

Spring Members' Meeting, May 2, 2019

7:30 am in The Parkview Suite
4th Floor, The Rittenhouse Hotel

**The network for Wi-Fi is: Hilton Meetings (no password required). The Parkview Suite is available to Executive Committee Members all day, including lunch, should you wish to use it.*

- I. Welcome: Matthew J. Lustig
- II. Director's Report: Joe Gyourko
 - a. Zell/Lurie Real Estate Center Overview
- III. Student Clubs and Placement Overview: Asuka Nakahara
- IV. International Real Estate Program Update: Joe Gyourko, Susan Sessa & Maisy Wong
- V. Zell/Lurie Fundraising Initiative Update: Joe Gyourko & Susan Sessa
- VI. 2020 Le Bernardin Event
- VII. Other Business

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The real estate program at the Wharton School remains strong on all fronts. Industry interest in our programs continues to be high, with overall Center membership now at 200 firms. Research Sponsor numbers remain high by historic standards at 87, but that is down from 92 at this time last year. Student demand for our courses remains high, and the job market for our undergraduates and MBAs is strong once again.

Key challenges include the following: (1) providing high quality, small group programming for our Research Sponsors outside our main meetings; Ron Kravit helped organize a highly rated program this past March in New York City on the real estate tech sector in that market; it is imperative that we continue to be able to deliver such programs going forward; as usual, we need a volunteer leader to work with us on this matter; (2) recruiting high quality faculty to staff our curriculum and to develop new courses to meet changing student demand; two of our nine standing faculty were on leave this year, so the aggregate number of courses and sections taught was lower; however, our student-faculty ratio remains well above average for the school; we continue to try to attract an additional faculty member, and that will remain an on-going goal for the Real Estate Department; (3) develop new courses to meet the changing demand for content; this is most evident in terms of our new Global Real Estate course taught this Spring term by Professor Maisy Wong; this inaugural offering was in high demand and we intend to add another section next academic year; one reason for the success of this course was the considerable help from our Research Sponsors and Board Members (Jacques Gordon and Steve Hason) and Grayken Program board members (Christina Gaw, Saul Goldstein and John Lutzus); their assistance is above and beyond the call, and is much appreciated; we also are introducing a new mini-course next year on 'Disruption in Real Estate,' and appreciate the considerable help of our Zell/Lurie Executive Committee Board Member, Richard Mack, in the planning and teaching of this class; (4) training the future leadership of the Zell/Lurie Real Estate Center and Real Estate Department; and (5) raising new endowment money to fund our expanded programs with hard dollars so that all key elements of our programming for students, industry supporters and faculty are 'recession proof';

Our international program continues to grow. We held our first Asia event in Hong Kong on October 23, 2018. This inaugural event was quite successful and our next one on September 22, 2019, promises to be even better. Those details will be discussed more fully at the Executive Committee meeting. We anticipate this will become a larger and more important part of our offerings for the industry globally.

The European Advisory Board was again of vital importance in planning for our next meeting at the Royal Automobile Club, which will take place in London on May 22, 2019. We are happy to report that James Seppala, Senior Managing Director, Real Estate and Head of Real Estate Europe at Blackstone, has agreed to take over from Ian Marcus, Senior Consultant at Eastdil Secured, as Chair of the European Advisory Board after May's London event. Ian has served as Chair for two years and his work is much appreciated.

Faculty and Staff Updates

- a) Professor Todd Sinai will become the new Chair of the Real Estate Department, effective July 1, 2019. He takes over from Professor Gilles Duranton, who more than ably served two terms as Chair.
- b) We are delighted to announce two promotions within our faculty:
 - 1. Fernando Ferreira from Associate to Full Professor.
 - 2. Ben Keys from Assistant to Associate Professor.
- c) Four Real Estate Department faculty members (Joe Gyourko, Ben Keys, Todd Sinai, and Maisy Wong) were recognized for outstanding teaching by The Wharton School. We are delighted that this amounts to nearly one-half of our standing faculty.
- d) The Center and Department will be moving to new offices in the late summer or early fall. This new space, which is being designed to the Center's and Department's specifications and has been in process for several months, is located in Vance Hall on Penn's campus and will allow the Center and Department offices to be located on the same floor. The space will also accommodate a new conference room where future Ballard lunches and other Center programming will be held.
- e) The Real Estate Department did not hire any new faculty this year, but will be actively looking next year.
- f) The Center will have a new staff member, Hannah Malloy, in the newly created Program Coordinator role as of June 4. The role was created to help support the growing segment of student programming that the Center funds.

