
Industry Expectation of Australian Property Higher Education Programs

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Abstract

Purpose – Property education is predominantly taught at undergraduate level, supported by post-graduate programs at many Australian universities. This paper examines undergraduate property programs from the perspective of one of the major stakeholders; the property industry. The current offerings have evolved from highly applied practical valuation-centric programs in the 1970s to broader, more academic programs in the current era. This change has created different expectations for both students and industry.

Methodology – Initially a focus group of six property industry employers was held and their discussion is included in the paper and informed the development of a questionnaire using the online delivery vehicle Qualtrics. This questionnaire was emailed to 460 industry leaders, as listed on company websites and university Employer of Choice databases. 95 people responded to the questionnaire.

Findings – After surveying students, recent graduates and industry leaders, it appears as if there is a gap between what the universities claim about their graduates and what many employers of property graduates find. Despite the best efforts of the universities and their staff, despite robust and rich curricula, it would appear that evidence from industry and the Australian Property Institute who register practitioners, is that most graduates require specialist training and additional study before they can be considered work ready.

Value – This paper offers valuable insights with regard to how higher education property programs are regarded by the property industry in Australia.

Keywords: Property education, Industry expectations, accreditation, work ready graduates, work experience

1. Introduction

This paper examines industry expectation of undergraduate property programs offered by Australian public universities. Property degrees are the entry point to careers that appear to be rewarding, and well-paid. For many years the vast majority of graduates have been readily employed, with most entering property-related professions. This may no longer be the case, as this is an era of mass education, with large cohorts of students and often very large classes. Property undergraduate higher education has three major stakeholders; as well as students and universities, the third stakeholder in this triangle

is industry and it needs to be satisfied that students are emerging from their higher education experience work ready (Mills et al, 2008; Mello, 1998).

The relationship between the parties is often formalised as to their respective roles and expectations and often decisions about the respective parties are made by small segments of the group such as Advisory Councils (industry members who advise on courses and content), Student Representative Groups (interested students who question their experiences) or university staff on the University Council. There is a need to reach a broader industry group than those currently offering curricula advice. This research asks industry for its feedback on the degrees that feed into it and to comment on the skills and knowledge they feel property graduates should achieve. Ten Australian public universities and one private university offer property higher education programs and the programs are of three to four years duration. The University of Melbourne offers a different model, with broad undergraduate programs and vocational-specific masters programs as add-ons.

2. Background to property higher education in Australia

Until the 1970s property education was acquired through a technical education pathway, now commonly known as Vocational Education (VET). At the time when many Australian Colleges of Advanced Education became universities, their courses (programs) became Degrees, although in many cases property was offered at degree-level prior to the change in higher education structure. The thinking at the time was that the property industry was emerging as one of the most important industries in the world. Property education in Australia has long been overseen by the Australian property Institute (API) and it continues to advise and accredit university courses. It is an integral part of the Australian property industry as it manages and controls the certification and registration of practising valuers and other property professionals. From the late 1990s the Royal Institution of Chartered Surveyors has also had a presence in Australia, and many of the universities are partnered with it.

Property education was initially only offered by the forerunner of the Australian Property Institute, the Commonwealth Institute of Valuers. The mantle was gradually transferred to technical colleges (later colleges of Advanced Education) during the 1950s and 1960s. As the property market in Australia grew more sophisticated and in size, so did the need for property professionals, not just those that worked in property sales. In large part, common with the United Kingdom experience, property at higher education level started out as property units within, or variants of - business degrees. Since the 1980s the discipline has grown and developed its own suites of undergraduate and post-graduate degrees and diplomas.

Higher education property programs in Australia have further changed significantly over the last ten years. These changes include larger cohorts, less formal work experience for students, a general move away from rigorous practical components, and increased research and higher degree requirements for academics. Traditionally many of the undergraduate property programs included a formal work experience component of up to three full days a week in the final year, and many had extensive practical work components, which in tandem ensured graduates were work ready.

With the large increase in student enrolments this is no longer a viable option and its perceived diminution has become a complaint from both students and industry alike (Robson, 2014). With all these changes, many argue that the needs and wishes of industry are being ignored (Kriesel, 2014). One of the major advocates of this fact is the API. Many of their members believe the property graduates no longer complete university with the necessary employable skills. For this reason the API have introduced a suite of Professional Practice modules that working graduates must complete before gaining their necessary industry registration (Kriesel, 2014).

