

**SUMMARY**  
**Degree and Academic Programs**  
**June 7, 2022**

**Actions**

Attached: Materials prepared for approval by the State Council of Higher Education for Virginia (SCHEV)

**Pamplin College of Business**

Approve New Department of Real Estate

## **Summary Information – Organizational Change – Establish New Academic Unit**

### **Action: New Department of Real Estate in the Pamplin College of Business**

Virginia Tech requests approval of an organizational change to establish the Department of Real Estate. The school would be located in the Pamplin College of Business. The proposed effective date is November 1, 2022.

The establishment of the Department of Real Estate will:

1. Align the real estate programming and faculty members with the administrative structure of the other departments in the Pamplin College of Business and thereby, create a clear organizational structure for recruiting talented and diverse new tenure-track faculty members
2. Demonstrate to prospective students and faculty the institution's commitment to the Real Estate programming and allow Virginia Tech to remain competitive with its peers

Board of Visitors  
June 6-7, 2022

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**Institution**

Virginia Polytechnic Institute and State University (Virginia Tech)

**Nature of Proposed Change**

Virginia Tech requests the approval to establish the Department of Real Estate in the Pamplin College of Business.

**Background**

During the summer of 2021, administrators in the Pamplin College of Business and faculty members in the Bachelor of Science (B.S.) in Real Estate degree program held meetings to discuss the history, current state, and vision for the future of the degree program as part of the college portfolio. During the discussions, it was noted that the degree program is an active degree program that exceeds the program productivity standards set forth by the State Council for Higher Education in Virginia (SCHEV). It was also noted that the college intends to strengthen and support additional growth in the real estate program in the college. As a result, the need to establish the proposed Department of Real Estate became central to the future trajectory and health of the program and college.

Since its inception in 2013, the B.S. in Real Estate degree program at Virginia Tech has included collaborative efforts across the institution. The degree program is currently housed in and administered by the Pamplin College of Business as a college level degree program. In addition to the courses provided by the Pamplin College of Business, a Memorandum of Understanding (MOU) is in place with the College of Agriculture and Life Sciences, the College of Architecture and Urban Studies, the College of Engineering, and the College of Liberal Arts and Human Sciences to provide additional courses for the degree program. Due to the existing MOU involving the four other colleges, the Pamplin College of Business administrators contacted the other college deans' offices to determine if there were any concerns and/or objections to the creation of a new Department of Real Estate in the Pamplin College of Business expressly responsible for administering the B.S. in Real Estate degree program. Finding no concerns, the faculty members and the Pamplin College of Business administration unanimously approved the proposal to establish the new Department of Real Estate.

**Purpose of Proposed Change**

The purpose of the proposed organizational change is to establish an academic unit solely responsible for the administration and oversight of real estate programming, research, and resources in the Pamplin College of Business at Virginia Tech.

**Mission**

The proposed organizational change will not alter the university's mission. The mission of Virginia Tech states:

Inspired by our land-grant identity and guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech is an inclusive community of knowledge, discovery, and creativity dedicated to improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world.

The proposed new department will align with the mission of Virginia Tech. The department will support the institution's mission to be a "community of knowledge" by providing a centralized location for all real estate students and faculty members to collaborate. The department will serve to focus the existing faculty and student 'knowledge' and 'discovery' efforts in the real estate field.

### **Rationale for Proposed Change**

The proposed new Department of Real Estate will provide a formalized administrative unit within the Pamplin College of Business to house the academic and research efforts in real estate. The new department is needed and will help the college in two ways.

#### Create Clear Organizational Structure

The establishment of the proposed Department of Real Estate will signal to potential faculty members that the Pamplin College of Business is committed to the field of real estate. The proposed new department will align the real estate programming and faculty members with the administrative structure of the other departments in the Pamplin College of Business. The organizational structure of the department is important for the real estate program because all other programs in the college are seated within a department and receive allocations from the college for financial and faculty resources.