Center Membership and Revenues

- a) Sustaining Membership numbers have stayed fairly consistent, increasing slightly to 113 from 110 since this time last year. Research Sponsors number 87, which is down five from our peak. We think that this size is appropriate for us. Approximately 10% of the membership turns over annually, so we are always looking for high quality people to join our group.
- b) Overall revenue from membership remains steady.

Research

- a) We produced fourteen new Working Papers this academic year, covering all facets of urban and real estate research.

Student Placement and Programs

- a) We continue to support various student-industry programs. This includes 15 Ballard Executive Visitor Series lunch meetings this past year, Career Panels for our majors, the annual Career Fair (on January 18, 2019), and the Mentor Program (which paired 97 career mentors with 133 real estate students).
- b) In addition to the MBA, Undergraduate, School of Design and Law School real estate clubs, this was the first year that we fully funded PSWiRE (Penn Students Women in Real Estate) as its own club. PSWiRE aims to support women in the industry and held a variety of programs this year, including an International Investment Panel with Eden Cai of SMI USA and Sara Queen of Mapletree in October; an event with Farallon Capital Management in October; a talk with Maggie Coleman of JLL in December; a speaker event with Kim Diamond of Crescit Capital in March; a panel with Laura Kirschbaum of Lindsay Goldberg, Sara Goelger of Argosy and Teresa Zien of Invesco in April; and a Fireside Chat with Leslie Himmel of Himmel + Meringoff Properties before yesterday's dinner. The club also sponsored students to attend the Women's Real Estate Forum and CREW NY Lunch and an all-female undergraduate team to attend the ISCSC Case Competition. Club leadership has plans underway for next year for a mentorship program with PWiRE and a trek to NYC, amongst other things.
- c) We fund a variety of student real estate club events throughout the year, some purely social, but most more closely tied to the industry.
- d) Based on feedback from the Executive Committee, we funded an Argus training for the second time on October 27-28, 2018. The previous training was for one day; this year's expansion to a two-day training, with ample time for case studies included in the syllabus, was based on both student and member feedback on the importance of Argus experience for students entering the industry. Students also received a 30-day Argus license to practice with the software on their own time. Follow-up evaluations indicated that this level of training was highly valued (especially by career switchers and undergraduates), so we will be doing this program on an annual basis going forward.
- e) The ninth annual Eric and Beth Schlager Lecture Series on Real Estate Entrepreneurship took place on February 27, 2019, with speaker Matt Lustig, the Head of Investment Banking, North America and Head of Real Estate & Lodging at Lazard and the Chair of our Advisory Board. This lecture is for students.
- f) We continue support of the Student Resume Book and an Alumni Resume Book.
 - 1. The online Student Resume Book continues to reflect the large number of real estate majors. Over the course of this academic year, we had 127 student resumes and 37 alumni resumes posted.
- g) We support student interviewing and job postings. The contact for Undergraduate Career Services is Barbara Hewitt (hewittb@upenn.edu, 215-898-7533). The contacts for MBA student hiring are Colleen France (france@wharton.upenn.edu, 215-573-4173) and Danielle Nivern (dnivern@wharton.upenn.edu, 215-898-3127). Members may also send job postings as an attachment to Ron Smith at smithrk@wharton.upenn.edu. We will send the attachment to any/all members of the Real Estate Clubs and/or our alumni list, which totals more than 900 after being cleaned to remove any outdated email addresses.

- h) The 18th annual Real Estate Career Fair took place on January 18, 2019, in Houston Hall and attracted 79 companies. The event continues to be very successful from the students' perspective, with more than 350 students in attendance.

This past year, 54 firm attendees indicated they would be interested in hiring MBAs for either full-time or summer opportunities; 60 were interested in undergraduates; thirteen of those companies made an offer. Three full-time offers were made by three of these employers and eighteen internship offers were made by ten of these employers. Fourteen were interested in School of Design students and nine were interested in Law School students.