In January 2012 Australian university entrance requirements were changed after decades of close government control on the number of students permitted to be enrolled in any particular program. The system was thrown open to demand-driven choice by prospective university students. This meant that student numbers for higher education programs have the capacity to increase, which had been extremely difficult to do until now. This change will take time to move through the system, as universities have restraints such as facilities and staff to contend with. However this does open the door to many more people (Davis, 2012).

In 1970, only 3% of Australians held a degree; the number is now over 30% of young people holding a degree and this is expected to increase to 40% by 2025 (Australian Government, 2010). Student demand will shape the programs universities offer and this has already transposed into record student acceptances in 2012 across Australia. Higher education is now a competitive market, but the deciding factor is quality, not price, unlike many other markets and this makes it extremely important for universities to guard their reputations through proactive quality assurance, good teaching, and ensuring that the client is satisfied with the experience and education received.

3. Property education now

On the 5th August 2011, as a direct result of the release of the Bradley report (2009) and the reply from the Australian Government (2010), a National Symposium on the future of property education in Australia was held in Adelaide. The event was held because organisers felt that property education in Australia was at a crossroad with current undergraduate property programs having evolved purely to supply the property profession. Further, that graduates may not continue to meet the requirements of the broader property industry, especially if universities choose to increase cohort sizes in order to implement Federal Government education policy and remain economically viable. Increased cohort size often leads to the diminishment of practical activity such as work experience, comprehensive practical components, and field trips, due to the difficulty of managing large groups of students (Parker, 2012).

All of the Australian universities offering undergraduate property programs have a significant level of commonality, being in part due to the specific requirements of the professional accrediting bodies. This does not tally with the Bradley report requiring greater clarity in the boundary between the Vocational Education for Technology (VET) and the higher education sector. The relatively small numbers of students enrolled in property programs (3,000 – 3,500 approximately) does not fit the commercialisation of

the Australian universities model, nor do many property academics fit research and higher degree expectations.

There is often a perceived disconnect and misalignment of the Australian Property Council (PCA) with property academia in Australia and a similar disconnect between it and the Australian Property Institute (API) who are the major accrediting body for property education in Australia. The PCA seeks to set up their own national research agenda, which leaves academia out in the cold. In part, this can be explained by the fact that the PCA represents wider industry, having evolved from the Building Owners and Managers Association, and has a corporate membership. The Australian Property Institute and the Royal Institution of Chartered Surveyors both rely on individual membership and set the standards for education and practical experience, as well as a range of other individual characteristics or qualities. Nevertheless there are important cross-overs as far as education is concerned, and the interests of all organisations, as part of a wider industry grouping, are critical.

The Adelaide symposium found that there were six major issues with property education at university-level in Australia that had to be urgently addressed. These were:

- Adequacy of financial returns
- Adequacy of delivery
- Lower standard of student
- Difficulty of finding qualified academics
- Difficulty to find research to focus on
- The stakeholder disconnect and misalignment (Parker, 2012)

The result of this symposium shows that there are cracks in the traditional structure of property programs in Australia. Different factions of industry are adversely impacting on the quality of research available to universities, and the nature of the curriculum, let alone the quality of the student experience. If property programs cannot generate a research income they will have difficulty receiving funding from the Federal Government. There is nothing to indicate that there has been any substantive move on the six issues over the ensuing three years.

Although all property programs are accredited usually by both the Royal Institution of Chartered Surveyors (RICS) and the Australian Property Institute (API), there was a shift in thinking approximately five years ago when the API chose to introduce their Future Property Professionals' program for all graduates seeking certification into a property area, eg Valuation. It took this step for two reasons; the first was to ensure consistent information was available for graduates and secondly it felt that many university programs were no longer fully equipping graduates with the necessary professional skills (Kriesel, 2014).

The Royal Institution of Chartered Surveyors entrance requirements are such that an aspiring entrant will have to achieve the standards set down, regardless of the time involved in doing so. In this case the onus is perhaps focussed more on the applicant, and there is no apparent issue with failing applicants even after the requirements have apparently been met. In part, this is an important difference between the two professional bodies, and maybe the emphasis needs to be shifted to a robust discussion

on how graduates are trained on the job, rather than a simple reliance on the university outputs.