The proposed new department will also provide clear organizational structures for recruiting talented and diverse new tenure-track faculty members. A department will indicate to prospective faculty that the college is committed to both academic programming and research programming in the field of real estate. Recruiting faculty members with active research agendas in the field of real estate is fundamental to maintaining a cutting-edge academic program in real estate.

#### Remain Competitive with SCHEV Peers

In the summer of 2021, real estate faculty members examined real estate programs at its SCHEV peer institutions to see if departments of real estate existed and offered similar academic content as that offered at Virginia Tech. Among peer institutions, six (6) offer similar standalone undergraduate degree programs in real estate. Of those, two (2) institutions have an academic unit specifically called a 'department' as the unit administering the degree program. The other 4 institutions have a 'center' for the real estate program that appears to function in a similar role as a department/academic unit in administering the program. Centers do not serve as academic units or administer academic programs at Virginia Tech.

Having a standalone academic unit that includes the term 'real estate' and is designated for real estate programming can be interpreted by students as an indicator of the strength of the program and the commitment of the institution to the students in the program. The new department is needed so that the institution may remain competitive among peer institutions that have similar academic programming and academic units dedicated to real estate programming.

Appendix A presents the existing organizational structure of the college.

Appendix B presents the organizational structure of college after the new department.

Appendix C presents a list of departments at SCHEV peer institutions.

### **Academic Programs**

The proposed Department of Real Estate will administer the B.S. in Real Estate degree program and the Real Estate minor.

### **Space**

The physical space currently utilized by the Real Estate Program is adequate for the establishment of the proposed Department of Real Estate. There is a new building that is currently under construction and, once complete, will serve as the future home for the proposed new department. There is adequate office space for the new faculty hires in the existing space and in the new space.

### **Resources/Budget**

The proposed Department of Real Estate will be funded through the central budget of the Pamplin College of Business. As part of the annual budget development process, the college's finance team will allocate funding from the Pamplin College of Business' budget to the proposed Department of Real Estate. The Department Chair will oversee funding for the administration and operation of the proposed Department.

#### Administration

The administrative structure of the proposed Department of Real Estate will include a department chairperson. The chairperson will be a faculty member in the Real Estate Program and will serve as the principal administrator for the department. The department chairperson will be responsible for the overall management and oversight of the department to include all academic, research, and outreach programming and for administering the academic degree program and minor. The department chairperson salary is anticipated at \$241,710 and fringe benefits of \$85,324 for the faculty portion of the salary. As an administrative stipend, the chairperson will also receive additional compensation of \$38,368 in salary and \$13,544 in fringe benefits for a total salary of \$280,078 and \$98,868 in fringe benefits. The total anticipated salary and fringe benefits for the department chairperson is \$378,946. The funding for this position is currently in place for an existing real estate faculty member in the Pamplin College of Business.

#### Faculty

The proposed Department of Real Estate will house a total of nine (9) faculty members in the first three years (in addition to the faculty member serving as the department chairperson). Faculty will include three (3) existing full-time contract/term (instructional, non-tenure-track positions) faculty members and three (3) existing part-time contract/term (instructional, non-tenure-track positions) faculty members. The proposed department will also include two (2) new tenure-track faculty member hires and two (1) new contract/term (instructional, non-tenure track position) faculty member hires.

The three (3) existing full-time contract/term (instructional) faculty members currently teach in the Real Estate Program. The faculty positions and funding for the positions will be reallocated to the proposed department from the Pamplin College of Business. The anticipated salary and fringe benefits for each faculty member will remain the same as the current salary and fringe

amounts. Combined, the existing full-time faculty salaries are \$326,696 and fringe benefits are \$115,324 for a total of \$442,020.

The three (3) existing part-time contract/term (instructional) faculty members currently teach in the Real Estate Program at the Instructor level. The part-time faculty member positions and funding for the positions will be reallocated to the proposed department from the Pamplin College of Business. The anticipated salary for each Instructor will remain the same as the current salary. Combined, the existing Instructor salaries are \$46,500 and fringe benefits are \$12,276 for a total of \$58,776.

