



James Steintrager
Telephone: (510) 987-9983
Email: james.steintrager@ucop.edu

Chair of the Assembly of the Academic Senate
Faculty Representative to the Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

December 14, 2023

**KATHERINE S. NEWMAN
PROVOST AND EXECUTIVE VICE PRESIDENT
UNIVERSITY OF CALIFORNIA**

Re: Approval of Master of Real Estate Development (MRED) at UCLA

Dear Katherine:

In accordance with the *Universitywide Review Processes For Academic Programs, Units, and Research Units* (the “Compendium”), and on the recommendation of CCGA, the Academic Council has approved UCLA’s proposal to establish a Master of Real Estate Development (MRED) self-supporting graduate and professional degree program.

Because this is a new degree title, and the Assembly of the Academic Senate is not meeting within 30 days of CCGA’s approval, Council must approve the program per Senate Bylaw 125.B.7.

I am enclosing CCGA’s report on its review of the new program, and respectfully request that your office complete the process of obtaining the President’s approval.

Sincerely,

James Steintrager, Chair
Academic Council

Cc: Academic Council
Institutional Research and Academic Planning Analyst Procello
UCLA Senate Executive Director de Stefano
Executive Director Lin

**COORDINATING COMMITTEE ON GRADUATE AFFAIRS (CCGA)**

Dean J. Tantillo, Chair
deanjtantillo@ucdavis.edu

ACADEMIC SENATE

University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

December 7, 2023

ACADEMIC SENATE CHAIR JAMES STEINTRAGER

Dear Chair Steintrager,

On November 6, CCGA met and reviewed the proposal from the Los Angeles campus for a self-supporting Master of Real Estate Development. After discussion, the proposal was approved 8-0-2.

The MRED program aims to train real estate development professionals who can respond to the urban challenges and opportunities of the twenty-first century. The program covers the fundamentals of real estate development, economics, finance, and law. MRED will draw on Urban Planning and UCLA faculty expertise in the areas of planning and design, urbanization and urban growth, urban and local politics, land use regulations and planning, climate change adaptation and mitigation, development with social and environmental benefits, environmental review and community engagement processes, infrastructure and big data, and global comparative practice. Their mission is focused on excellence in research, teaching, community contributions, inclusive urbanism, social justice, and progressive ideals.

Four reviewers agreed to review the proposal; two were from other UC campuses, and two were from other universities. All the reviewers are experts in the area of expertise related to MRED. All of the reviewers were in favor of approving the proposal.

UCPB also reviewed the proposal and found it financially sound and well-grounded. A copy of the UCPB report is attached.

As you know, CCGA's approval is the last step of the Academic Senate side of the systemwide review and approval process except when the new degree title must be approved by the Academic Council. I submit this for your review; please do not hesitate to contact me if you have questions regarding the proposal.

Sincerely,

A handwritten signature in green ink, appearing to read "J. Tantillo".

Dean J. Tantillo
Chair, CCGA

c: Steven Cheung, Academic Senate Vice Chair
Monica Lin, Academic Senate Executive Director
Michael LaBriola, Academic Senate Assistant Director
CCGA Members
Chris Procello, Academic Planning and Research Analyst
Susan Ettner, UCLA Dean of Graduate Education
April de Stefano, UCLA Academic Senate Executive Director
Emily Le, UCLA Academic Senate Analyst

DATE: December 6, 2023

TO: Dean Tantillo, CCGA Chair

FROM: Jeff Schank, CCGA Member

SUBJECT: CCGA Review of the Proposal for a Master of Real Estate Development (MRED) SSGPDP from UCLA

The Co-Leads on the proposal are:

Vinit Mukhija
Professor, Department of Urban Planning
Luskin School of Public Affairs, University of California, Los Angeles (UCLA)

Chris Tilly,
Professor, Department of Urban Planning
Luskin School of Public Affairs, University of California, Los Angeles (UCLA)

Loukaitou-Sideris
Distinguished Professor of Urban Planning
Interim Dean, Luskin School of Public Affairs (UCLA)

The MRED program aims to train real estate development professionals who can respond to the urban challenges and opportunities of the twenty-first Century. The program covers the fundamentals of real estate development, economics, finance, and law. MRED will draw on Urban Planning and UCLA faculty expertise in the areas of planning and design, urbanization and urban growth, urban and local politics, land use regulations and planning, climate change adaptation and mitigation, development with social and environmental benefits, environmental review and community engagement processes, infrastructure and big data, and global comparative practice. Their mission is focused on excellence in research, teaching, community contributions, inclusive urbanism, social justice, and progressive ideals.

