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An Education Note on:

*RESIDENTIAL PROPERTY MANAGEMENT AT VIRGINIA POLYTECHNIC
INSTITUTE AND STATE UNIVERSITY*

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ABSTRACT

This paper reports on a two-phase study that serves as background for curriculum development in residential property management and the procedures followed in developing such a curriculum. Results from the mail questionnaire used in Phase I indicate that little emphasis is being given to residential property management by colleges and universities. Results from Phase II show that none of the 49 states responding ever required, currently require, or plan to require certification of housing managers. Information gained from these surveys has provided a basis for the development of a residential property management curriculum in the housing program at Virginia Polytechnic Institute and State University.

THE BACKGROUND

Housing management as a service industry began in the 18th century, evolved into modern form during the Great Depression, and gained momentum in the 1960s (Downs, 1982). It came to the political forefront in the early 1970s when difficulties were experienced with rising operating costs, high default rates, vandalism, and rent delinquency. To strengthen and improve the quality of housing management, primarily in government-assisted housing, the United States Department of Housing and Urban Development (HUD), in 1975, awarded grants to five universities for the development of academic programs in housing management. The institutions selected were Temple University, Howard University, Winston-Salem State University, Southern University (Baton Rouge), and Texas Southern University (Patterson, 1976). Traditional and non-traditional methods of curriculum delivery were developed at these various universities.

Since 1980, HUD has required that managers of public housing developments containing more than 75 units be certified by a HUD-designated certifying organization (Downs, 1982). At least four national organizations have been approved by HUD for housing management training and certification programs. These organizations are the Institute for Real Estate Management (IREM), the National Association of Home Builders (NAHB), the National Association of Housing and Redevelopment Officials (NAHRO), and the National Center for Housing Management (NCHM) (Basile, 1984; Gebran, 1976; Nenko and Brophy, 1982;

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Struyk, 1980).

The housing faculty in the Department of Housing, Interior Design, and Resource Management (HIDM) at Virginia Polytechnic Institute and State University (Virginia Tech) posed several questions regarding the impact of HUD's certification requirement. Have the actions of HUD been able to meet the need for professionally-trained housing managers? Have states assumed a role in the certification of managers of private and nonprofit residential properties? What are the status and scope of academic programs in housing management in colleges and universities? To find the answers to these questions, two avenues were pursued. First, informal contacts with personnel at HUD and with administrators of the five universities receiving grants from HUD indicated that only one of these universities, Winston-Salem State University, currently offers a program in housing management. Second, informal contacts with housing agencies and property management firms in Virginia confirmed that there was a significant increase in the demand for housing managers and a shortage of qualified personnel. Results from these various inquiries supported the supposition that housing management would be a viable focus for undergraduate curricula in colleges and universities with programs in housing. Therefore, the housing faculty at Virginia Tech decided to pursue the development of a housing management major. The purpose of this paper is to report the procedures followed in developing a housing management curriculum at Virginia Tech and the results of a two-phase study conducted as a background for curriculum development in housing management.

THE STUDY

A two-phase nationwide study was conducted in 1985 to ascertain the availability of housing management programs and related courses in colleges and universities in the United States (Phase I). The study also assessed the status of certification programs in housing management in the 50 states of the United States and in the District of Columbia (Phase II).

Phase I

Procedures. The respondents for this phase were faculty members or administrators of housing and real estate educational programs in colleges and universities within the United States. Housing programs and faculty were identified from the publication *Colleges and Universities in the United States Offering a Graduate Major in Housing, Household Equipment, Preservation or Interior Design* (Bell and Managan, 1980) and from participant lists of the American Association of Housing Educators. Administrators of real estate programs were identified from *The College Blue Book* (1983).

A mail questionnaire was developed by the researchers and printed in booklet form. The front cover included the survey title, a logo, and a letter to the respondent. The multiple-choice and short-answer questions were designed to obtain information about housing management courses and programs offered in four-year colleges and universities in the United States.