#### *New Tenure-Track Faculty Hire 1*

It is anticipated that in the first year of operation, one new faculty member will be hired to fill a new faculty position. It is anticipated that the faculty member will be hired at the assistant professor level in a tenure-track position. The faculty member will be expected to hold a doctorate degree in Business, Real Estate, Finance, Marketing, Economics, or a closely related field. Professional or academic experience in real estate is also required. The anticipated compensation for this position will be approximately \$160,000 in salary and \$56,480 in fringe benefits for a total of \$216,480.

#### *New Contract/Term (Instructional), Non-Tenure Faculty Hire*

It is anticipated that in the first year, one new contract/term (instructional) faculty member will be hired into a new non-tenure faculty position at the assistant professor level. The position will be shared equally with the College of Engineering with each college responsible for 0.5 FTE and will be a Professor of Practice. The faculty member will be expected to hold a Master of Science or Bachelor degree with substantial professional experience in Civil and Environmental Engineering or a closely related field. The faculty member will also be expected to possess or obtain licensure as a Professional Engineer (PE) as well as have professional experience or academic accomplishment in land development design, real estate development, and project management and knowledge of software tools currently used in these areas. The 0.5 portion of the anticipated compensation for salary will be \$50,000 and \$17,650 in fringe benefits for a total of \$67,650.

#### *New Tenure-Track Faculty Hire 2*

It is anticipated that in the second year of operation, one new faculty member will be hired to fill a new faculty position. It is anticipated that the faculty member will be hired at the assistant professor level in a tenure-track position. The faculty member will be expected to hold a doctorate degree in Business, Real Estate, Finance, Marketing, Economics, or a closely related field. Professional or academic experience in real estate is also required. The anticipated compensation for this position will be approximately \$160,000 in salary and \$56,480 in fringe benefits for a total of \$216,480.

#### Classified Staff

The proposed Department of Real Estate will employ four (4) classified staff positions. The staff includes academic advisors and administrative support.

The proposed Department of Real Estate will have two (2) full-time academic advisors to provide support for the students. These existing positions currently serve the Real Estate Program. The positions and funding for the positions will be reallocated to the proposed department from the Pamplin College of Business. The academic advisors will be responsible for activities such as student recruitment events, supporting students in developing and monitoring progress of plans of study, helping students choose and register for courses, and making student referrals to other institutional resources when needed. The anticipated salary for each position will be \$50,000 and fringe benefits of \$17,650 for a combined total of \$135,300.

The proposed Department of Real Estate will have a full-time marketing and communications coordinator. This position currently serves the Real Estate Program. The position and funding for the position will be reallocated to the proposed department from the Pamplin College of Business. The marketing coordinator will be responsible for activities such as developing and implementing marketing materials, periodic communications, educating potential students and their parents about the academic program and career opportunities, promoting students to industry for internship and career opportunities, and maintaining website and social media platforms. The anticipated salary will be \$52,500 and fringe benefits of \$28,077 for a total of \$80,577.

The proposed Department of Real Estate will have a full-time program support specialist. This position currently serves the Real Estate Program. The position and funding for the position will be reallocated to the proposed department from the Pamplin College of Business. The program support specialist will be responsible for activities such as assisting in administrative activities, managing the industry advisory board, and coordinating program events. The anticipated salary will be \$45,300 and fringe benefits of \$24,226 for a total of \$69,526.

#### Graduate Assistants

The proposed department will not utilize graduate students within the first three years of operation.

#### Student Workers

The proposed Department of Real Estate will have 5 student wage/worker positions. Student workers will be hired on an hourly basis to assist with operational and administrative tasks. Hourly rates for student wage workers are typically \$12.00. Student wage/worker positions are not eligible for fringe benefits. The total available budget for student worker salaries for all 5 positions will be \$21,000.

