MEMORANDUM

TO: Graduate Faculty Executive Committee

FROM: François Ortalo-Magné, Dean
Wisconsin School of Business

SUBJECT: Global Real Estate Masters (GREM) Modification

DATE: March 17, 2014

The faculty of the Wisconsin School of Business approved the proposal to:

1) revise and clarify how the program degree credits comply with the Higher Learning Commission’s (HLC) criteria of 30 semester credits beyond the bachelor’s degree for a master’s degree and

2) standardize admission requirements to allow students who have earned qualifying graduate level credits from a broader range of highly qualified institutions to be admitted to the program.

By standardizing and broadening the admissions criteria, the GREM program will have a much improved chance of achieving its original objectives of expanding the reach of the Wisconsin values and brand around the world and becoming recognized as the center of expertise in real estate.

I concur with the faculty decision to modify the admission requirements for the GREM program. Thank you for your consideration.
GLOBAL REAL ESTATE MASTER (GREM) PROGRAM:
PROPOSAL FOR RESTRUCTURING OF NAMED OPTION

The Global Real Estate Master (GREM) program, formally defined as the M.S in Business: Real Estate & Urban land Economics: Global Real Estate Option was approved by the GFEC on February 12, 2010 and modified on April 19, 2012 (see Appendix A). The program requires prior course work from other institutions, specifically graduate level study in economics, finance and business with a single semester of resident study in real estate. GREM was originally offered only in the spring, but is now offered only in the fall.

As originally approved, the GREM program relied on a novel admissions requirement where students were required to be admitted to qualifying master degree programs and earn prerequisite master degree credits at one of three, later revised to four, partner schools. The partner schools are as follows:

- HEC Paris (Paris, France)
- HKUST Business School (Hong Kong, China)
- INCAE Business School (San Jose, Cost Rica)
- Shanghai Advanced Institute of Finance (SAIF) at Shanghai Jiao Tong University (SJTU) (Shanghai, China)

While the partnership school admissions program provided high quality students, our experience through the fourth student cohort indicates that 1) we are not getting the desired broad geographic distribution of students, and 2) we cannot achieve the targeted enrollment necessary to sustain the program while restricted to drawing students from such a narrow pool of eligible candidates. (See Appendix B for a summary of enrollment and student geographic distribution) Based on the most recent information regarding where our graduates reside, over 75 percent reside in the city where the partner school is located and only four of the twenty-nine graduates reside outside of a partner country. We are averaging just over 7 students per class. We believe we can achieve the original goals and benefits of the GREM program better by opening the admissions process to be more in line with standard admissions process, yet still requiring students to earn the prerequisite master degree credits for admissions from high quality foreign institutions.

The faculty of the Department of Real Estate and Urban Economics at the Wisconsin School of Business now propose to 1) revise and clarify how the program degree credits comply with the Higher Learning Commission’s (HLC) criteria of 30 semester credits beyond the bachelor’s degree for a master’s degree and 2) standardize admission requirements to allow students who have earned qualifying graduate level credits from a broader range of highly qualified institutions to be admitted to the program.
Our experience having admitted four cohorts of GREM students suggests that by standardizing admissions based on the quality of the prerequisite graduate degree credits earned, rather than on the specific schools where they were earned, we can attract a greater number of students of higher quality from a broader geographical regions than we could achieve while limited to admitting only those students from the four current partner institutions.

By standardizing and broadening the admissions criteria, the GREM program will have a much improved chance of achieving its original objectives of expanding the reach of the Wisconsin values and brand around the world and becoming recognized as the center of expertise in real estate.

**REVISION AND CLARIFICATION OF DEGREE CREDITS**

We propose to revise the program to comply with the GFEC policy of 15 credits maximum per term by reducing the resident requirement to 16 credits (from the original 17 credits) and moving one of those credits to summer session.

We propose to incorporate the structured field trip into the curriculum for RE765: Topics in Global Real Estate Markets course. We can maintain the overall learning objectives of the program without requiring this content as a separate, one credit course.

We also propose to move one credit, the one week introductory course, to the summer session so that students would take only 15 credits in the GREM semester. (We propose to implement this change beginning summer/fall 2015 to allow sufficient time for schedule, timetable and admissions for the summer session.)

To clarify how the GREM program as originally approved meets the HLC prior course work requirements, we submit the following explanation. As stated in the original approved GREM proposal,

“GREM students must have completed a specific set of courses prior to coming to Wisconsin:

- Economics and Finance: the equivalent of the core M.B.A. first-year economics and finance classes here.
- Real estate finance: the equivalent of the introductory real estate finance class offered in the first semester of the M.B.A. real estate here.”

As clarification to the above criteria, this graduate level course work is expected to include the following:

- Required coursework
  - Financial Accounting (comparable to AIS 700)
  - Economics for Managers (comparable to OTM732, or separate coursework in microeconomics and macroeconomics)
  - Finance or Financial Management (comparable to FIN700)
  - Real Estate Finance and/or Investment Analysis (comparable to RE710)
- Elective coursework
In total, GREM students must have completed 14 credits of graduate level study, including study of all the required topics and any of the elective topics as necessary to reach the minimum 14 credits.

