

**REAL ESTATE EDUCATION AND REAL ESTATE
DEVELOPMENT: TOWARDS REACHING THE GOALS OF
EMERGING TRENDS IN SRI LANKA**

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Introduction

The globalizing economy and the popularity of information technology, the more crucial issue facing real estate education today is its relevance to the profession as well as to the so-called new knowledge-based economy. Both curricula and the method of its delivery should have room for these magnificent changes. New philosophical changes such as life-long learning, problem-based learning and creative and rational thinking will heavily influence the development of the real estate education as well.

To meet the challenges of these transformations both academic institutions as well as professional bodies need to scrutinize the type of real estate graduate with required competencies and the education that will give the preferred out come. In the transformation into this new environment, universities play a key role in producing graduates who can flourish in fast-moving competitive and changing environment.

On the other hand real estate education plays an important role in a country's physical and economic development (Lim 1992). It provides the necessary manpower for the development, use and management of built environment (Yu Shi-Ming 2001).

This article examines the real estate education in the context of this new era of development in Sri Lanka. Specifically it outlines the new paradigms for real estate education in answering the questions of what knowledge and skills should be transmitted and how should these be taught.

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Real Estate Education in Sri Lanka- An overview

The origin of the profession of estate management can be traced back to the mid 1920s, when the Government Assessor was appointed to make assessments for both local and central government. As per the recommendations made in the Soulbury Commission during the British colonial administration and the appointment of a Sri Lankan as the Financial Secretary of then government had resulted in appointing first Sri Lankan (Mr. P.H. Wickramasinghe) as a Probationary Chief Valuer in mid 1940s. Immediately to his appointment he was sent abroad to follow a course of training in estate management, in the University of London. Thereafter he was appointed to the Post of Chief Valuer on February 1st 1948. During this time the lack of trained professionals in the field of valuation in the country was a noticeable issue and action was taken to resolve this situation, by commencing a course of studies, leading to a Diploma in Valuation at the Ceylon Technical College in early 1950s.

Since early 1951s the Ceylon Technical College has conducted a four-year diploma course in valuation at technician level. The course content is similar to that of the traditional estate management courses in the United Kingdom, although it has an indigenous orientation. Most of the diploma holders have been recruited at technician level as Valuation Inspectors in the Government Valuation Department or in the Municipal Assessor's Department of the Colombo Municipal Council. This diploma course was discontinued in the year 1983.

Real Estate Education at the University Level

Having recognized the need for strengthening the real estate education in the higher educational institutes an undergraduate course (B.Sc. (Special) Estate Management and Valuation Degree Program) was established at the university level in the year 1972. Accordingly the first batch (which is about 200) of students for B.Sc. Estate Management and Valuation (Special) Degree was enrolled to the University of Colombo in the year 1972. Afterwards in 1973 it was transferred to the University of Sri Jayewardenepura (USJP). The Faculty of Management Studies and Commerce (FMSC) of the University of Sri Jayewardenepura undertook this responsibility and established the Estate Management and Valuation Unit in 1973 under the Department of Business Administration of the FMSC and preceded up to 1986. Subsequently the Department of Estate Management and Valuation (DEMV) was established in 1986 in the same

faculty as a fully-fledged department to conduct relevant degree programs in real estate management and valuation to cater the development needs of the country.

The Department of Estate Management and Valuation (DEMV) in the University of Sri Jayewardenepura (USJP) is the pioneer higher education institute in Sri Lanka which deals with the graduate and post graduate education in real estate management and valuation. DEMV is one of the twelve departments of the Faculty of Management Studies and Commerce of the USJP. The department offers B.Sc. (Special) Degree in Estate Management and Valuation, Postgraduate Diploma in Real Estate Management and Valuation and Masters in Real Estate Management and Valuation.

These undergraduate and postgraduate programs are only in these kinds in Sri Lanka which provides competent professionals for real estate related careers and they are pioneer land-based professional courses commenced at the University level in Sri Lanka and still the sole degree programs in the field of real estate management and valuation in the country.