#### Miscellaneous

There will be an initial expenditure of \$27,500 to be utilized for the purchasing of stationary, business cards, signage (internal and external to the building), and faculty search ads associated with the creation of the proposed new department. The department intends to conduct faculty

searches in years 1 and 2 of operation. All miscellaneous costs will be covered by the Pamplin College of Business.

One-time costs during the first year of operation include signage, print materials, and 75% of the costs associate with the new faculty searches (i.e., \$18,750). One-time costs during the second year of operation include the remaining 25% of the costs associated with the new faculty searches (i.e., \$6,250).

Signage	\$ 2,000
Print Materials (stationery, business cards, etc.)	\$ 500
Faculty Search Ads	\$25,000
<b>Total</b>	<b>\$27,500</b>

#### Sustainability

Resources to support the proposed department will be reallocated from the Pamplin College of Business. The college will reallocate resources from the central college budget and the college's existing Virginia Tech Foundation funds to cover all costs associated with the creation of the proposed new department including resources to support miscellaneous costs and new faculty hires. Website changes will be made as a part of duties and responsibilities of existing staff.

Virginia Tech and the Pamplin College of Business have adequate and sufficient resources to establish and operate the proposed new department. No new resources will be requested from the state to establish and or maintain the proposed organizational change for a new Department of Real Estate.

#### Budget

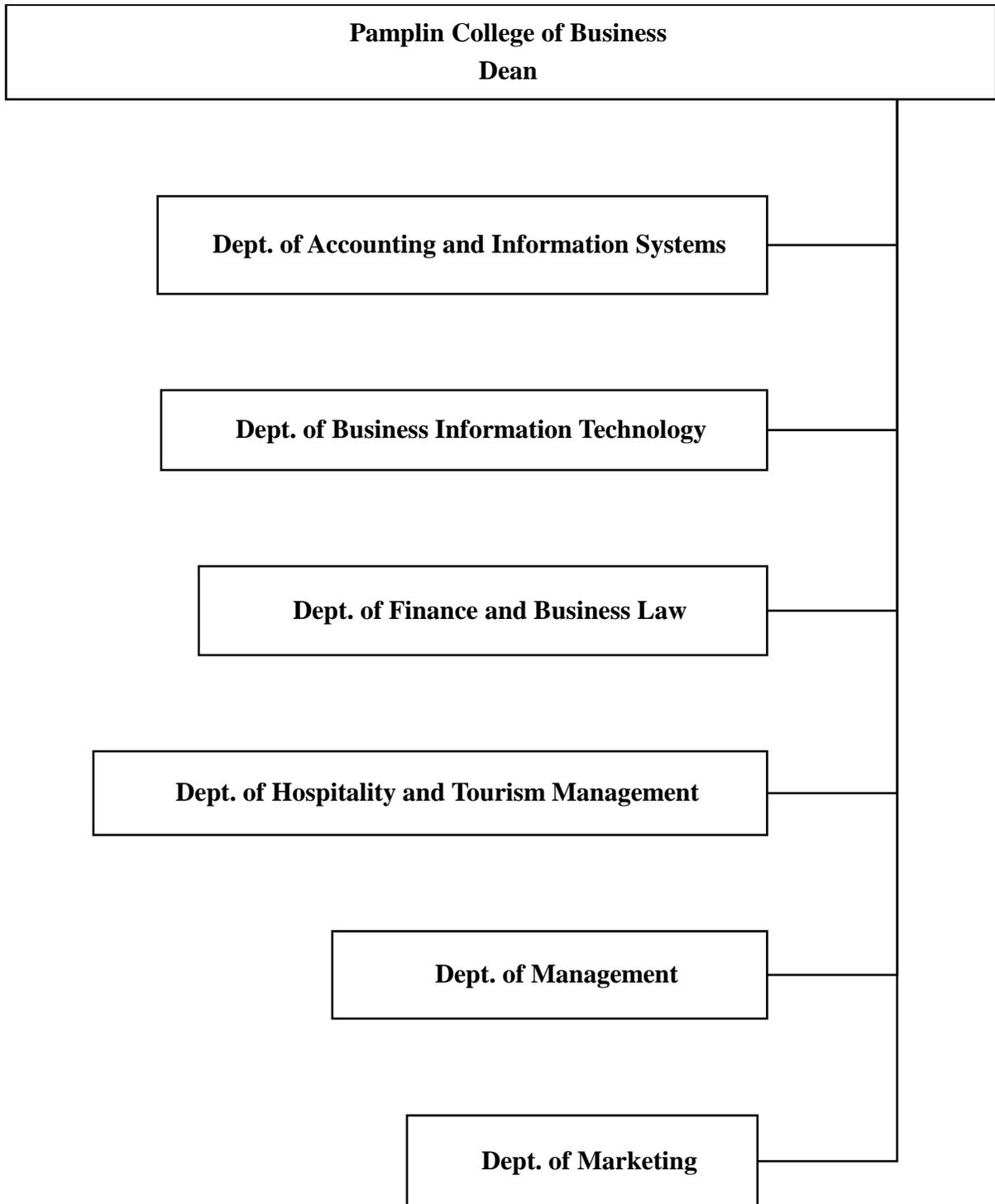
The proposed department budget presents proposed expenditures for the first three years of the Department of Real Estate. Personnel costs will include hiring three (3) new faculty members. All the costs associated with miscellaneous items have been included in the budget.

