



OFFICE OF THE FACULTY COUNCIL

THE UNIVERSITY OF TEXAS AT AUSTIN

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November 6, 2017

Provost Maurie McInnis
The University of Texas at Austin MAI 4005
Campus Mail Code: G3400 Dear Provost McInnis:

Dear Provost McInnis,

Enclosed for your consideration and action is a proposal to change the Real Estate Certificate in the McCombs School of Business chapter of the *Undergraduate Catalog, 2018-2020* (D 15514-15522). The legislation is classified as being of *general* interest to more than one college or school and was approved by the Faculty Council on a no-protest basis on November 5, 2017. The authority to grant final approval on of this legislation resides with your office on behalf of President Fenves.

Please let me know if you have questions or if I can provide other information concerning these items.

Sincerely,

A handwritten signature in black ink that reads "Alan W. Friedman".

Alan W. Friedman, Secretary
General Faculty and Faculty Council
The University of Texas at Austin
Arthur J. Thaman and Wilhelmina Doré Thaman Professor of English and Comparative Literature

AWF:dlr Enclosures

ec: Lydia A. Cornell, Administrative Program Coordinator, Provost's Office
Michelle K. George, Administrative Manager for Faculty Affairs, Provost's Office
David Platt, Associate Dean for Undergraduate Programs, McCombs School of Business
Leah Miller, Director of Undergraduate Academic Services, McCombs School of Business

DOCUMENTS OF THE GENERAL FACULTY

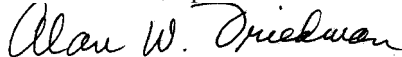
PROPOSED CHANGES TO THE REAL ESTATE CERTIFICATE IN THE MCCOMBS SCHOOL OF BUSINESS CHAPTER IN THE *UNDERGRADUATE CATALOG, 2018-2020*

Dean Jay Hartzell in the McCombs School of Business has filed with the Secretary of the Faculty Council the following proposal to change the Real Estate Certificate in the McCombs School of Business chapter in the *Undergraduate Catalog, 2018-2020*. On February 6, 2017, the Undergraduate Program Committee approved the proposal. On April 26, 2017, the Dean approved the it. The Secretary has classified this proposal as legislation of general interest to more than one college or school.

The Committee on Undergraduate Degree Program Review recommended approval of the proposal on October 17, 2017, and forwarded it to the Office of the General Faculty. The Faculty Council has the authority to approve this legislation on behalf of the General Faculty. The authority to grant final approval on this legislation resides with the Provost on behalf of the President.

If no objection is filed with the Office of the General Faculty by the date specified below, the legislation will be held to have been approved by the Faculty Council. If an objection is filed within the prescribed period, the legislation will be presented to the Faculty Council at its next meeting. The objection, with reasons, must be signed by a member of the Faculty Council.

To be counted, a protest must be received in the Office of the General Faculty by November 5, 2017.



Alan W. Friedman, Secretary of the General Faculty and Faculty Council
The University of Texas at Austin

Arthur J. Thaman and Wilhelmina Doré Thaman Professor of English and Comparative Literature

Any student wishing to pursue the Real Estate certificate. There is no potential budgetary impact for another college/school; the new courses added were already accepted by the certificate but now have numbered topics; the GRG class was always accepted through its URB cross-list.

Impacted schools must be contacted and their response(s) included: N/A, no classes actually new to the certificate from different colleges are being added.