Industry relevance, skills and work experience

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Another important change in the employment situation for industry is the easing off of work experience in most of the HE Property programs. If students know and expect the learning process to be different, as work experience is, they understand the value of independent and creative thought processes and this can be shown to them as being characteristics highly sought after by industry. Both students and industry have expressed dissatisfaction at the diminishing ability for the universities to offer valid work Experience to students during their program (Robson, 2014). Poon and Brownlow, (2014) note that Australian property employers value communication skills above all others for the graduates they employ (Callanan and McCarthy, 2003). Burke et al (2005) found that team work and communication skills are valued by employers, especially at middle management levels.

Employees who excelled at these levels received promotion faster than others. Watson (2002) noted that construction and property accrediting bodies in the United Kingdom rated communication and group dynamics as being important graduate attributes, along with industry knowledge and professional awareness. He also discussed the advantages of case studies and field work in improving the learning experiences of students, by offering a broader knowledge base and through linking theory and practice.

As well as expectation, motivation also plays a large part in tertiary education. A motivated student has a positive approach to their studies and their work and this is usually reflected in their results. Zusho and Pintrich (2003) discussed the concept that if students believed that they could do certain tasks then their ability to do so under stress were improved and their use of learning strategies increased. The type of learning that takes place in the workplace enhances this type of motivation and self-efficacy levels, as everyone is learning together and over the same time frame.

In support of work experience as part of university education Ng and Burke (2006) analysed results of a study of 4,851 business students across Canada, with regard to job potential. 1,870 of these were co-operative education (work experience) students and 2,785 were not involved in this type of program. The co-operative education students were found to have a better understanding of their own abilities in a working environment. They were also reported to have higher self-confidence, more realistic expectations and placed greater emphasis on the people and work dimensions of a firm, rather than its reputation. They also highlighted that it was these very skills that employers were seeking.

Employers had expressed a preference for university students who had completed a period of work experience during their degree. This fact that work experience enhances future employment prospects is further supported by Callanan and Benzing (2004) in a study of 163 final year business students in the USA. The study showed that 58% of students who had completed cooperative education had a job organised on graduation, compared to only 17% of non-cooperative education students. To sum up, the odds of

securing a job were 4.43 times higher for those completing work experience than for those who did not.

4. Methodology

This study chose a qualitative approach to data collection as this would elicit direct opinion on the issues. It was felt that tick the box type responses would not provide the depth of opinion that open-ended questions do. Initially a number of property industry employers were invited to attend a Focus group to discuss the topic of Industry expectations of university programs. Six people responded and their discussion is listed below. This discussion formed the basis of questions which were developed into an online questionnaire. The questionnaire was administered by Qualtrics (<https://rmit.asia.qualtrics.com>) and was sent to as many property employers as possible.

As at January 2015, 460 emails have been sent and 95 people have responded. The sample was taken from national websites and university Employer of Choice programs. Understanding that people who work in the property industry are busy, the questionnaire was restricted to nine open-ended questions, with no demographic questions on sex, age or geographical area, as an attempt to encourage people to complete it. This paper examines industry expectation of higher education property programs in Australia and forms part of an ongoing investigation into the expectation of all the major stakeholders in this educational experience. Future papers will address the expectation of students and universities and compare and contrast all three.

5. Findings

Industry leaders are major employers of graduates and people who are instrumental in making decisions for their respective organisations and in the industry in general. They have valid opinions and expectations of the graduates they employ. Through the focus group with six employers the following is a summary of their expectations.

They felt that graduates should:

- Be able to make reasoned and logical conclusions from material provided
- Be able to compile a thorough and logical report
- Be able to research and find information
- Be able to critique and test information gained for errors
- Have a good understanding of Microsoft Office and EstateMaster or Cougar
- Be up-to-date with industry knowledge and development
- Understand how the knowledge translates to their work
- Display a willingness to learn and become engaged
- Show initiative and have a desire to succeed

When asked about the graduates they had employed they have found them to be:

- Overall they have exceeded expectations
- Enthusiasm and readiness to take things on
- Ability to ask questions
- Good knowledge on related topics

- Sometimes saying things that make you think
- Bright and capable

On the other hand the worst things about them have been:

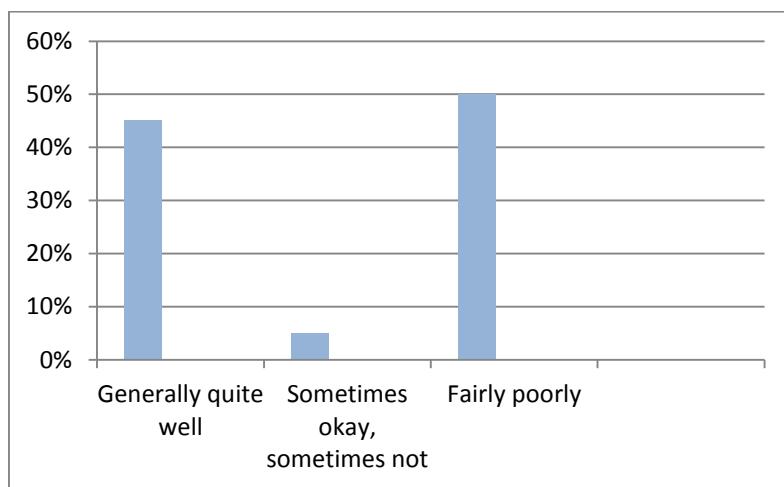
- Get bored quickly
- Want to move up the ladder too quickly
- Work and leisure conflicts
- Some have no pride in, or responsibility to their work

What they have learned from experience is that they are quick to learn and have high levels of energy, but often think they know more than they actually do. In the future it is likely that employees will need to take more responsibility and work longer hours if they wish to move up the corporate ladder.

Using the questions developed from the Focus group this research has surveyed 95 property industry employers from across Australia to ascertain whether they believe that Australian universities are adequately preparing graduates to be work ready. See **Appendix 1** for a copy of the Industry questionnaire. Question one asked what their expectations of graduates were and there was a high degree of similarity in the responses. **70% stated that they expected graduates to have a good property knowledge base and 30% expected them to be enthusiastic and eager to learn.** Other things such as loyalty, computer knowledge and being willing to listen were mentioned, but all employers mentioned one of the first two as well.

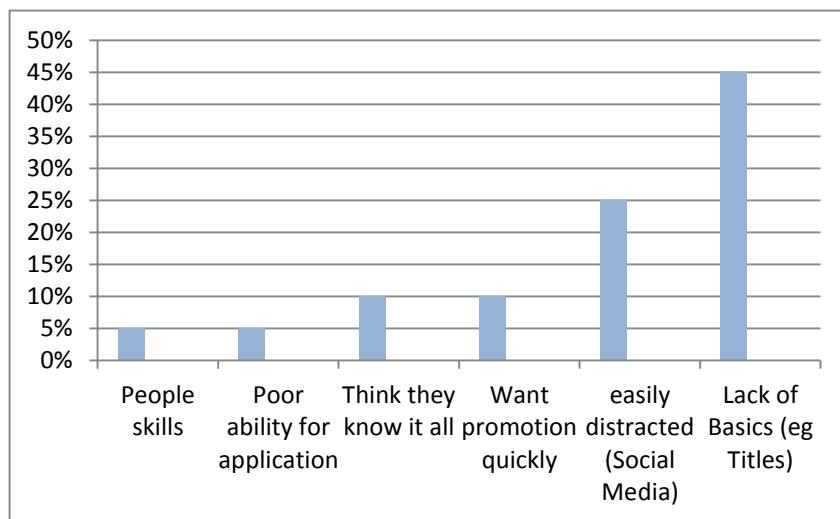
Questions two asked how they performed and **figure 1** illustrates this:

Figure 1: How do they perform?



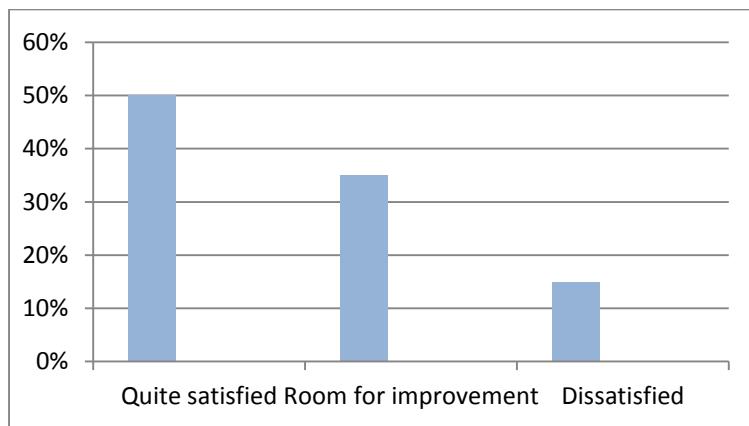
Question three asked for the best things about recent graduates and once again enthusiasm, a good attitude and keen to learn were mentioned by 80% of respondents and a further 20% praised their technical skills. Question four then asked for the worst things about graduates and the list that emerged was more detailed. **Figure 2** gives an indication of the results from this question.