Curriculum

- a) We have 603 Undergrad/MBA students registered for Spring 2019 classes, which is consistent with last year. Overall MBA and undergraduate enrollment stayed consistent since last year with 1,116 compared to 1,121 in 2017/18.
- b) The curriculum expanded this year with the addition of a course on international real estate, Global Real Estate: Risk, Politics, and Culture, taught by Maisy Wong.

Industry Programs

- a) We provided regular Fall and Spring Members' Meeting programs.
- b) Recent and upcoming programs for Research Sponsors include(d):
 1. Research Sponsors gathered on March 12, 2019, for dinner at Le Bernardin and a conversation with Julie Samuels, Executive Director of Tech: NYC, and Neil Blumenthal, Co-Founder and Co-CEO of Warby Parker, which Research Sponsor Ron Kravitz; Former Co-Head of North American Real Estate, Managing Member, Cerberus Real Estate Capital Management, LLC and Senior Managing Director, Cerberus Capital Management; moderated and assisted with planning.
 2. On Wednesday, May 22, 2019, Research Sponsors are invited to The Royal Automobile Club in London for the 6th Annual Grayken Program in International Real Estate. This year's program will focus on two themes: Politics, Government and Regulation in a Populist Age and the Long-Term Strategic and Structural Issues Facing the Real Estate Industry. Our Keynote Speaker is Martin Wolf, Associate Editor and Chief Economics Commentator at *Financial Times*.
 3. On September 18, 2019, Research Sponsors will be invited to gather in Hong Kong for the Center's second event in Asia. Ronnie C. Chan, Chairman, Hang Lung Group Limited and Hang Lung Properties, will be the Keynote Speaker. Dean Garrett and John Grayken are slated to attend. This program presents some organizational challenges but planning is underway.

- c) The Zell/Lurie E-Newsletter continues to attract wide notice. This document goes to more than 11,400 industry executives and leaders.
- a) The website has attracted an average of 3,777 visitors per month over the last year, up from an average of 3,500 per month last year.

Goals for the coming academic year, 2018-2019

- a) Continue to develop faculty for leadership roles in the Zell/Lurie Real Estate Center.
- b) Help the Real Estate Department recruit new faculty.
- c) Integrate domestic and international programs into seamless whole.
- d) Procure endowment funding for Center priorities.

Chair

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GOT SUITS?

Help Penn Career Services restock the *Quaker Career Closet* and make sure every Penn student has the resources to dress for career success!

**Donate new or gently used
suits and suit separates:**

FRIDAY, APRIL 26 - TUESDAY, MAY 21

College Office, 120 Cohen Hall

Du Bois College House, Lobby

Fagin Hall, Lobby

Franklin Building, 1st Floor Lobby

Graduate Student Center, Common Room

PennDesign, Dean's Office, Suite 102

Penn Vet, Suite 106, Rosenthal Building

Stouffer College House, Mayer Hall Lobby

Wharton Dean's Office, 1000 SH-DH

**Here are some collection sites, but check the
Career Services website for a full list**

<https://www.vpul.upenn.edu/careerservices/files/QuakerCareerCloset.pdf>

**Students will be invited to "shop" the Quaker
Career Closet for one free suit in the fall.**

Questions: agercke@upenn.edu

Penn's Professional Clothing Drive to Restock the Quaker Career Closet

Friday, 4/26/2019 – Friday, 5/21/2019

The Quaker Career Closet is an ongoing initiative that provides free interview outfits to Penn students in need of professional attire. After several successful “shopping” events held at the beginning of each school year, Penn Career Services is restocking the wardrobe in preparation for the fall recruiting season – and we need your help!

New or gently used suits, suit separates and other professional attire can be mailed or dropped off to:

c/o Anne Marie Dickinson

3718 Locust Walk

Suite 20, McNeil Building

Philadelphia, PA 19104-6209

We will accept all items that can be worn in a professional setting, appropriate for either an interview or in a workplace for day-to-day wear. Items can include (but are not limited to): suits, blazers, blouses, button-down dress shirts, dresses, skirts, sweaters, coats that can be worn over a suit (such as peacoats), ties, jewelry and shoes. Any questions may be directed to Anne Marie Dickinson, Associate Director in Career Services, at agercke@upenn.edu. Thank you in advance!