Person communicated with:

Date of communication:

Response:

4. **OFFICIAL CERTIFICATE NAME:** Undergraduate Certificate: Real Estate
5. **PROPOSED IMPLEMENTATION DATE:** Fall 2018
6. **CIP CODE** (administrative unit awarding the certificate): 52.1501 Real Estate
7. **STATEMENT OF OBJECTIVE:** Unchanged. Provide both McCombs and non-McCombs undergraduate students with the opportunity to have an officially recognized concentration in the study of real estate.
8. **NUMBER OF STUDENTS EXPECTED TO RECEIVE THE CERTIFICATE EACH SEMESTER:** Unchanged. Twenty-five to thirty each year.
9. **NUMBER OF HOURS REQUIRED FOR COMPLETION (Note: If the number of required hours is 21 to 24, THECB form is required):** Unchanged. Eighteen.
10. **LIST FACULTY ON THE CERTIFICATE PROGRAM FACULTY COMMITTEE.**

Name of Faculty Member	College/Department	Title at UT Austin	Highest Degree and Awarding Institution
Greg Hallman (chair)	McCombs/Finance	Senior Lecturer Director, Real Estate Fund Program	Ph.D., University of Texas at Austin
Paul Adams*	Liberal Arts/Geography	Associate Professor/Director, Urban Studies Program	Ph.D., University of Wisconsin-Madison
Jay Hartzell*	McCombs/Finance	Program Chair/ Professor/ REFIC Director	Ph.D., University of Texas at Austin
Juan Miró*	Architecture	Professor/Associate Dean for Undergraduate Programs	M. Arch, Yale University
Paula Murray*	McCombs/Business, Government and Society	Professor	J.D., University of Texas at Austin
William Way	McCombs/Finance	Senior Lecturer Program Advisor, RE Certificate	M.B.A., University of Texas at Austin

11. **ACADEMIC COURSE REQUIREMENTS:** Use this table to identify the courses that qualify for this certificate program.

Changes have been incorporated into this table

Course Abbreviation and Number	Course Title	SCH
#R E 358	Introduction to Real Estate and Urban Land Development (#prerequisite will change spring 2017 to: Accounting 310F or 311 or 311H; and Finance 357 or 357H.”	3
#R E 376G	Real Estate Investment (#prerequisite: R E 358)	3
<i>Four of the following courses (at least 6 hours from outside of the McCombs School; for students who complete the Real Estate Fund program at least 3 hours from outside of the McCombs School):</i>		<i>12 (3 each course)</i>
#R E 360.1 or #ACC 378.5 or #ACC 326	Taxation of Real Estate Investments (#prerequisite: R E 358) Taxation of Real Estate Investments (#prerequisite: ACC 311 or 311H, and 312 or 312H, with a grade of at least C- in each; upper-division standing.) Financial Accounting—Intermediate (#prerequisite: ACC 311 or 311H, and 312 or 312H, with a grade of at least C- in each; and FIN 357 or 357H)	3
#R E 378K	Real Estate Finance and Syndication (#prerequisite: FIN 367 or R E 358)	3
#LEB 363	Real Estate Law (#prerequisite: Thirty semester hours of undergraduate coursework, or consent of instructor)	3
#ARE 323K	Project Management and Economics (#prerequisite: C E 333T, and M 408D or 408M)	3
#ARE 358	Cost Estimating in Building Construction (#prerequisite: A E 335)	3
#ARE 366	Contracts, Liability, and Ethics (#prerequisite: A E 323K)	3
#ARE 376	Building Information Modeling for Capital Projects (#prerequisite: A E 320L and 323K)	3
ARC 308	Architecture and Society	3
#ARC 318K	World Architecture: Origins to 1750 (#prerequisite: For students in the School of Architecture, ARC 308 with a grade of at least C)	3
#ARC 318L	World Architecture: The Industrial Revolution to the Present (#prerequisite: For students in the School of Architecture, ARC 318K with a grade of at least C; for others, twelve semester hours of college coursework is recommended)	
#ARC 327C	Urban Design History, Theory, and Criticism (#prerequisite: For students in the School of Architecture, upper-division standing; for others, upper-division standing and consent of instructor)	3
#ARC 327E	Alternative Real Estate Action (#prerequisite: Upper-division standing)	3
ARC 327F	American Dream: Status Quo and Alternatives	3
#ARC 327R.3	City as Form and Idea (#prerequisite: Upper-division standing)	3
#ARC 327R.11	Global Housing Challenge (#prerequisite: Upper-division standing)	3
#ARC 327R.13	Managing the Design Project (#prerequisite: Upper-division standing)	3
#ARC 327R.19	Urban Land Institute Workshop (#prerequisite: Upper-division standing)	3
#ARC 342E	History and Theories of Landscape Architecture I (#prerequisite: Upper-division standing; for students in the School of Architecture, ARC 318L with a grade of at least C; for others, consent of instructor)	3