B.Sc. Estate Management and Valuation (Special) Degree is a four year fulltime program conducted in English medium. Current annual intake is around 50-65 students, who are directly selected by the University Grants Commission (UGC) based on their preference and performance of the GCE (Advanced Level) Examination. Over its period of existence to-date nearly 1200 graduates have been passed out thus contributing to a greater extent for the development of the real estate sector in the country for more than three decades.

Emerging Trends in Real Estate Sector in Sri Lanka

As per the report of World Bank, 2012 Sri Lanka has gained middle income status creating expectations of higher levels of living. Sri Lanka has since doubled its per capita income from US\$ 1062 in 2004 to US\$ 2,014 in 2008, increasing to \$2054 in 2009, US\$2399 in 2010 and US\$ 2836 in 2011. The Global Competitiveness Index 2011, prepared by the World Economic Forum, provides a more favorable picture for national competitiveness, ranking Sri Lanka 52 of 142 countries, placing it above India and the Philippines, but still behind countries such as

Indonesia and Thailand. However there are several factors which contributed to boost up the real estate development in the country and following is a brief account of some factors.

Globalization and Open Economy Policy

Globalization and trade liberalization adopted since late 1970s has made significant socio-economic transformation in the country. The integration to the world economy has made the country to shift from agriculture to service and manufacturing industry. This was further boosted by the promotion of Export Processing Zones in the country and various incentives granted for industrial development by the Board of Investment of Sri Lanka. This has made an attractive environment for the private sector both foreign and local for investments. The key role of the government was to provide lands and infrastructure for those investments in suitable and planned locations. The impact of this development on the real estate sector especially the housing sector is remarkable.

Peacemaking Efforts and Re-habilitation of War Affected Areas

With the end of civil war which existed for about three decades in May 2009, Sri Lanka is now one of the most peaceful countries in the world. Re-habilitation and re-construction programs of the government for war affected areas (especially North and North-Eastern Provinces) include massive infrastructure development projects and housing for displaced persons have made significant changes to the real estate sector in those areas. The restoration of livelihoods of the re-settled people is also a main task of the government. Besides these developments the North and North-Eastern Provinces are endowed with vast resources for industrial development and tourism which the potentials have not been explored yet.

The National Physical Planning Policy and National Physical Plan 2010-2030

The National Physical Planning Policy and National Physical Plan prepared by the National Physical Planning Department provide a broad framework to secure Sri Lanka's place in the global economy by promoting economic growth. The National Physical Plan prepared under the policy direction is to promote and regulate the integrated planning of economic, social, physical and environmental aspects of land in Sri Lanka. (The National Physical Planning Policy and National Physical Plan, 2010 – 2030, National Physical Planning Department, Sri Lanka)

Development of Colombo as the Commercial Capital of Sri Lanka

The government commitment is to develop Colombo as one of the top six destinations in the world to live in. Thereby several projects have been initiated (some of which are already completed) to provide Colombo with better network of infrastructure, living environment and enhanced beauty of the city. Having considered the potentials it is observed that Colombo can be a role model for urban development in the country.

For example Metro Colombo Urban Development Project (MCUDP) (2012-2017) is to reduce flooding in the catchment of the Colombo Water Basin, strengthen the capacity of local authorities in the Colombo Metropolitan Area (CMA) and to rehabilitate, improve and maintain local infrastructure and services through selected demonstration investments. There are several re-generation projects in Colombo like Beira Lake, Race Course, Independence Avenue and Slave Island to change the old and outdated land uses for better opportunities. As per the information from the Urban Development Authority several mega- development opportunities are available in Colombo under the guidance and assistance of the authority. The city beautification program which is being implemented along with these development opportunities has made a very favorable investment climate for both local and foreign developers. A number of underserved development projects are in operation to improve the living conditions of slums and shanty dwellers of Colombo. On the other hand the blooming of high-end apartments in all over the city reflects the suitability of Colombo for all classes of people to live

Having observed the above emerging development trends the real estate development in Sri Lanka today has gained growing concern and interest in the light of urbanization and globalization forces. This is in-spite of the civil war that existed for several decades and recession in the economy of the country. A boom in property market was observed in last couple of years in all sectors like housing, industries, commercial, tourism etc.

