



***MIT/Center for Real Estate***

***Alumni/ae Survey Results***

**Class of 2010**

*June 6, 2011*

In September 2009, the Class of 2010 matriculated at MIT. Each member of the class was an experienced real estate professional with excellent educational credentials who applied to, and was accepted in, an elite, rigorous, one-year graduate program in real estate. Accomplished and superbly educated, at the end of the year, each member of the Class of 2010 pursued the course that would continue to position them for success.

### **REAL ESTATE MARKET – General Market Environment**

The year before they matriculated, the real estate industry September 2008 was marked by a number of events that significantly affected the real estate industry:

1. Lehman Brothers filed for Chapter 11 bankruptcy,
2. AIG, a major provider of capital and a key insurer in the real estate industry, was rescued from a liquidity crisis by the Federal Reserve Bank's creation of an \$85B credit facility, and
3. The two largest providers of funds in the secondary market for residential mortgages, the Federal Home Loan Mortgage Corporation (FHLMC), Freddie Mac, and the Federal National Mortgage Association (FNMA), Fannie Mae, were placed in conservatorship.

The impact on the commercial real estate market was dramatic. Project funds were difficult to obtain, the pace of development slowed, and commercial property values declined. It was against this backdrop that members of the Class of 2010 applied and were accepted to MIT's Master of Science in Real Estate Development (MSRED) program in early 2009.

### **THE MSRED PROGRAM – Key Program Changes**

In the midst of this downturn in the economy, the Center made two strategic decisions that had considerable ramifications for the students entering the MSRED program in September 2009:

Prior to Applying (Fall 2008). In response to the downturn in the economy and its consequences for the real estate industry, during late 2008, the decision was made to reduce the size of the cohort entering the MSRED program in the fall of 2009. Selecting a smaller class from the applicant pool increased the competitiveness of the program and allowed staff and faculty to provide more personalized attention to each student. This decision was counter intuitive since most graduate programs with a real estate focus *increased* the size of the real estate cohort.

The fourteen individuals who matriculated during the fall of 2009, came from Arkansas, Massachusetts, New York, Texas, and Utah as well as Greece, Thailand, Korea, and India with backgrounds in civil engineering, business, finance, development, architecture, entrepreneurship, appraisal, acquisitions and investment.

After Matriculating (Spring 2010). A minimum of three years of real estate experience is a requirement for the MSRED program. Many incoming students use the MSRED program as an opportunity to transition to a new area of the real estate industry.

Traditionally, students complete coursework during the fall and spring and work on their thesis during the summer. To complement a career transition, the MSRED committee decided to offer students the option to intern during the summer and complete the degree requirements, the thesis, in the fall. This option was first offered to students in the spring of 2010.

### **THE CLASS OF 2010**

Typically, the students who entered in the fall of 2009 would receive their degree and return to the workforce during the fall of 2010; however, 43% of the students who entered the MSRED program in the fall of 2009 stayed in school. Half opted to work during the summer and finish their thesis in the fall of 2010; and half decided to continue full-time graduate education at other universities. Thirty-six percent (36%) were employed as entrepreneurs or in investment management with leading firms regionally, nationally, and abroad; and, 28.6% continued to evaluate job options.

Graduates of the program have consistently cited work experience, the MIT brand and education, and personal, academic, and professional networks as key factors contributing to success finding a job; internships and the thesis were also key contributors to finding employment. Prior experience coupled with MIT's rigorous academics and the opportunity to meet over 100 real estate professionals in and from a variety of arenas, positioned MSRED graduates well as they look for employment upon graduation.

The small size of the Class of 2010 makes it difficult to provide the same level of confidentiality provided to earlier graduates; therefore, we are unable to give salary information *specifically* for the Class of 2010. However, based on graduate feedback, industry information, and conversations with hiring managers and recruiters, there is every indication that the Class of 2010's salaries were consistent with those earned by the Class of 2009:

Of those responding from the Class of 2009 who reported salary information and were not self employed, the average base salary was \$96,600. This average reflected geographic differences, the differing levels of experience among the respondents, and a variety of areas of professional focus, e.g., acquisitions, investment, finance, project management. The median base salary was \$100,000. The average and median salaries were slightly higher than the \$90,000 and \$90,200, respectively, reported by the Class of 2008. The reported salaries for the Class of 2009 ranged between \$50,000 and \$150,000; however, 63.6% of respondents who provided salary information reported base salaries that ranged between \$80,000 and \$125,000.

The stability of salaries is supported by the [SelectLeaders 2010 and 2011 Hiring Trends Surveys](#). SelectLeaders is a repository of real estate jobs and employment information for job seekers and employers. In 2010, 63% of the respondents expected compensation to remain the same (48%) or decline (15%), and the balance (37%) only predicted "some" increase. Almost 85% of the respondents reported that their responsibilities had increased but their compensation had



remained the same during 2010. In 2011, "... 47% of respondents predicted their total compensation would increase in 2011." These surveys suggest that while compensation levels remained flat in 2010 and workers were asked to do more, the outlook for 2011 is more positive.

## **CONCLUSION**

The Class of 2010 graduated into a challenging real estate market. Many members of the entering cohort decided to continue their education. Five months after graduating, half of those who entered the job market were employed and the balance continued to evaluate employment options.

Listed on the next page are some of the companies that have employed graduates of the MIT/Center for Real Estate currently and over the years. It is an impressive group.



## Sample List of Employers: MIT/Center for Real Estate Graduates

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AEW Capital Management	Archon Group
AIG Global Real Estate Group	Community Builders
Allstate Insurance Co.	Deutsche Bank Realty Advisors
AMB Property Corporation	Draper & Kramer Realty Advisors Inc.
American Real Estate Services, Inc.	E&Y Kenneth Leventhal
AMRESO Advisors Inc.	Fidelity Real Estate, LLC
Antaeus Properties, Inc.	Forest City Ratner Companies
Archstone-Smith Properties	Fortress Investment Group
Aspen Square Management	General Investment and Development
AvalonBay Communities	Goldman Sachs
AyalaLand	Halcyon Ventures
Beacon Communities	Hawkins Smith
Berkeley Investments, Inc.	Hines
BlackRock	HypoVereinsbank
Boston Properties	Jones Lang LaSalle
BRIDGE Housing	Kravco
Carlyle	Landauer Associates, Inc.
CB Richard Ellis	KIPP Foundation
The Chiofaro Company	Leggat McCall Properties
Colony Realty Partners	Lehman Brothers
Corporate Portfolio Analytics	Liberty Property Trust
Daewoo	Lone Star U.S.
KeyBank	Lowe Enterprises
LHB Engineers and Architects	Madison Marquette
Limitless	Manekin Corp.
Mass Housing	Marriott
M3 Capital Partners	National Development
MIT Investment Management	New England Development
Moody's Investment Services	Northrop Grumman
Mirae Asset MAPS Investment Co	Pembroke Real Estate
Morgan Stanley	Praedium Group
New Atlantic Development Corporation	Seifel Consulting
New Boston Fund, Inc.	Sony Corporation
New York City Economic Development Corporation	State Financial Services
New York City Housing Preservation & Development	Target
Northland Residential Corp.	Tishman Speyer
Opa-locka Community Development Corporation	Wells Fargo
The Related Companies	The Wishcamper Group
Samsung Everland	Westfield Corporation