

MIT Center for Real Estate

Transitions

A re-visioning process undertaken by Dr. Tony Ciochetti, chairman of the [Center for Real Estate](#) (CRE), the faculty, and Adèle Naudé Santos, dean of the School of Architecture and Planning, reassessed the industry partnership program and the Professional Development Institute (PDI). The center now aims to increase its local/regional industry partnership base, while the decision was made to no longer conduct international PDI courses. As a result of these decisions, there was a realignment of the center's resources, and the roles and responsibilities of some personnel were redefined.

Highlights

Endowment

The endowment of the center was a major initiative that gained momentum during FY2012. In the interest of the long-term stability of the center, the chairman spent a significant amount of time cultivating relationships with existing and potential donors. This focus resulted in nearly half a million dollars in gifts that will be matched in full by Hamid R. Moghadam CE '97.

A New Home

During FY2012, Dr. Ciochetti, faculty members, staff, alumni, and friends of the Center for Real Estate continued capital campaign fundraising efforts for the new center space. Construction was completed in December, thanks to work by the staff and the design/construction team, overseen by Peter Roth (MArch/MSRED '85), lecturer in the master of science in real estate development (MSRED) program. January 2012 marked the official move by the center to the third floor of Building 9. Its location in the heart of the School of Architecture and Planning integrates the center, as well as the MSRED program, with ongoing graduate education and research initiatives throughout the School.

The new center, totaling 8,500 square feet, includes a 1,200-square-foot state-of-the-art lecture hall, three meeting rooms, a conference room, a spacious reception area, and seven offices. The graduate student space includes a lounge/kitchen facility, a conference room, and two offices with high-definition video screens to facilitate online collaboration/participation in meetings.

Center for Real Estate Governance

The center is developing a governance structure to ensure that real estate is well represented at MIT, aligning with the founding mission of the center. Towards that end, the center held its first steering committee meeting on April 19. Committee members include Dr. Ciochetti, professor Bill Wheaton, Dr. Jacques Gordon, Sarah Abrams (MSRED '85), Joe Callanan (MSRED '88), and John Richter (MSRED '95).

Partners Program

During FY2012, 31 real estate firms, with offices both domestically and internationally, were listed as partners and friends of the center. Two firms joined as new partners: Carr Properties (Washington, DC) and Benchmark Senior Living (Wellesley, MA).

Postdoctoral Fellowship

For the first time in the center's history, a postdoc fellowship was created between the center and a long-time industry partner: Real Capital Analytics (RCA). RCA will sponsor Dr. Sheharyar Bokhari, a recent PhD graduate from the Department of Urban Studies and Planning (DUSP). Dr. Bokhari had been working with Professor David Geltner, academic director for the center, on research while pursuing his PhD. Building off his PhD dissertation, which developed a framework to understand the demand and supply of leverage, his postdoc research will rigorously analyze mortgage leverage decisions in commercial real estate.

Annual Partners Meeting

This year's annual partners meeting took place on April 19 and 20 and combined several other significant events with the meeting over a two-day period. Called the MIT Global Real Estate Forum, the events included a dinner attended by over 75 guests—including industry partners, faculty, staff, major alumni donors, and the MSRED 2012 students—and an open house at the center attended by nearly 100 alumni, faculty, staff, and industry partners. Alumni and donors from as far away as China and South Korea attended the open house.

Also as part of the forum, 25 people from partner firms—including representatives from the United States, Mexico, Turkey, and China—convened for an informal roundtable discussion. The main focus of this meeting was to generate strategies and to solicit ideas as to how the center can add value and enhance its relationship with its industry partners.

Finally, Professor Wheaton offered a presentation on "Energy Costs and the Future of Cities" as part of the forum. In addition, Dr. Ciochetti led a panel, "The New Global Investor," moderated by Dr. Jacques Gordon, global strategist for LaSalle Investment Management. Panelists were Peter Lewis, senior consultant at Towers Watson; Adrian Gonzalez Lozano, CEO and chairman of Stiva Group (Mexico); Dr. Emre Çamlıbel, CEO of Soyak Holdings (Turkey); and Qian Wang, CEO of Boson Development (China).

Annual Case Competition

The annual case competition of the Alumni Association of the Center for Real Estate (AACRE) was held in April. Twenty-nine graduate school teams from around the world analyzed and underwrote a mixed-use development proposal for a portion of a prominent 16-acre parcel known as Seawall Lot 337 along with Pier 48, an approximately five-acre pier located in San Francisco's Mission Bay neighborhood. The site is controlled by the San Francisco Giants on a land lease and is currently in the permitting process with the San Francisco Port Authority and city of San Francisco. York University was the

winner of the 2012 award, with Columbia University second and Dartmouth receiving third place.