#ARC 342F	History and Theories of Landscape Architecture II (#prerequisite: Upper-division standing; for students in the School of Architecture, ARC 318L with a grade of at least C; for others, consent of instructor)	3
#ARC 350R	Topics in Design Theory [must be pre-approved]	3
#CRP 369K	Principles of Physical Planning (#prerequisite: For students in the School of Architecture: ARC 560R with a grade of at least C; for others, consent of instructor)	3
#ECO 334K	Urban Economics (#prerequisite: ECO 420K with a grade of at least C-)	3
#ECO 334L	Regional Economics (#prerequisite: ECO 420K with a grade of at least C-)	3
#FIN 377.3	Security Analysis (#prerequisite: Credit or registration for Finance 367 or 367Q, and consent of instructor)	3
GRG 307C	Introduction to Urban Studies	3
GRG 310C	Spatial Data and Analysis	3
#GRG 337	The Modern American City (#prerequisite: Upper-division standing)	3
#GRG 356T.1	The Culture of Cities (#prerequisite: Upper-division standing)	3
#GRG 360G	Environmental Geographic Information Systems (#prerequisite: GRG 310C)	3
URB 301	Introduction to Urban Studies	3
#URB 354.7	Vienna: Memory and the City (#prerequisite: Upper-division standing)	3

12. OTHER CERTIFICATE REQUIREMENTS: Students must satisfy the courses used to fulfill certificate requirements on the letter-grade basis, and maintain a grade point average of at least 2.00 in these courses.

Add requirement that all certificate coursework must be completed in residence.

13. GIVE A DETAILED RATIONALE FOR CHANGE(S):

1. Non-academic change: Remove “Undergraduate” and “Texas URE” when mentioning the Real Estate Certificate.
Rationale: Program is simplifying their center’s branding, and moving away from using “Texas URE.”
2. Remove FIN 320F as a prerequisite course option; all students will take FIN 357. Adjust wording to reflect this change and make the requirements clearer.
Rationale: The foundational course for the certificate, RE 358, is being changed to have an increased finance component. In preparation for this, all students will need to have the content in FIN 357 to be academically prepared for RE 358. The Finance department will offer another section of FIN 357 in order to accommodate the increased demand. ACC 311 wasn’t listed separately before as it is a prerequisite to FIN 357, but with this change it is clearer to list the accounting requirement explicitly for all students.
3. Add recommendation that students take an introductory statistics course.
Rationale: FIN 357 (now being required, see #4 below) has a prerequisite of STA 309 Elementary Business Statistics, which will be waived for non-business Real Estate Certificate students, along with B A 324. The certificate committee considers many of the non-business students will have a statistics course from their home colleges/schools, and do not believe that an absence of stats credit will disadvantage these students. However it is a good recommendation for all students to have an introductory statistics course.
4. Add specific information that students can apply for the certificate while taking the prerequisite accounting course, to then have access the finance prerequisite course.
Rationale: The change in requiring all students to complete FIN 357 as a prerequisite course results in specific needs for timing of the application and acceptance into the program. The certificate program will make the admit decision before students complete either of the pre-reqs, accounting or finance.

The FIN 357 course is restricted to students in the McCombs School, so non-business Real Estate Certificate students will need to be identified in enough time for them to receive registration access.

