indeed, applying even the most casual empiricism to interpreting the implications of dated textbooks, as discussed in the prior section, leads to the conclusion that the majority of books plus the collection of all of the books are suffering economic obsolescence, which the appraisal literature identifies as a primary factor contributing to the diminution of property value. (Appraisal Institute, 201X) Further, these books are premised upon ideas which may no longer be relevant, reliable, and viable. And, these books necessarily omit coverage of the most salient, significant, and valuable ideas. Thus, these books negatively manifest the proposition that ideas are the primary source of value creation and destruction in real estate enterprises. (Roulac, et al, 2002)

Beyond the consideration that the textbooks may promote ideas whose relevance is past and omit addressing those ideas which are most important, today and in the future, how does the 2005 and 2006 world compare to today? Consider that in 2005 and 2006, the prevalent conviction of policy makers – including specifically the leadership of the Federal Reserve Bank – Wall Street investment banks, mortgage originators, and consumers was that high employment levels, economic prosperity and housing price escalation would continue. Subsequent events proved the fallacy of these expectations.

Consider just one aspect of how change impacts real estate, which is defined by borders: what is contained within, adjacent to, excluded from, crossed and accessed. Borders serve as psychological, legal, physical, economic barriers, both creating value and providing the means of monetizing that value. Borders operate at multiple levels: representing access to benefits, resources, and markets; providing protection and obligation—securing services and imposing responsibility and liability. But what happens to real estate if borders become permeable, porous...even disappear? How does a

borderless world impact places? properties? real estate decisions? What are the consequences of new places and new interpretations of the meaning of borders? As critical as these issues are, they are not issues that you would encounter in introductory real estate principles textbooks.

Sobering are the implications for decisions concerning property involvements in a future which "offers an unsettling vision of ever greater competition for markets and scarce resources. The ferocious contest of the global marketplace is like being chained to an accelerating treadmill, under constant pressure to cut costs and invent new products, trapped by a ceaseless desperation to attract customers who themselves are ever less satisfied, hopping from product to product...craving a satiation - a fulfillment - they can never find. As billions join the global labor force, no job is secure, no industry is stable, no profession may not one day face obsolescence." (Ross, 2012, p. 12)

If people are moving to different places...and they are; if places are changing...and they are; if the demand for property goods and services is being transformed by these phenomenon, and magnified by technology innovation...as it is, might these factors have some impact upon what students need to know to be effective, responsible, competent participants in the many facets of real estate markets? But insight into how to address the imperatives of this rhetorical question shall not be found in the real estate disciplines' textbooks. Sadly, the introductory real estate principles textbooks are largely innocent of these change forces and their implications. Notwithstanding the recognition by Timothy Garton Ash that today there is "not a new world order but a new world disorder. An unstable kaleidoscope world—fractured, overheated, germinating future conflicts," (Ross, 2012, p. 7) these 'learning resources' are informing people for a mid 20th century world.

The authors of the introductory real estate principles textbooks do recognize some changes. One writes, "Never before has real estate been so complex or challenging." (Geschwender, 2010) Authors of another text recognize the importance not only of updating material but providing "substantive application of many cutting-edge topics." (Floyd and Allen, 2011) Writing prior to the phenomenal changes of the last several years, Miller and Geltner observe, "The last 15 years or so has been a dramatic time for real estate, arguably even revolutionary...in the early to mid-1980s, real estate had not experienced a serious "crash" in property values since the Great Depression. During the real estate crash the value and importance of real estate knowledge increased dramatically, evolving from mere window dressing on rubber-stamped decisions to analysis with real impact on business and investment decisions." (Miller and Geltner, 2005)

Not all view change through the same prism, however. While addressing how, "The age of consumerism (and highly motivated and informed consumers) has changed the real estate business forever...with this advancement has come greater responsibility and market instability" and acknowledging "The information highway has forced the business to adapt to a new way of thinking," Jacobus, reflecting his background and

perspective as a lawyer, asserts "The basics of real estate have stayed the same for hundreds of years, being based on the English common law." (Jacobus, 2010)

This sentiment that "the basis of real estate have stayed the same for hundreds of years" mirrors the thinking, based on the state of information technology of the time, following the signing of the Declaration of Independence, when the appropriate basis of funding the country's common treasury was being debated, that valuing real estate in multiple places on a consistent and comparable basis, was infeasible. As Thomas Jefferson related in his autobiography, Samuel Chase "admitted that taxation should always be in proportion to property, that this was in theory the true rule, but that from a variety of difficulties' it was a rule which could never be adopted in practice. The value of the property in every State could never be estimated justly and equally." (Jefferson, 1984)