MRED is a one-year, full-time, 44-unit degree program (see Table 1.1 of the proposal). MRED starts with an optional and free one-week skills boot camp taught remotely, consisting of two

modules designed to refresh or provide students with basic background and technical skills to help them with the program's courses. The main curriculum consists of 7 in-person core courses covering the fundamentals of real estate development and two in-person electives on special topics in real estate. A 2-quarter capstone development processes practicum provides practical skills and functions as the degree's capstone requirement (see Table 1.1 of the proposal). The first quarter will meet in person, while the second will meet remotely (in the summer). Thus, students will need to reside in Los Angeles only for three quarters: Fall, Winter, and Spring.

For admissions, students are expected to have two to three years of real estate and urban development experience, with some having first professional degrees and may have less work experience. All students are expected to meet UCLA's minimum requirements. Their current Master of Urban and Regional Planning (MURP) is rated the country's most diverse top-ranking planning program. Their students are 68% of students of color, and 39% come from underrepresented backgrounds. Their aim is for MRED to be at least as diverse.

The proposed initial tuition is \$85,000 for the first year (2025-2026) and will increase to \$95,688 by the fifth year. The target enrollment for fall 2025 is 25 students until they reach 40 by year four. They propose to use 10% of their gross revenue to offer 50% fellowships to 20% of each cohort. They will use Eugene V. Cota Robles fellowships criteria in selecting awardees. They also aim to (i) fund-raise for fellowship commitments and (ii) seek donors and industry sponsors to match their 50% fellowships.

Four reviewers agreed to review the proposal; two are from other UC campuses, and two are from other universities. All the reviewers are experts in the area of expertise related to MRED. The reviewers were:

1. Weiping Wu, Vice Provost for Academic Programs, Director of the M.S. in Urban Planning program at GSAPP, Columbia University, Graduate School of Architecture, Planning and Preservation, 1172 Amsterdam Avenue, New York, New York 10027, weiping.wu@columbia.edu.
2. N. Edward Coulson, Professor, UCI Paul Merage School of Business, University of California, Irvine, Irvine, CA 92697, ncoulson@uci.edu.
3. Margaret Crawford, Professor of Architecture and Urban Design, College of Environmental Design, University of California, Berkeley, 230 Bauer Wurster Hall #1820 Berkeley, CA 94720-1820, mcrawfor@berkeley.edu.

4. Richard Peiser, Michael D. Spear Professor of Real Estate Development, The Department of Urban Planning and Design, Harvard University, Cambridge, MA 02138, rpeiser@gsd.harvard.edu.

While Reviewer #1 finds the proposal “thoroughly researched and developed,” she has concerns similar to those of the UCLA Academic Senate Council on Planning & Budget. There may be a misalignment of MRED’s social mission with the program’s finances. In particular, the high tuition and limited return on aid may not allow them to achieve their social mission. In response, the proposers calculated a low debt-to-income ratio of 0.63, which they state is “considered the standard for well-compensated programs.” They also state that in addition to 10% of the program cost used for return-to-aid to support 20% of cohorts at 50%, the Department will return 10% to MRED, which will likely be used for student fellowships. They also aim to increase their return-to-aid to 20% by year 5 through fundraising and engaging external stakeholders and donors for matching funds.

Reviewer #2 states, “I do very much endorse this proposal, notwithstanding some comments below. There is room in the market, for a program at this price point, especially if there is a commitment to financial aid for the best prospects.” Reviewer #3 states, “Overall, the proposal is well constructed, very thorough, and addresses most of the questions that need to be answered for a new program like this. I don’t see any reason for this program not to go ahead, especially since it is self-supporting.” Reviewer #4 states, “I believe the proposed program will be very successful and has a strong foundation and the commitment by faculty and sister schools to thrive.” In addition to issues of affordability and fellowships, questions were raised regarding program identity, curriculum, and balancing conflicting demands in the proposed program, such as the imbalance in pay between senate faculty and adjunct faculty and concerns about the tuition difference between MURP students and MRED students. The proposers provided detailed and reasonable responses to the issues raised by the reviewers. Finally, the proposal was endorsed by UCPB.

Sincerely



Jeffery Schank
CCGA Member
Chair Graduate Council, UC Davis



UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
Donald Seneear, Chair
dfseneear@uci.edu

Assembly of the Academic Senate
1111 Franklin Street, 12th Floor
Oakland, CA 94607-5200
Phone: (510) 987-9466
Fax: (510) 763-0309

November 13, 2023

**DEAN TANTILLO, CHAIR,
COORDINATING COMMITTEE ON GRADUATE AFFAIRS**

RE: UCLA MASTER OF REAL ESTATE DEVELOPMENT

Dear Dean,

UCPB appreciates the opportunity to comment on the proposed UCLA Department of Urban Planning's Master of Real Estate Development (MRED) self-supporting degree program. The program will offer professional education in real estate development contextualized within the broader perspective of urban development. The proposal cites limited opportunities for such training at top universities, including only one program within the UC system, a UC Berkeley, program that has a different focus. The program will focus on urban real estate development, intending to educate students with abilities and interests in careers in urban renewal, sustainability, and affordable housing. UCPB members expressed doubt that students paying tuition at the higher end for a self-supporting program would be likely to pursue socially minded real estate development rather than high-end real estate careers. However, other reviewers have expressed this concern and UCPB focused primarily on the financial justifications for and projections of the proposal.

