

The next generation – who will teach the professionals?

A young, thin, enthusiastic graduate 35 years ago, walked into the office of his mentor and tutor, Andrew Baum, who was proudly holding the first copy of the *Journal of Valuation*, the journal that, latterly, became the journal (*JPIF*) that you are now reading today. In 1982, there were no real estate journals. There was no real research environment for pure real estate. Housing journals existed. Planning journals existed. Geography journals existed. But there was a lack of a real estate research community in the UK and Europe. Andrew Baum, the previous editor of this journal, had the foresight and determination to create a forum for encouraging real estate research and a journal for the publication of the same. And whilst other initiatives were beginning in the USA and elsewhere, the birth of this journal was a significant milestone to the research-rich world of today. The real estate profession, both academic and practice, owes a huge debt to Andrew Baum. I know this as I was that graduate who walked into his office that day. Today, I am old, fat but still enthusiastic. And reminiscing on 35 years of being involved with the journal as assistant and, latterly, as editor.

At the time, it was just another day but with hindsight it was a momentous moment in my life. I left his office that day as the “Assistant Editor” of the journal and the possibility of becoming a lecturer for a year whilst Andrew went on sabbatical. At 21, I was to become a university lecturer and 35 years later, with various excursions into industry enroute, I am still lucky enough to have the pleasure and honour of teaching the next generation and editing a premier journal in real estate research.

And that brings me to the point of my editorial. The great benefit of creating a real estate research community has also meant that we have created a disengagement between real estate academics and the real estate profession. When I started as editor of *JPIF*, the reject rate was relatively low; the readership was a 50/50 mix of academics and practitioners, and the academic research was rigorous and innovative and of direct relevance to the profession. Indeed, many papers were co-authored between academics and practitioners bringing a wonderful blend of skills and knowledge to the literature for the benefit of all. Today, our readership is predominately academics, the reject rate has increased to over 50 per cent and most of those rejections happen at the submission stage.

The academics and practitioners are no longer one community. Most near-market practical research is now done by industry, and only a few academics present at professional conferences and only a few practitioners attend the academic conferences. Yes, the overall research community is “bigger”, but is it “better” if the two component parts are so disengaged?

The other outcome is that the nature of some (not all) research has changed. 35 years ago, we were publishing the near-market research that the industry now does itself. In the interim period until the early noughties, all the majority of papers were based on innovative research with primary data. Today, the majority of submissions are derivative papers with secondary data. Indeed, in an editorial in *JPIF* in 2012, my colleague, Graeme Newell (2012), wrote:

The only concern is that much of this research is strongly focused around REITs, with heavy econometric analysis, often around very micro issues. This is OK, but we need to keep it in perspective. The advantage of REITs is that they are in the listed property space and their financial performance data are readily available. But sometimes the econometric analysis is so overwhelming that it seems the author has lost sight of the underlying property issue. This sees the methodology becoming the focus of the paper, with rigorous analysis often confused with



excessive methodology; often with limited discussion of what the results mean. The best papers are those that address an important property issue using appropriate methodologies and making suitable recommendations.

This was apocryphal as the majority of early rejects stem from the propensity of the new generation of authors to believe that research is simply running a new data set through an existing econometric model and commenting that some variable may be significant. Such research is no use to man or beast. If there are no conclusions, no application, no insights, then the paper adds nothing to the existing literature. I receive papers with conclusions of one sentence. That is not research. I reiterate Graeme's comment, the best papers are those that address an important property issue using appropriate methods and making suitable recommendations.

I have also been to real estate conferences in recent years where the presenters have no experience of the real estate industry, no qualifications that relate to real estate and no ability to present. Their papers are only "real estate" because of the origin of the data set used (normally REITs' data) and the conclusions, as with the papers above, are, at best, superficial and, at worst, useless. Yet, because they have a PhD, they will be appointed as lecturers and professors ahead of colleagues from industry, who have a wealth of knowledge and enthusiasm to teach, but now will never be appointed to a full time position. And, the result of this is that we continue to get poor theory-based papers being submitted to our journals, higher reject rates and a teaching faculty ill-suited to teach the next generation. I worry for our profession.

I know that what I have said is rehearsed around the world regularly with faculty staff of my generation in all universities across an array of disciplines. Everyone is concerned about the state of our profession. On the plus side, the depth of research is now greater than when I walked into Andrew's room 35 years ago. And there has been a proliferation of data and information. But on the negative side, are we now preparing the next generation of real estate professionals with the skills and practical knowledge that they will need to excel in the property world? Sadly, I do not think that we are doing that and that needs to change.

Nick French

Reference

Newell, G. (2012), "Editorial", *Journal of Property Investment & Finance*, Vol. 30 No. 1.