The theory, methodology, databases, technology, and applications of the property discipline have advanced dramatically over the last two century and two score plus years. The 'variety of difficulties' have been overcome. What one of the most intelligent leaders proclaimed in the early 1800s, 'could never be adopted in practice' has been widely implemented, for the 'value of the property in every State' can and is in fact estimated. Property values are readily and widely available through public records and accessible consumer websites. Advances in property valuation are certainly not the only important changes over the last couple of hundred years. The most seminal change is the advent of place choice (Roulac, [REDACTED]) leading to extraordinary migration between places and mobility within places.

The 'variety of difficulties' that Mr. Jefferson identified as rendering infeasible the just and equal estimation of the value of every property in every State still applied less than a half century ago when Kinnard observed that "the fundamental theoretical structure on which practice is based is outmoded, excessively abstracted reality, and not generally descriptive of market behavior." (Kinnard, 1966) Advances in managerial decision making tools - those applicable to the appraisal process include system analysis, critical path analysis, probability analysis, electronic data processing, and model building - led him to conclude "Multi-dimensional problems can be solved, and it is recognized that they must be solved." (Kinnard, 1966) Notwithstanding extraordinary change - the esteemed management theorist Peter Drucker captured the magnitude and intensity of the change in his age of discontinuity (Drucker, 1968) which change forces had profound implications for the real estate sector "for almost every key attribute of real estate, the conditions of yesterday - the 1960s and 1970s - stand in sharp contrast to the conditions" of the early 1990s (Roulac, 1992)- subsequent to this assessment of the shortcomings in the appraisal theoretical structure, great strides had been made four decades later in valuation theory, research, and practice. (Roulac, et al, 2002/3*****VERIFY)

By late in the 20th Century, it was recognized that the 'variety of difficulties' that precluded the fair and consistent measurement of every property had been overcome, for a commentary on the state of real estate appraisal noted, "The integrity of the

appraisal process has always been critical to social equity in terms of ... real estate taxation..." (Graaskamp, 1987) The combination of a veritable 'explosion of data' and electronic data processing (Graaskamp, 1987) made possible what Mr. Jefferson said could not be done. Financial information generally was subjected to such major forces as rapid technological obsolescence as a result of technological breakthroughs, communications advances leading to market consolidation, unprecedented price volatility, deregulation leading to new financial instruments and innovative practices, and pervasive litigiousness constraining risk management. (Horner, 1986) The forces that so transformed the theory and practice of the property discipline, enabled doing what one of the most brilliant of minds said could not be done. Yet the introductory real estate principles textbooks are largely innocent of these phenomena and the forces that cause them, addressing them with benign neglect or even proclaiming that 'the basics of real estate have not changed in hundreds of years.'

While England enjoyed a dominant position in the late 1600, the relative stature of its seven+ million people varied dramatically (King _____), for the social mobility and economics opportunity that characterizes contemporary society were virtually nonexistent. Today, real estate has a million times more people, is dominantly by place choices as pervasive operated globally, and is subjected to an exploding onslaught of virtual places, apps, and innovations that substitute for complement, and transfer the character and motives of property experiences. Economies, industries and business models are subjected to continual technological innovation, cultural pressures, and creative destruction. Collectively, the introductory real estate principles textbooks are largely innocent of this pheromone. The basics of real estate has stayed the same perspective appears not to accommodate the idea that technology advances transform the motives for place experiences, change the role of property in society and the economy, and introduce substitutes for tangible property-based activity through non-store shopping, video conferencing and virtual/offshore working relationships.

IS THIS SUSTAINABLE?

At a time in which higher education is under assault, (Roulac 2012) the inherent sustainability of the discipline, so long as it relies on books which fall so short of even minimal standards, must be questioned. As a practical reality, the textbooks present the unacknowledged coverage of dated practices, as the ideas, their presentation, and suggested applications are, truth be told, history presented as contemporarily commentary. The institutional coverage included is dryly descriptive, lacking a policy perspective, an analytic orientation, or implication sensitivity.

Criticism of economics education as being of little practical use as well as the assumption of agents optimizing their decisions, independent of whether they have studied economics, (Salemi, et al,2001) can be directly applied to introductory real estate principles textbooks . A review of economics education questioned the degree to which economics as it is taught in colleges and universities deals with its intended focus, expressed by Alfred Marshal, "the ordinary business of life," (Salemi, at al., 2001).