Figure 2: What are the worst things about them?



Question five asked how they described their satisfaction with the level of university teaching for Property subjects and once again the responses were mixed as seen in Figure 3.

Figure 3: Satisfaction with university teaching of property subjects



Once again only 50% satisfaction by industry employers and comments ranged from poor valuation skills, shallow grasp of knowledge and disjointed teaching.

Question six received the most responses and the range of suggestions are varied to graph, but they gave a very clear indication that the majority of the respondents were not impressed with the lack of practical application in the courses and suggested more case studies, problem solving, site visits, a major project tying everything together and always the comments on the usefulness of work experience. With Question seven 95% of respondents had not noted any differences between graduates from different universities. Question eight asked about the future employment landscape and here too there was a lot of repetition ranging from the employment market becoming more competitive to the industry becoming more specialised with greater reliance on

computers and virtual meetings. The final question asked about industry involvement with universities and here the response was overwhelmingly for more industry involvement.

6. Discussion

Examining the responses to the questionnaire it appears that employers on the whole do not have unrealistic expectations of graduates, but even so, more than 50% think they perform badly and another 5% think they are inconsistent, with only 45% feeling satisfied with graduate performance. When asked to comment on the graduates good qualities almost all of them admire their enthusiasm, willingness to learn, their attitudes and vibrant energy as positive traits with approximately 20% commenting on their technical and computer skills.

If you contrast this similar group of responses to the results from question four which asked for the worst things, there are six separate areas where the graduates do not perform well. The most mentioned area is poor basic property skills, which was noted in 45% of the responses, followed by being easily distracted and consumed by social media from 25% of the respondents. Almost half of the complaints about graduates deal with their lack of a knowledge base, which could be rectified.

Many employers were unhappy that the previous Work Experience programs, where students worked for up to three days a week in industry during their final year, were now no longer being offered. They felt the beauty of this program had been because the salary was low there was more incentive to spend time training the students. Now that work placements are often of a very short duration, or the students have none at all, they finish as graduates, expecting a graduate salary, with little or no knowledge of how the property industry operates. This support of formal work experience supports the evidence found in the literature.

It is interesting that none of them mention communication skills, the skill that literature states is the most sought after skill in a graduate. It can be assumed that as this did not rate as one of their best qualities, nor their worst, that industry is not dissatisfied with the communication skills that graduates bring to their employment. The remaining complaints might be attributed to the differences between generation X and Baby Boomers, compared to generation Y and beyond. Question five asks about satisfaction with university teaching and once again at 50% satisfied this is very low. There appears to be general dissatisfaction with the materials taught and the graduates that emerge from universities in the property area in Australia.

Is work needed on Student/Staff/ Industry expectations to ensure communication between all parties?

It may be that too little effort has been made in this area in the past and a large part of the problem is that the three stakeholders are operating in a vacuum and only see their own point of view. On the whole students commence university with unrealistic expectations and this could be handled very early in their learning experience so that they gained a more realistic idea of what university really entails. Academics may have unrealistic expectations of students because they live in the past and expect them to behave at university as they did. People in industry have unreal expectations of

graduates and property programs in general, because they have forgotten what it is like to be new at something. They have forgotten the time when they knew nothing about the property industry and they constantly harken back to when they were at university instead of accepting that all things change. Regular gatherings of all parties might help with these situations, but perhaps some people will always have unrealistic expectations about things and there is nothing that we can do about that but work on the majority.

Do we need more Industry involvement?

Academics are sometimes afraid to ask, but really industry people will help if it can be shown that their time is valuable and worthwhile. Perhaps there is something that can be done for them in return. If the academics cannot have industry experience, bring in someone who does and this lends credibility to the activity. It only needs to be between 30 minutes to one hour and it will make all the difference to the perceptions of the students and possibly to the academics.