It can be concluded that the contribution from the real estate sector for the development of the country is of vital importance. The country has extremely limited land resources and the increasing demand for land reflects the declining land-man ratio. The best professional judgment

therefore is needed to ensure the highest and best use of real estate resources of which land is the prime concern. On the other hand the discipline in the real estate today is subjected to an array of forces that re-define its attributes and introduce new expectations for those with involvements in the field. Urbanization and urban development, technological advances, environmental considerations and sustainable use of natural resources, open economy and globalization, public – private partnership are some of those key considerations.

It is a well known fact that real estate is comprised of several sub fields like valuation, real estate development, marketing, management etc. The analysis of the nature of real estate sector in the country reveals that the practice of the profession is not as diversified as seen in many developed countries. The realtors engaged in the profession thus do not have one narrow specialization instead they are specialists in many areas of the field. The job market in the country therefore demands the professionals having the training which multidisciplinary in nature who can handle several areas in the field of real estate.

Real Estate Education and Real Estate Development: Towards Reaching the Goals of Emerging Trends

Real estate education indeed plays an important role in a country's physical and economic development. It provides the necessary professional man power for the development, use and management of the built environment.

The emerging trends in the real estate sector in line with the development of the country indicate that many new areas especially in relation to estate management are emerging where real estate professionals can serve appropriately. The graduates who fall short of the standards required by the industry will not be employed or employable in the real estate sector of Sri Lanka. Hence the Department of Estate Management (DEMVA) in the University of Sri Jayewardenepura wishes to expand the scope of their graduates to be employable in various sectors in order to serve the development needs of the country. The department conducted several consultation sessions with the relevant stakeholders to identify the areas for further improvements of the degree and to review and evaluate the current undergraduate program. Two stakeholder consultation sessions which consist of student representatives from each year of the undergraduate program were held in August and December 2011 respectively. The other stakeholder consultation was targeted to cover a wide spectrum of professionals in the industry both in the public and private sector.

Passed out EMV graduates serving as realtors both in the private and public sector were also participated. This session was also held in August 2011. The final stakeholder consultation for professionals including EMV Alumni members was conducted in December 2011 to ascertain their views on the desired performance and alternative solutions.

Based on the findings of the consultation sessions following areas have been identified which require revisions and further strengthening.

- Changes to the mode of delivery – shift from teacher centered to student centered learning.
- Incentive and opportunities for students to improve their reading habits, knowledge seeking abilities through self discovery.
- Opportunities for team and collaborative work along with the individuals and the mass societies other than the professional bodies to inculcate the students' social responsibility and awareness on social issues.
- More orientation towards practical/project work to enhance the abilities of students self reflection and self discovery.
- Motivate students towards self- learning, self-employment, and searching opportunities in the emerging markets (locally and globally).
- Further strengthening the relationship with the industry for development of professional competency.
- Integration of research and development leading to have a research culture in the DEMV

The DEMV is currently in the process of revising the course curriculum to fill those identified gaps and in line with the Vision, Mission and the Graduate Profile.

The DEMV sets its Vision as: “to be the key contributor for the development of the country through creating and disseminating scientific knowledge and providing competent human resources in the field of real estate and related disciplines” and its mission as; “To be the centre of excellence in real estate education and research in Sri Lanka”. (Department of Estate Management and Valuation 2012)

The four year B.Sc. Estate Management and Valuation (Special) Degree is by design multidisciplinary and aimed at producing graduates to become known in the context of their work place, professional audience as well as in the civil society. Thus the general objective of the

degree course ensures that the EMV graduates will be able to perform more competently in the national and international competitive job market through reflecting the qualities of knowledgeable across discipline, personality and personal development and active citizenship.