Copies of the questionnaire were mailed to 160 professionals of college and university (24) and real estate (136) programs. Ten days later, a follow-up/thank you postcard was mailed. A month after the original mailing, another questionnaire with cover letter was mailed to nonrespondents. Twenty-two questionnaires (92% response rate) were returned by housing program respondents. Ninety-five questionnaires (70% response rate) were returned by real estate respondents. Descriptive statistics were used in the data analysis.

Findings. Only one of the 22 housing programs, the University of Minnesota's, includes a concentration in housing management. It is also the only institution offering a course entitled "Housing Management" (see Table 1). Students majoring in housing at the University of Minnesota can choose from five areas of concentration, including housing management/marketing.

Table 1. Courses related to housing management offered within housing and real estate programs

Variable	Housing		Real Estate ^a	
	No.	%	No.	%
Number of courses	N=22		N=95	
None	21	95.5	65	68.4
One	1	4.5	21	22.1
Two	0	0.0	4	4.2
Three-to-six	0	0.0	4	4.2
Seven or more	0	0.0	1	1.1
Title of Courses	N=1		N=53	
Property Management	0	0.0	21	39.6
Real Estate Fiance/Mktg.	0	0.0	6	11.3
Development, Construction and Investment	0	0.0	5	9.4
Real Estate Administration	0	0.0	5	9.4
Real Estate Principles/Practices	0	0.0	4	7.5
Real Estate Appraisal	0	0.0	3	5.6
Housing Management	1	100.0	0	0.0
Other	0	0.0	9	17.0
Emphasis of Courses	N=1		N=53	
Residential, Institutional and Commercial Management	0	0.0	22	41.5
Financial and Marketing Analysis	0	0.0	14	26.4
Introduction to Real Estate Planning	0	0.0	4	7.5
Public/Subsidized Housing	0	0.0	1	1.9
Housing Construction	0	0.0	1	1.9
Housing Management	1	100.0	0	0.0
Other	0	0.0	11	20.8

^a Fourteen (15%) of the real estate programs that offer courses related to housing management also offer courses through continuing education taught by faculty members (8), instructors from national organizations (4), and other housing or real estate professionals (9).

Thirty of the 95 real estate programs include at least one course related to housing management. Nine of these programs include from two-to-seven courses. The most common course title is Property Management. The programs vary in emphasis, with 42 percent of the courses emphasizing residential, institutional, and commercial management, while 25 percent emphasize financial and

market analysis.

Only two real estate programs offer certification. Fifteen real estate programs had discontinued courses related to housing management. Of these fifteen, the reasons cited include: a) a shift to continuing-education programs (13), b) lack of demand by professionals (7), c) lack of student response (7), d) lack of qualified instructors (4), and e) lack of financial support (3).

Phase II

Procedure. The respondents for Phase II were officials associated with state housing finance agencies and with state departments of community affairs. The *Directory of State Housing Finance Agencies and Organizations Affiliated with CSHA* (1985) and the *National Directory of State Agencies* (Wright and Allen, 1982) were used to identify the agency officials.

The questionnaire used in this phase was similar in format to the one used in Phase I. Agency respondents were first asked if their states currently required certification of housing managers. The remainder of the survey instrument was divided into two parts, both using multiple-choice and open-ended questions. For states requiring certification, Part A was designed to elicit information about the need and requirements for certification programs. Part B was designed for states that did not require certification at the time of the study. Respondents were asked if their states had previously required certification, why it was discontinued, and if there were plans to require certification in the future.

Copies of the questionnaire were mailed to 107 agencies: 54 housing finance agencies and 53 departments of housing and community development. The same data collection procedure was followed with Phase II as was followed in Phase I. A total of 32 questionnaires (63% response rate) were returned by housing finance agencies. Thirty-six (68% response rate) questionnaires were completed and returned by the departments of housing and community development. At least one response was received from the District of Columbia and from all states except Kentucky.