UCPB understands the proposed campus indirect rate cost (IDC) to be the standard rate charged to self-supporting programs at UCLA but wonders whether it is sufficient to cover all indirect and hidden costs. Space needs will be met through the use of existing classroom space in the Luskin Public Affairs Building. Surplus funds generated by the program would primarily return to the department. The proposal does not indicate the purposes for these funds; however, a separate letter from the Dean notes that it would fund student scholarships and graduate education in the Department of Urban Planning. There might be a disconnect between this intention and the plan to make only 24% appointments for the graduate TA's who will support the program's courses. Some funds will be used to renovate shared space in the Public Affairs Building and add courses and guest lectures to address topics not otherwise offered. Though not specifically stated in the proposal, we infer that these will be available to students outside the program and so be of broad benefit to the campus.

Thirty percent of the instruction will be delivered by Senate faculty, with the balance of instruction resting on practitioners and industry experts. This is in line with other professional programs in the school. Senate faculty will teach on overload. The program anticipates that program students will

select some electives from state-supported courses offered by the Dept of Urban Planning or related units such as Law, Public Policy and Social Welfare. The program offers generous compensation for such enrollment. UCPB presumes that this will be used to enhance these courses for state-supported students, but how is not outlined in the proposal.

The proposal notes the diverse student body at UCLA as evidence that programs at the campus have demonstrated knowledge in attracting diverse student pools. This, in concert with the urban real estate development focus, was held to address any concerns about diversity. Committee members noted that the price point of the program may work against such claims, even though ten percent of gross receipts will be returned as aid, providing 50 percent fellowships to twenty percent of the class. The cost of the program is below comparable ones at private institutions including USC, although higher than the existing program at UC Berkeley. Market analysis appears to support the proposal's viability in terms of student demand. The program expects to enroll a significant number of international students, though less than half of the class.

The program appears to be budgetarily sound, and likely to be self-supporting. UCPB recommends a higher portion of gross revenue go to RTA, and that the program be evaluated on both the diversity of the admitted student body as well as careful tracking and evaluation of graduate's career paths.

On balance, UCPB finds this to be a well-developed proposal and endorses the proposed Master of Real Estate Development.

Sincerely,

A handwritten signature in cursive script that reads "Donald Felt Senear".

Donald Senear, Chair
UCPB

Attachment
cc: UCPB

UCPB Proposed Self-Supporting Professional Degree Program Review Template

Name and Location of Program: Master of Real Estate Development at UCLA

Lead reviewer(s): Kevin Mitchell (UCM)

Academic justification: There are limited opportunities to pursue professional education in real estate development at top universities. Furthermore, this program will contextualize real estate development training within the broader urban development perspective.

Planning and Budget overview:

1. Proposed initial tuition and any rate of increase: \$85,000 for 2025-2026 (first cohort)

2. Target enrollments for years 1-3:

25	30	35
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Steady state of 40.

3. Projected net revenues for years 1-3:

1,912,500	2,352,375	2,813,048
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(See page 217 of proposal PDF. This is gross revenue minus financial aid.)

4. Proposed indirect cost rate (IDC):

26% (OP Overhead rate, from page 219. This is apparently not actually charged by UCLA.)

UCLA "Recharges & Taxes" as % of Net Revenue:

Years 1,2,3: 11.8%, 13.9%, 16.7% (Eventually capped at 25%, with 75% going to Department of Urban Planning.)

Detailed areas of review:

5. How was the proposed IDC rate determined?

OP Overhead Rate: 26% if program is on campus; 13% off campus; 13% online

UCLA Tax includes Dean, department, and central admin recharge.

Does the proposed rate appear to cover all indirect costs (facilities, IT, etc.)?

Yes, detailed on page 218.

What are the space needs of the program?

About three offices for the director and staff, plus classroom space in Luskin Public Affairs Building (PAB).

6. What are the proposed uses of net revenues?

At least 75% of net revenues (gross revenue minus financial aid) will be returned to the department to support the program and generate a surplus for the department, but how this surplus would be spent did not appear to be specified in the proposal (Page 59). However, the letter from the Dean of the Luskin School does state that the surplus would primarily fund student scholarships and graduate education in the Department of Urban Planning.

How will they supplement [enhance] state-funded programs?