Analysis of the contents of introductory real estate principles textbooks makes clear that collectively they largely do not prepare readers with essential knowledge for “the ordinary business of life” in the context of real estate.

Posing an adaption to real estate of the important question of "What did you learn in economics courses that you used later in life?"(Salemi, et al., 2001) to a student who had studied with many of the introductory real estate principles textbooks, could not elicit answers that would indicate that students had received value for money for the tuition paid and the opportunity costs of their time invested in reading and studying those introductory real estate principles textbooks .

There is growing interest in measuring how well colleges teach. (Perez-Pena, 2012) The push to measure the value of college, (Perez-Pena, 2012) however, proceeds from the premise that what is taught is worth knowing. The interest to measure learning (Perez-Pena, 2012) proceeds from the presumption that students' learning what is taught equates to confirming learning. But what if what is taught is not important and what if what is important is not taught? This contradiction question captures the state of the contents of introductory real estate principles textbooks, for much of what is in those books is not important and much that is important is not in those books.

While teaching an introductory economics course is deemed to be "the most important teaching that we do," (Hamermesh, 2002) the economics professors' counterpart teaching the real estate principle course with the existing introductory real estate principles textbooks , face a daunting task. The learning resources are ill-equipped for the undertaking, as the students' learning tool is woefully inadequate to the importance of the undertaking.

In the economics realm, students majoring in economics achieve substantially superior personal financial performance than do others not majoring in economics. The economics discipline provides undergraduate economics education consistent with the consideration that but 5% of students in the intro econ class proceed to major in economics. Appealing to the general, rather than specialized career interest, consistent with Alfred Marshall’s proclamation that economics is concerned with the business of life, the reality that the vast majority of students in the intro econ class do not major in the subject is reflected in the tone and coverage of intro economics textbooks. The intro introductory real estate principles textbooks , by contrast, speak to a career emphasis, with less attention and less 'publishing real estate' directed to the real estate equivalent of Alfred Marshall's proclamation that economics is concerned with the business of life.

Sadly, the caliber of the real estate discipline’s introductory textbooks is far from excellent. Collectively, the introductory real estate principles textbooks are:

1. Dated, being six plus years old.
2. Careerist in their orientation, even while proclaiming they are written for the beginning student.

3. Give only the most terse coverage and more often ignore the topics essential to be an informed citizen with responsibility for place and competent consumers of real estate goods and services.
4. Disproportionately devote their 'publishing real estate' to real estate law and brokerage, at the expense of other subjects, rated by academics and professionals as more important and consequently insufficiently cover such important topics as market cycles.
5. Omit or minimize coverage of topics that academics rate as important components of the real estate body of knowledge.
6. Do not address implications and applications of recent scholarly research.
7. Do not address those topics of greater interest to the industry, specifically what a new person might need to know to be effectively working in real estate.
8. Largely disregard the implications of technology advances and substitutes for property goods and services

The quality shortfalls, especially the misfocus and obsolescence of introductory real estate principles textbooks, inherently handicap and compromise the discipline, its professors' ability to teach, students' ability to learn, and professionals' ability to perform competently.

While the vast majority of students in an economics class do not intend to major in the subject, introductory real estate principles textbooks are written for an audience of aspiring career practitioners. The introductory real estate principles textbooks collectively are mostly innocent of the critically important knowledge needed to

- Be an informed, responsible citizen, participating in local land use decisions, community governing processes and voting on matters pertaining to property economics issues;
- Capable of being discerning consumers of property goods and services by choosing places that are personally appropriate and congruent with their work and personnel relationships by understanding interdependency of how decisions about where to live in which type of housing influence relationships, family responsibilities and aspirations, health, employment and entrepreneurial opportunities, and quality of life;
- Capable of comprehending and effectively utilizing real estate as a factor of production in the economy, generally, and entrepreneurship and marketing more specifically

A sustainable future for the real estate discipline requires the foundation of three fundamental initiatives:

1. Redirect the real estate intro class to serve the interests of all students, not those who plan to make a career as working in and/or investing in real estate.

2. Introductory real estate principles textbooks appropriate to the scope and coverage of a class that is contemporary, forward looking, interdisciplinary in its approach, with production values comparable to the textbooks for leading courses.
3. Market the study of real estate to faculty, advisers, and students as a course whose curriculum is highly relevant to the issues, challenges, and changes of the 21st century.