Lectures and Seminars

Dr. Ciochetti was very active in promoting the center's mission, delivering 10 key presentations at conferences throughout the United States, Turkey, China, India, and Africa.

Professional Development Institute

In FY2012, 120 people attended six PDI courses, producing a total revenue of \$114,000. The decision was made to scale back the number of courses offered from 10 in FY2011 to six in FY2012.

Marketing

In FY2011, the MSRED program and the Center for Real Estate began work with Sametz Blackstone on the redesign of the center's website. The goal of the redesign was to strengthen the MIT/CRE brand and increase the visibility of the industry outreach programs, the partners program, and PDI. Additionally, Sametz is integrating database information and social networking capabilities into the site. The projected launch for the new website is the first quarter of FY2013.

Associate director Lisa Thoma worked closely with Kris Mattera, communications assistant (social media/email marketing) from the dean's office, to market the PDI courses. In an effort to move away from bulk mailing of printed marketing collateral, Thoma worked with the Boston Business Journal (and its national sister publications) and The Real Reporter on targeted digital marketing campaigns.

Personnel

Charles "Hank" Spaulding '51, founder of the Center for Real Estate, devoted alumnus, and longtime member of the MIT Corporation, died November 24 in Kennebunk Beach, ME. He was 84. As founder of the center, Hank was the driving force behind the graduate education and research program offering the world's first one-year master of science in real estate development degree.

In January, Patricia (Trish) Nesti was hired as a full-time academic assistant. Karen Kelsey, an MSRED alumnus, was hired as a consultant to provide career services to our graduate students.

Dr. Gloria Schuck retired from MIT in May 2012. She had been a lecturer at the Center for Real Estate, the Sloan School of Management, and DUSP for 28 years. She served for two years as the center's director of education, managing and shaping the master's degree program. Dr. Schuck will remain involved with the MSRED program and teach a graduate course on leadership in the real estate industry.

Following a national search, Lisa Thoma was hired as associate director in February 2012.

A search is under way to fill the administrative assistant position that will support the chairman and the associate director.

Master of Science in Real Estate Development

MIT's master of science in real estate development is the most concentrated science-based graduate degree in real estate available. Launched in 1983 by the MIT Center for Real Estate, the MSRED is the first degree of its kind, fulfilling a need for specialized education beyond the scope of the traditional MBA.

Capital Campaign

During FY12, \$1.6 million in alumni pledges came in. As a result of fundraising from Korean alumni, a Korean alumni fellowship fund was established in the amount of \$2,000. Over 60% of MSRED alumni pledged during the capital campaign.

Enrollment

Twenty-two members of the Class of 2011 received master's degrees in real estate development in September. Graduates are employed with companies such as Moody's, The Beal Companies, The Weitzman Group, and the Related Companies.

Twenty-three new students matriculated in the fall of 2011, including two joint degree candidates, seven women and 16 men, and six international students. Eight of the entering students hold advanced degrees in architecture (four), business administration (three), and building construction (one).

In April, the 29th class of MSRED students was selected. Thirty-one individuals from a pool of 60 candidates were offered admission. Twenty-one people accepted the offer, for a 68% yield. The Class of 2013 is composed of four women and 22 men with an average age of 30 years; nine of the students are international students. In addition, five dual-degree candidates were admitted from DUSP and the Department of Architecture, increasing the number of students in the Class of 2013 to 26.

Graduate Student Trips

In February, Peter Roth and Dennis Frenchman took students from their 11.303J Real Estate Development Studio: Complex Urban Projects class to New York City. The trip focused on urban mixed-use development projects.

In May, Tod McGrath took his class from 11.352 Real Estate Ventures II: Negotiating Leases, Financings, and Restructurings on a two-day trip to New York City. The trip included presentations/seminars on loan modification (workout) agreements, development challenges associated with the World Trade Center redevelopment project, redevelopment of the General Theological Seminary site in Chelsea, and real estate market capital flows and pricing.

Alumni Association of the Center for Real Estate

There are 920 graduates of the MSRED program. Approximately 20% live outside of the United States in over 14 countries. There are significant concentrations of alumni in New England, New York City, Washington, DC, San Francisco, Toronto, Beijing, Seoul, Tokyo, and Hong Kong. The alumni group is an all-volunteer organization represented by AACRE.

Faculty Awards

The Pension Real Estate Association's biennial James A. Graaskamp lifetime achievement award was presented to Professor Geltner at the 2011 fall conference in Chicago. Professor Geltner donated \$10,000 to the center, creating a fellowship for an incoming student.

Published Papers

Senior lecturer [Christopher Gordon](#) (with [Chad M. Carr](#)) published *Dirigo International* (Harvard Business Publishing, 2012).

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