Then, at the Wisconsin School of Business, GREM students complete the remainder of the 30 credits in residence at UW-Madison. As stated in the original approved GREM proposal,

“...They complete at least 17 credits of real estate training, including

- A one credit intensive course in the week prior to the start of the regular spring semester. This course focuses on introducing the students to the Wisconsin real estate tradition, and providing them with the necessary background to understand global real estate capital flows. (Note: We propose to move this course to summer session.)
- Five three-credit courses taught during the semester
  - RE715: Real Estate Valuation and Feasibility Analysis,
  - RE720: Real Estate and Urban Economics,
  - RE740: Real Estate Capital Markets,
  - RE750: Commercial Real Estate Development,
  - RE765: Topics in Global Real Estate Markets.
- A one credit course structured around a field trip to a major US real estate market.” (Note: We propose to eliminate this course by incorporating its content into the RE765 course.)

In summary, the GREM program meets the 30 credit minimum standard for a master degree through

14 credits of qualified study prior to enrollment at UW-Madison

16 credits of study at UW-Madison (one credit during summer session and 15 credits during fall session)

30 credits total

See Appendix C for the HLC Related Policies: Program Update Process and Template showing how the revised GREM program complies with GFEC policies.

Any exceptions or future curriculum modifications would be subject to standing university policy.
In the event that a student may be otherwise qualified for the program, but lack some of the required coursework, a student could meet the overall degree requirement by completing the required coursework in residence at UW-Madison. Thus, the GREM degree could be completed over multiple semesters if a student prefers. However, current school policy does not permit students who are not enrolled in the Full-time MBA program to enroll in “Core” courses for the Full-time MBA.

**STANDARDIZE GENERAL ADMISSION REQUIREMENTS**

One novel feature of the GREM program as originally approved was the specific admission requirement that students must earn the prerequisite graduate degree credits at one of originally three, now four, partner schools.

While the expected benefits of the GREM program as enumerated in the original approved proposal have been realized to some extent, we have found that restricting the prerequisite degree credits to only those offered by the partner schools has prevented the program from achieving its desired scale and geographic distribution of student cohorts.

Following are the anticipated benefits of the GREM program as originally conceived:

- “Grow the Wisconsin Real Estate Alumni Association from best in the U.S. to best in the world
  - Improve access to highly qualified students outside the U.S.,
  - Leverage the training provided by partner schools,
  - Expand the peer network and cross-cultural business exposure of all our students.
- Expand our geographic reach and international recognition as a center of expertise in real estate.
- Provide new opportunities for a deeper partnership with high-level real estate professionals and leading international real estate organizations.”

The GREM program has achieved these objectives, but only within the narrow geographic region of the partner school locations, lacking the broad geographic reach envisioned by the program. Rather than providing a broad regional or global exposure, the result has been pockets of concentration within countries or even the partner school cities. For example, all of the GREM graduates from INCAE, our partner in Latin America, found employment in San Jose, Costa Rica.

Also, we have not been able to achieve the targeted enrollment with the current limitations, despite broad general demand among foreign students for graduate study in the U.S.

By standardizing admissions based on the quality of the graduate degree credits earned, rather than on the specific partner schools where they were earned, we believe we can select the best students from a broader geographical area and better achieve the original objectives and benefits of the GREM program.

**PROPOSED ADMISSIONS MODIFICATIONS**

We propose a more generalized platform for GREM admissions. Rather than limit the accepted prerequisite credits to those offered by the four partner schools, we propose to admit students who have
earned the prerequisite credits from institutions that meet the same general selection criteria as the original partner schools. That criteria, from the original proposal, is as follows:

- “Ranked as a true leader in business education across the continent where the school is located
- International student recruitment of the highest quality with enrollment criteria at least as good as ours.
- Institutional and program accreditations comparable to the Wisconsin School of Business full-time M.B.A. program.”

In practice, we would screen and admit candidates whose graduate level prerequisite coursework was completed at programs that are recognized as leaders within their national university system and have enrollment criteria comparable to the Wisconsin School of Business full-time M.B.A. program. (See Appendix D for details.)

In keeping with the original intent of the GREM program to produce graduates with strong cross-cultural skills and experience, we would continue to require the prerequisite credits to be earned outside of the US. As an exception, if we were to allow a candidate to complete the prerequisite coursework at UW, we would further require that they have either earned an undergraduate degree from outside the US or have a minimum of 2 years of professional work experience while living and working abroad. All candidates must meet the Graduate School English Proficiency requirements for admission.

**STATUS OF PARTNER SCHOOL AGREEMENTS**

We expect to continue admitting students from the original four partner schools, as they would generally qualify under the restructured program. The Memoranda of Understanding (MOU) with INCAE, HEC and HKUST had a 3 year duration and have expired. In conversations with representatives at these schools, we have an understanding that the program did not achieve its targeted enrollment objectives and would likely need revision. Rather than initiate a new MOU, we would propose to continue working with these schools to admit their students without renewal of the MOU.

The MOU that we executed with SAIF expires in May 2015 and obliges us to “consult periodically concerning the status of the expansion of the GREM program, its implementation and other relevant matter.” Because the ability of SAIF students to enroll is unchanged and because the agreement envisioned expansion of the program, we will consult SAIF regarding these changes, proposing to leave the MOU in effect as written and continuing to admit their students as before.

Going forward under this proposal, GREM would not have official partners, but we would continue to admit students who have completed the prior course work from these schools. Assuming most students would complete their required prior course work as part of a degree program at another institution, the dual degree benefits of the GREM program would remain.

**CONCLUSION**
This proposal to standardize admissions, making the prerequisite credits independent of the school where they are earned, would bring the GREM program closer in line with standard admission practices of admitting students based on individual qualifications, while creating a more open platform that can better achieve the goals envisioned in the original GREM program. The proposal also implements changes necessary to comply with GFEC policies for graduate programs.