5. Non-academic change: Add statement about what criteria may be reviewed in the application process.
Rationale: Clarify for students the application criteria, so they understand what the program has been looking for in the “overall academic record.”
6. Change RE 376G to be a required course that all certificate students take; adjust the number of elective classes required.
Rationale: Real estate employers are now requiring candidates to have enhanced financial modeling skills for most entry-level positions. RE 376G will include the Excel modeling skills that certificate students need to learn.
7. Re-do course requirements listing with these changes: Replace ACC 378.4 with ACC 378.5. Add new courses RE 360.1, ARC 327E, ARC 327F, ARC 327R.3, ARC 327R.11, ARC 327R.13, ARC 372R.19, GRG 307C.
Rationale: Creating a re-formatted course list makes it easier to see the changes in ordering, requirements, and courses. ACC 378.4 was retired and replaced with ACC 378.5. GRG 307C is the same as URB 301, but available to non-URB majors; listing it separately makes it readily apparent to students that it can be taken. The other classes used to be unnumbered topics courses, but have now been created as new numbered topics courses with content accepted for the certificate.
8. Change eligibility for FIN 377.3 to Real Estate Fund program acceptance, no longer restricted to finance majors participating in REIT; remove FAP section.
Rationale: Non-business majors in the Real Estate Certificate may now apply to the REIT Fund, which is being renamed “Real Estate Fund Program.” Students participating in the FAP section of this course should not receive credit toward the Real Estate Certificate program requirements, as the course contains no real estate content. It was originally included, when the program was launched, as a way to develop student demand for the real estate program.
9. Include that certificate prerequisites along with certificate requirements need to be taken on the letter-grade basis.
Rationale: Adding for clarification for students and consistency with the Business Minor. The RE certificate program requires the prerequisites ACC 310F and FIN 357 to be taken for a letter-grade, as does the Business Minor which requires those courses (or equivalents).
10. Reword the ethics component section to reflect change in RE 358 content.
Rationale: An ethics component has been incorporated into RE 358, which is required for the certificate, and allows all students to complete the ethics component. Removing “mandatory” from the title will help prevent students from thinking this is an additional requirement beyond RE 358.

14. COLLEGE/SCHOOL APPROVAL PROCESS:

Department approval date:	February 6, 2017	Approved by whom:	Undergraduate Program Committee
College approval date:	April 26, 2017	Approved by whom:	McCombs faculty
Dean approval date:	April 26, 2017	Approved by whom:	Dean Jay Hartzell

• PROPOSED NEW CATALOG TEXT

- Catalogs > Undergraduate > Red McCombs School of Business > Minor and Certificate Programs > Real Estate Certificate

Real Estate Certificate

The [~~Undergraduate~~] Real Estate Certificate program [~~(Texas URE)~~] offers degree-seeking undergraduate students from any major the opportunity to explore the commercial real estate industry, learn the basics of real estate financial analysis, and supplement their primary degree with an officially recognized certificate in real estate.

The Real Estate Certificate program requires eighteen [48] semester hours of coursework as described below; students must also complete the following prerequisite courses: ACC 310F (for non-business students) or ACC 311 (for business students), and FIN 357 (for all students). [~~for nonbusiness students, Accounting 310F (may fulfill the quantitative reasoning flag) and Finance 320F; for business students, Finance 357.~~]

In addition, nonbusiness students are strongly urged to complete Economics 301, or 304K and 304L, and a course in introductory statistics.

Upon obtaining credit [~~or registration~~] for ACC 310F or ACC 311 [~~the designated prerequisite course(s)~~], a student with upper-division standing may [~~formally~~] apply for conditional admission to the certificate program by the application deadline. [~~Upon acceptance, non-business majors must request a registration waiver for FIN 357, the other prerequisite course.~~] Admission to the program is based on students' overall academic record, including, but not limited to, hours and number of courses taken in residence, demonstrated interest in real estate, and overall UT grade point average [~~and their performance in the required prerequisite course(s)~~]. The courses necessary to complete the Real Estate Certificate [Texas URE] may have additional prerequisites, and admission to the program and instructor approval are are [~~is~~] required as [~~a~~] conditions of enrollment in some courses. At least half of the required certificate coursework must be completed in residence at The University of Texas at Austin.