“The EMV Graduate Profile” is an ideal strategy by which the department directs its undergraduates and also a tool to assess the extent in which the accomplishment of its vision and mission is made. The graduate profile is, therefore, includes the distinctive features which DEMV expects from EMV graduates to become known in the context of their work place, professional audience as well as in the civil society.

Three broad ranges of graduate attributes have been identified and presented in the figure below which spelt out the vision of the graduate profile.

Figure: 01 Graduate Attributes



Source: Department of Estate Management and Valuation (2012)

Following is a brief explanation to each attribute

Knowledgeable across disciplines

- Ability to examine critically, synthesize and evaluate knowledge across a broad range of discipline.

- Have scientific analytical skills through learning research experiences in diverse subjects related to the field.
- Have a capacity to participate fully in collaborative learning and deal with contemporary issues and challenges.
- Be acquainted with a set of flexible and transferable skills for diverse employment.

Personality and personal development

- Readiness to proceed life-long learning (LLL) and continuous professional development (CPD) through directed and self- directed mode of studies.
- Awareness on personal strengths and weaknesses as well opportunities and threats prevailed to be responsible professionals.
- Capacity for self reflection, self discovery and continuous personal development.
- Be critical and creative thinkers with aptitude needed to be efficient and effective team player.
- Be able to move with global industries, markets and societies.

Active citizenship

- Matured with an awareness and recognition of social and cultural diversity.
- Able to understand social responsibilities and work to fulfill rights of individuals and organizations.
- An appreciation of team spirit and collective interest. (Department of Estate Management and Valuation 2012)

Curriculum of the degree program therefore targeted to enhance the students' intelligence, creativity, independent decision-making ability along with the development of knowledge. Real estate education needs to cover an array of disciplines but applied to the single subject real estate. This makes it less understood as compared to many other professional disciplines.

Hence the structure of the course curriculum is built upon the following rationale

Degree part I: Basic common subjects related to management studies and subjects related to enhancing skills.

Degree Part II: Focused on supporting subjects of the field of real estate, introduction to core subjects.

Degree Part III: Focused on core subjects

Degree Part IV: Orientation and direction in applying theory into practice through research and internship training.

The curriculum which in practice currently has been revised several times and subjects are arranged in a logical manner to satisfy the changing requirements. However there are still gaps to be filled and weakened areas to be addressed. There by the Department of Estate Management and Valuation is currently revising the curriculum of the under graduated degree program (B.Sc. Estate Management and Valuation (Special) Degree) which specifically focused on benchmarking of the curriculum in relation to the situations in the region and the emerging trends in the real estate development of the country.

Anticipated revisions to the curriculum are based on the following directions.

- The mode of knowledge delivery from teacher/class room centered to a mode of student centered through favorable learning environment and facilitated with advanced information technology.
- Establishing and strengthening the professional competency of the EMV graduates through field-based activities, out bound training and internship.
- Serve the nation in a meaningful and effective manner by way of joint research, counseling advisory and creating forums to share experience.

Conclusion

The real estate sector in Sri Lanka has gained a growing concern and interest as influenced by many forces like globalization, liberalization of trade and urbanization and urban development of the country. Besides these factors the country has now come to a distinct juncture with the stabilization of peace and harmony. The government has initiated several programs to rehabilitate and re-develop the war affected areas of the country. For the first time in the history a National Physical Planning Policy and a National Physical Plan has been prepared to direct the development towards regional balance. This paradigm shift in development significantly contributed to boost up the real estate sector in all over the country. The supply of human

resources demanded to handle the matters pertaining to real estate development is the responsibility of the higher education. The curriculum of real estate education at the university level to be revised to accommodate these changes. Having understood this fact the Department of Estate Management of the University of Sri Jayewardenepura, Sri Lanka has taken steps to revise the curriculum of B.Sc. Estate Management and Valuation (Special) Degree which is a timely requirement of the country.

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