Presumably any surplus going to the Department of Urban Planning will strengthen their state-funded programs. Nothing specific could be found about this in the proposal. However, there is considerable discussion of how the SSPDP will support the campus as a whole (pages 30-31). Specifically, 1. Nine new courses will be offered that will provide new perspectives on real estate development-related topics, not currently addressed in UCLA's curriculum; 2. Guest lectures and seminars on real estate and urban development will be organized; and 3. \$300,000 will be used to renovate shared and classroom space within the Public Affairs Building.

Are there other ways that the program, if successful, will benefit the UC mission (e.g., filling a need not covered by state-supported programs)?

Yes, this program would only be the second such system within the UC system, the other being Berkeley, and the Berkeley program is oversubscribed and has a different focus.

7. How are any potential negative impacts on state-funded programs and the research mission of the UC mitigated?

There was no explicit discussion of this found.

8. Describe disposition and compensation of **faculty** serving the program. What is the proposed ratio of UC Senate faculty to non-UC adjunct faculty?

At least 30% of the instruction (4 of 13 courses) will be taught by Senate faculty, but most instruction (at most 70%) will be taught by practitioners, i.e. industry experts (as lecturers and potentially formal adjuncts.)

For the former category, differentiate between ladder rank and P/LSOE.

P/LSOEs are not explicitly mentioned. The implication is that research Senate faculty will be doing the teaching, since "the topic of elective courses will correspond to the Senate faculty's cutting-edge research interests" (page 42.)

How will UC Senate faculty be compensated? On-load (i.e., course buyout), overload, or some combination thereof?

Faculty will be compensated with 1/9 of their 9-month salary, with a floor of \$25k and ceiling of \$33k, for teaching a full course and 2/3 of this for co-teaching a course. It will be taught as an overload.

9. Describe how the program will ensure accessibility and encourage diversity. Note: these concerns may be addressed through return-to-aid used for need-based fellowships, although programs may address accessibility and diversity in a variety of ways and UCPB does not set a standard return-to-aid percentage.

Return to aid is 10% of gross. This will be used to give 50% fellowships to one-fifth of the class. The department also cites their already diverse student body and faculty as a testament to their ability to recruit a diverse cohort. Also, in their curriculum, the program has adopted a focus on urban development as the context and outcome of real estate decision-making, which the department believes will attract a more diverse and socially committed cohort.

10. Describe the market analysis used to justify demand and price point for the proposed program.

The market analysis was robust and data driven. It focused on three factors, roughly summarized as: 1. Existing comparable programs in the US, 2. Student demand, 3. Employer demand for program graduates. (page 230)

The price point was based on that of peer institutions offering similar degrees. The closest comparable is UC Berkeley's program with a current cost of \$78,500, which was the lowest in the peer group (page 231). The UCLA cost of \$85,000 for an initial 25-26 cohort seems reasonable and is below comparable private institutions. Program cost was also compared to future earnings, with a debt-to-income ratio of 0.63, below the standard of 1.0.

Will the program compete with others in the system?

The only comparable program is UC Berkeley's Master of Real Estate Development + Design (MRED+D), started in 2018. Berkeley's program has been very successful, and demand has far exceeded capacity. (It has about a 33% acceptance rate, with 70% of admitted students enrolling; class size is about 40-45.) Thus, there appears to be ample demand to support another program at UCLA, with a slightly different educational focus.

What are projected percentages of California resident, domestic non-resident, and international students in the program?

A specific projection of these numbers does not appear to be included. However, the program will recruit both nationally and internationally. It is expected to have a significant population (though less than half) of international students.

11. Describe relevant consultation and assessment from lower levels of review, external assessments of the proposal, and the like.

The UCLA CPB voted unanimously to approve the proposal, but it did have some concerns (page 9), mostly about the alignment of the stated social mission of the program with the reality of it attracting students going in to high-paying, corporate real estate careers. There was also some

concern that there may be some conflicts within the School, as well as between the School and the Anderson School of Management.

Overall support of the program seems strong. (The Department voted 20 to 1 to approve.) There are numerous letters of support from UCLA deans, peer institutions, and industry representatives.

12. Any other planning and budget concerns?

No

13. Any academic-quality or related concerns to flag for CCGA?

No

14. Are there specific areas of concern that the mandated review after the third year of operation ought to capture?

In light of concerns about the social impact of the program, a review of the socioeconomic diversity of the student body as well as an analysis of employment outcomes (e.g. in high-end real estate vs. affordable housing) would be worth undertaking. Reconsideration of the percent of return-to-aid should also be undertaken to encourage more lower-income students to participate.

Conclusions and recommendation:

Overall, this is a thorough and well thought out proposal. The financials appear solid and the program is likely to be sustainable and even lucrative. There appears to be an unmet need for this program in Southern California. UCPB should endorse this proposal.