Do we need more interactive courses (subjects)?

Absolutely yes; if lecturers cannot be passionate and interesting then programs which will do this you are vital. Virtual sites, simulation, role playing, Case Studies are all activities students enjoy and learn from. The best modern option is to opt for a blended learning approach with face to face classes at regular intervals. The time saved here can be effectively used improving feedback and visiting students in their Work Base Learning positions.

Do we need to address the problems with property education discussed at the symposium in August 2011?

The Pacific Rim Real Estate Society is the major platform for academic discussion on property education in Australia. When this body reported the problems and rifts in property programs both as a direct result of the Bradley report (2009) and lack of research opportunities, they were verbalising a very real problem and yet no changes have been made within property education in Australia to attempt to improve the situation. It would be unfair, however, to solely blame the PCA – there are many others such as the Real Estate Institute of Australia, the Australian Property Institute and the Royal Institution of Chartered Surveyors as well as the mainstream players within industry who could all do a lot more to foster proper research, and to take a far more active role in securing a future for quality and meaningful education for the next generation of leaders within the professions.

The problems outlined by Parker (2012) are not limited to just research, and there are many additional opportunities where the wider profession and its key groups could be expected to assist. Property is, after all, the cornerstone of business and investment, and a major driver in the creation of wealth in Western economies. Whilst it is a major wealth and tax revenue provider, it requires unique skills within its related professions to achieve the maximum outputs and success. Silos need to be dismantled and a coherent and unified vision achieved.

Higher education property students continue to increase in number, academic positions are filled on the basis of a qualification rather than industry experience, industry continues to bemoan the property graduate and funded research is very difficult to find. Being aware of the problems is not the same as creating solutions to

help solve them. Perhaps we should make our property programs more robust, perhaps research opportunities can be sourced overseas, or perhaps property education should only be postgraduate after completing an undergraduate business degree?

7. Conclusion

It is impossible to satisfy all stakeholders all the time and it may be impossible to satisfy some of them at all. There are things, however, that can be done not only to improve the student experience, but to also embrace industry into the education sphere. The survey of industry leaders found that although they expected graduates to have a good knowledge of property areas, on the whole they were disappointed as only 45% were completely happy with their property graduates and 50% were not satisfied with the teaching at the universities. This, taken with the findings from the academic symposium in 2011, indicate a degree of dissatisfaction from both industry and property academics.

The major accrediting body for property professionals in Australia, the API have reacted to complaints from their members about poor property skills in graduates by introducing the Future Property Professionals program. Graduates wishing to be registered must complete the appropriate modules but as the API accredits the university courses and accept what they teach is appropriate, why is there a need for more skills? Despite leading Australian academics recognising and discussing the problems facing university property programs in 2011, no steps have been taken towards seeking any solutions.

Students will still be queuing up for entry into all of the programs and much as industry would like to return to the times when they had students in their final year, being paid a very low wage to learn as they work, the reality is there are too many to place. As student numbers grow, property positions will become very competitive and although they may not get the opportunity to train them as they study, only the best graduates will be chosen in the workplace. This may go some way to appease industry, but unless the programs return to more practical application and problem solving activities, there will still be rift between what is taught and what industry would like to see taught. There is no doubt that involving industry in the university process will go a long way to creating a situation of cooperation that would be beneficial to all the stakeholders in property education.

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Appendix 1

Default Question Block

This research aims to better understand what makes students satisfied with their study programs. It is expected that the results will assist in improving program quality in the future. In this exercise I am asking you to evaluate your experiences with Property/Valuation graduates. This survey forms part of a PhD study being undertaken into an examination of Property education in Australia.

What are your expectations of a graduate?

How do they perform?

What are the best things about recent employees?

What are the worst things about them?

How would you describe your satisfaction with the level of university teaching for property subjects at the moment?

What do you think the students should be taught at university?

Do you believe a formal work experience program leads to a better quality graduate?

Yes , If Yes can you qualify this in the box below please / No

What changes in the employment landscape do you see in the foreseeable future?

What Industry involvement do you think there should be with the universities, academic staff and students?

Thank you very much for completing this questionnaire. Please feel free to mention any other items that concern you in the space below.

Qualtrics Survey Software <https://rmit.asia.qualtrics.com/ControlPanel/Ajax.php?action=GetSurvey...>