The certificate requirements are:

1. R E 358 Introduction to Real Estate and Urban Land Development
2. R E 376G Real Estate Investment
3. Four of the following (at least six hours from outside of the McCombs School; for students who complete the Real Estate Fund program at least three hours from outside of the McCombs School):

McCombs School of Business courses:

- Only one may be counted from: R E 360 (Topic 1: *Taxation of Real Estate Investments*), or ACC 378 (Topic 5: *Taxation of Real Estate Investments*) (for accounting majors and minors only), or ACC 326 Intermediate Accounting (for business majors only)
- FIN 377 Advanced Investment Analysis (Topic 3: *Security Analysis*) (acceptance to the Real Estate Fund program required)
- LEB 363 Real Estate Law
- R E 378K Real Estate Finance and Syndication

Courses from other schools:

- ARC 308 Architecture and Society (may fulfill the global cultures flag)
- ARC 318K World Architecture: Origins to 1750 (may fulfill the global cultures and writing flags)
- ARC 318L World Architecture: The Industrial Revolution to the Present (may fulfill the global cultures and writing flags)
- ARC 327C Urban Design History, Theory, and Criticism
- ARC 327E Alternative Real Estate Action
- ARC 327F American Dream: Status Quo and Alternatives
- ARC 327R (Topic 3: *City as Form and Idea*)
- ARC 327R (Topic 11: *Global Housing Challenge*)
- ARC 327R (Topic 13: *Managing the Design Project*)
- ARC 327R (Topic 19: *Urban Land Institute Workshop*)
- ARC 342E History and Theories of Landscape Architecture I
- ARC 342F History and Theories of Landscape Architecture II
- ARC 350R (pre-approved topics only);
- ARE 323K Project Management and Economics
- ARE 358 Cost Estimating in Building Construction
- ARE 366 Contracts, Liability, and Ethics (may fulfill the ethics and leadership flag)

- ARE 376 Building Information Modeling for Capital Projects
- CRP 369K Principles of Physical Planning (may fulfill the writing flag)
- ECO 334K Urban Economics
- ECO 334L Regional Economics
- GRG 307C (or URB 301) Introduction to Urban Studies
- GRG 310C Spatial Data and Analysis
- GRG 337 The Modern American City
- GRG 356T Topics in Geography (Topic 1: *The Culture of Cities*) (may fulfill the cultural diversity in the United States flag)
- GRG 360G Environmental Geographic Information Systems (may fulfill the quantitative reasoning flag)
- URB 301 (or GRG 307C) Introduction to Urban Studies (for urban studies majors only) (may fulfill the cultural diversity in the United States flag)
- URB 354 Topics in Urban Society and Culture (Topic 7: *Vienna: Memory and the City*)

~~3. R E 358 Introduction to Real Estate and Urban Land Development~~

~~3. Two of the following:~~

- ~~a. R E 376G Real Estate Investment~~
- ~~b. R E 378K Real Estate Finance and Syndication~~
- ~~c. LEB 363 Real Estate Law~~