Findings. None of the 49 states has ever required, currently requires, or plans to require certification of housing managers in the future. The District of Columbia requires certification of property managers of subsidized and privately owned and managed rental units. At least five states require a real estate license for property managers who manage property for a second party. Officials from six states perceive a need for certification of property managers. These states are Connecticut, South Carolina, Oklahoma, Minnesota, Tennessee, and New York. The following are reasons given in support of certification: a) to provide more professionalism and economy in housing, b) to insure a high standard of management quality, c) to obtain more qualified managers, and d) to increase managers' knowledge and comprehension of laws governing housing and housing management.

These two surveys provided a background for the housing faculty at Virginia Tech as they discussed future directions of the housing program. It was apparent that most courses offered in property management are within business curricula. Because states are not requiring certification, a beginning curriculum in property management would not need to offer certification immediately.

THE DEVELOPMENT OF THE CURRICULUM.

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For several years, the housing faculty at Virginia Tech met regularly to discuss how to strengthen the housing program within the department. Competencies expected of graduating students were identified, and new courses planned. A course outline was developed for a basic course in housing management. The class itself was first offered during the fall of 1984 in anticipation of the results of the survey.

The members of the housing faculty at Virginia Tech believed that a focus in residential property management at the undergraduate level was timely. Supported by department and college administrators, the housing faculty decided to expand course offerings and to develop a housing management option. Their decision was based on: a) the acute need for housing managers in Virginia, according to officials from housing management firms throughout Virginia and from the Virginia Housing Development Authority (VHDA), b) the desire to provide graduates with a bachelor's degree in housing with a broader range of employment opportunities, c) the success of former students employed in the housing management field, and d) the likelihood that in the future, IREM would probably require certified property managers to have a college degree.

An advisory board was appointed in 1984, consisting of members of VHDA and property management firms in Virginia and neighboring states. This board met with the housing faculty to advise in the development of the housing management curriculum. The board also offered financial support at this time.

The program was approved by the Virginia Polytechnic Institute and State University in April, 1985. The board continues to meet with the housing faculty members to advise on the property management program and to lend support for hiring students for internships. The board members solicit financial support for scholarships for students, in-service training for faculty, and the purchase and development of curriculum materials (Goss, Wells, Day, and Thee, 1987). The present goal of the advisory board is to establish an endowed chair.

On a recommendation from the advisory board, a name change from Housing Management to Residential Property Management was sought and approved, to become effective with the university semester changeover in September, 1988.

The present curriculum includes a broad base of courses from housing, business, arts and sciences, and other supportive areas. The department offers three housing management courses-- Residential Property Management I and II and Managing Housing for the Elderly. All students participate in an internship, usually during the summer between the junior and senior year. Many students, however, also intern during the summer between the sophomore and junior years.

CONCLUSIONS

Career opportunities for students majoring in housing management at the undergraduate level appear to be excellent. A nationwide survey study, however, shows that colleges and universities are doing little to prepare students for a career in residential property management. The study also shows that no state requires, nor expects to require, certification of property managers, even though several states indicate a need for certification, and the District of Columbia requires certification of property managers for both government subsidized apartments and privately owned and managed rental units. In addition, the U.S. Department of Housing and Urban Development (HUD) requires certification of public housing managers of complexes containing 75 or more units. An option in residential property management has been initiated in the HIDM Department at Virginia Tech, and is supported by university officials and housing professionals in

the state of Virginia.

For housing professionals interested in establishing a residential property management curriculum, the need for such a program appears to exist. To initiate such a plan, the housing faculty at Virginia Tech, on the basis of this start-up experience, offers four recommendations: a) investigate the need for housing managers within the state before deciding to develop a curriculum in housing management, b) seek support of college administrators and housing professionals before undertaking the development of the curriculum, c) include a broad base of courses in the residential property management curriculum, and d) form an advisory board to help in the endeavor. If these recommendations are followed, the development of a residential property management program can be rewarding.

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