## New Academic Unit - Proposed Name: Department of Real Estate

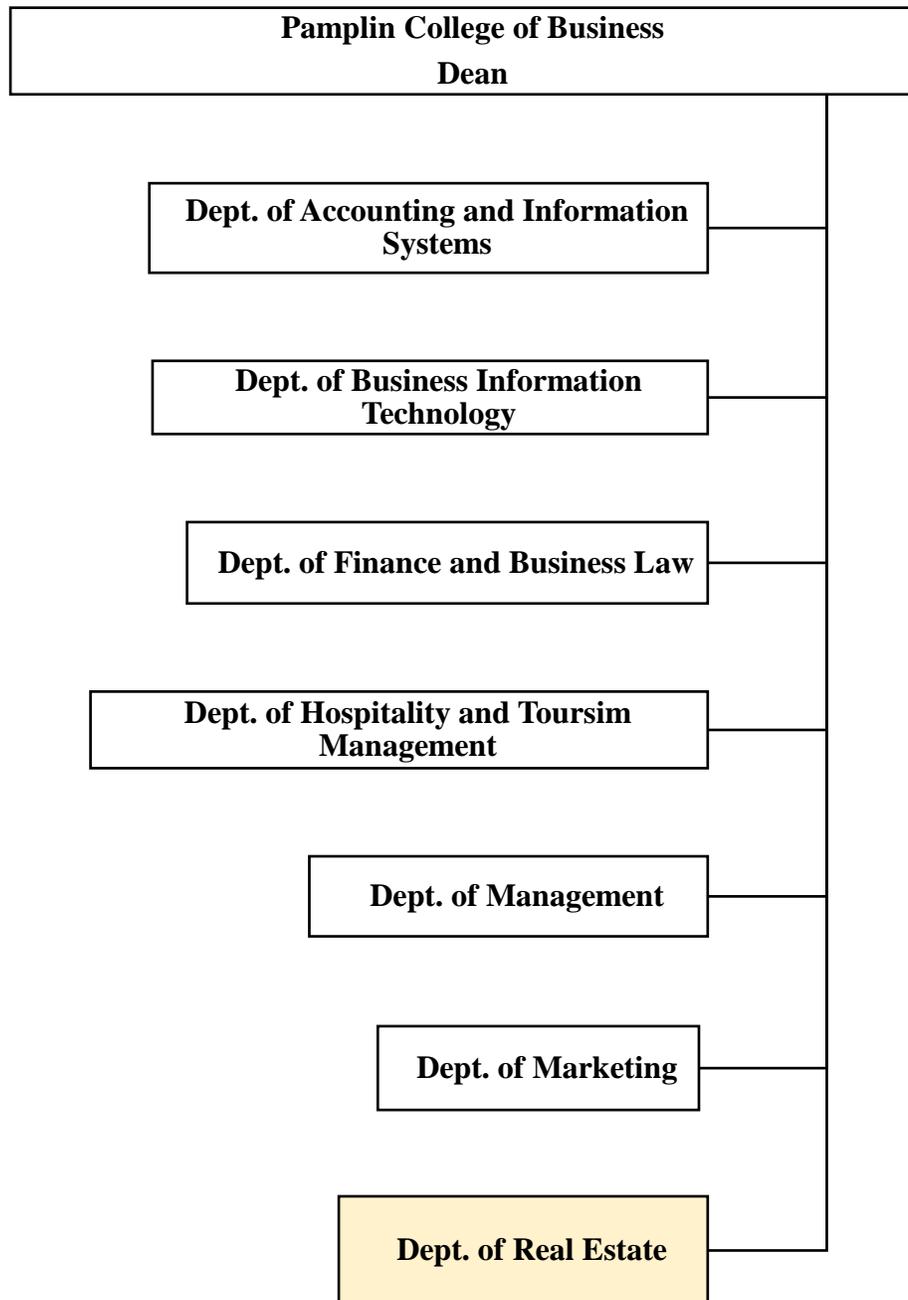
Expenditure Category	Proposed Budget			
	HDCT	2022 - 2023	2023 - 2024	2024 - 2025
<b>Personnel Salary</b>				
Department Chairperson	1	\$280,078	\$280,078	\$280,078
Fringe Benefits		\$98,868	\$98,868	\$98,868
Academic Advisor	2	\$100,000	\$100,000	\$100,000
Fringe Benefits		\$35,300	\$35,300	\$35,300
Marketing and Communications Coordinator	1	\$52,500	\$52,500	\$52,500
Fringe Benefits		\$28,077	\$28,077	\$28,077
Program Support Specialist	1	\$45,300	\$45,300	\$45,300
Fringe Benefits		\$24,226	\$24,226	\$24,226
Faculty	9	\$583,196	\$743,196	\$743,196
Fringe Benefits		\$201,730	\$258,210	\$258,210
<b>Personnel Subtotal</b>	14	\$1,449,275	\$1,665,755	\$1,665,755
<b>Student Support</b>				
Student Helpers Workers	5	\$21,000	\$21,000	\$21,000
Graduate Teaching Assistant				
Graduate Research Assistant				
<b>Student Support Subtotal</b>	5	\$21,000	\$21,000	\$21,000
<b>Operating Expenses</b>				
Office Supplies		\$13,095	\$13,095	\$13,095
Instructional Supplies		\$10,000	\$10,000	\$10,000
Travel		\$10,000	\$10,000	\$10,000
Marketing		\$17,000	\$17,000	\$17,000
Conference/Professional Development		\$800	\$800	\$800
Other Costs		\$27,500	\$6,250	
<b>Operating Expenses Subtotal</b>		\$78,395	\$57,145	\$50,895
<b>Total</b>	19	\$1,548,670	\$1,743,900	\$1,737,650

## **Appendices**

Appendix A  
Current Organizational Structure



Appendix B  
Proposed Organizational Structure



Appendix C  
Departments at SCHEV Peer Institutions

<b>Institution</b>	<b>Department/Unit</b>
Ohio State University	Center for Real Estate*
University of Colorado – Boulder	CU Real Estate Center*
University of Texas at Austin	Real Estate Center*
University of Southern California	Center for Real Estate*
University of Washington – Seattle	Runstad Department of Real Estate
University of Wisconsin – Madison	Department of Real Estate and Land Economics

\*Appears to function in similar role as a department/academic unit.