~~4. Three of the following:~~

- ~~a. ACC 378 Contemporary Accounting Topics (Topic 4: *Real Estate Accounting*) or ACC 326 Financial Accounting – Intermediate, for business majors only~~
- ~~b. ARE 323K Project Management and Economics, ARE 358 Cost Estimating in Building Construction, ARE 366 Contracts, Liability, and Ethics (may fulfill the ethics and leadership flag), ARE 376 Building Information Modeling for Capital Projects~~
- ~~c. ARC 308 Architecture and Society (may fulfill the global cultures flag), ARC 318K World Architecture: Origins to 1750 (may fulfill the global cultures and writing flags), ARC 318L World Architecture: The Industrial Revolution to the Present (may fulfill the global cultures and writing flags), ARC 327C Urban Design History, Theory, and Criticism, ARC 350R (approved topics), ARC 342E History and Theories of Landscape Architecture I, ARC 342F History and Theories of Landscape Architecture II~~
- ~~d. CRP 369K Principles of Physical Planning (may fulfill the writing flag)~~
- ~~e. ECO 334K Urban Economics, ECO 334L Regional Economics~~
- ~~f. FIN 377 Advanced Investment Analysis (Topic 3: *Security Analysis*) (for finance majors in the REIT Fund Program or the Financial Analysis Program only)~~
- ~~g. GRG 310C Spatial Data and Analysis, GRG 337 The Modern American City, GRG 356T Topics in Geography (Topic 1: *The Culture of Cities*) (may fulfill the cultural diversity in the United States flag), GRG 360G Environmental Geographic Information Systems (may fulfill the quantitative reasoning flag)~~
- ~~h. LEB 363 Real Estate Law (for non-business majors only)~~
- ~~i. R E 376G Real Estate Investment (for non-business majors only)~~
- ~~j. R E 378K Real Estate Finance and Syndication (for non-business majors only)~~
- ~~k. URB 301 Introduction to Urban Studies (for urban studies majors only) (may fulfill the cultural diversity in the United States flag), URB 354 Topics in Urban Society and Culture (Topic 7: *Vienna: Memory and the City*)~~

Other courses may be considered for approval if the topic is deemed appropriate by the [Undergraduate] Real Estate Certificate [P]program office.

Other Certificate Requirements

The student must satisfy the courses used to fulfill certificate prerequisites and requirements on the letter-grade basis. He or she must earn a combined grade point average of at least 2.00 in these courses.

[Mandatory] Ethics Education Component in the [Texas Undergraduate] Real Estate Certificate Program [(Texas URE)]

The goals of the ethics education component are to ensure Real Estate Certificate ~~[this requirement are to educate Texas URE]~~ students understand [regarding] the importance of business ethics and expose them to best practices in ethical decision making. The University requires that all undergraduate students take at least one course with a substantial ethics component (an “ethics and leadership flag”). Our intent is to take this further and expose students to ethical issues within a business and/or real estate context. Students will [may] fulfill the Real Estate Certificate program’s ethics education [requirement] component upon completion of R E 358 Introduction to Real Estate and Urban Land Development, which contains a significant ethics component (delivered via lecture, discussion, and/or case analysis).

Additionally, Real Estate Certificate students have the opportunity to take their ethics education further, through a variety of methods:

1. Video Delivery

~~[Texas URE students may fulfill the ethics education requirement by viewing a selection of videos and then either answering related discussion questions or doing further research on a topic of interest within the field of ethics.]~~

The McCombs School of Business has produced an award-winning video series entitled, “Ethics Unwrapped,” (<http://ethicsunwrapped.utexas.edu/>). Each five- to seven-minute video in the series is accompanied by a written transcript, discussion questions, and an extensive reading list. Students may view this selection of videos and then answer related discussion questions.

2. Classroom Delivery

~~[Texas URE-s] Students may complete [fulfill the ethics education requirement by completing Professor Paula Murray’s Legal Environment of Business] LEB 363 [course (Real Estate Law)].~~ This course contains a significant ethics component, which is delivered via a variety of methods (e.g., lecture, discussion, and case analysis).

3. Panel Discussion or Speaker Series

~~[Texas URE-s] Students may [fulfill the ethics education requirement by attending]~~ attend a panel discussion or speaker series with industry professionals who discuss their personal/professional exposure to ethical dilemmas and ethical best practices within the real estate industry.

4. Other

~~[Texas URE-s] Students may do further research on a topic of interest within the field of ethics by completing a faculty-supervised ethics project or paper, which has been pre-approved by the program administration. [fulfill the ethics education requirement by alternative means, as approved by the Program Advisor. This may include a pre-approved, faculty supervised ethics project or paper].~~

Final Transcript Certification

Students must request transcript certification by emailing the program administration [adviser] at the time of application for graduation or upon completion of the program requirements, whichever is later. Students have up to one year after graduation to complete the certificate program for transcript purposes. A maximum of nine hours of certificate coursework may be taken after the student has earned the undergraduate degree.