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[Printer-friendly version](#)

**Latest News**

- Letter from the Executive Director
- Check Us Out on Facebook
- MSRE Students Recognized at NAIOP Mayor's Event
- MSRE Students Spend Intersession in Hong Kong
- Real Estate Society Kicks Off Spring Semester
- Mark Riedy Speaks at National Tax Credit Conference
- In the News
- Calendar
- Upcoming Continuing Education Classes

**Useful Links**

- [Request information](#)
- [Make a gift](#)

**Burnham-Moores Center Staff**

Mark Riedy, Ph.D.  
*Executive Director*

Meghan Bokath  
*Fundraising Assistant*

John Demas, Esq.



**Latest News**

**Letter from the Executive Director**



Mark Riedy, Ph.D.

While today's headlines scream problems seemingly in every aspect of the U.S. economy, it is important to balance those headlines with what they are not making clear. Namely, market forces are at work ar setting the stage for what will become the beginning of a full-scale recovery, probably not in 2009 but certainly possible in 2010. As painful as today's problems are, they are clearing the table and actual enhancing the prospects for recovery in both real estate and financial markets.

Every reader will have their own views of the good mixed in with today's bad economy, and I invite you to [share them](#) with us. Here are some of my observations that hopefully will encourage more positive thoughts and improve our collective psyches.

First and foremost, the quality of life in San Diego acts as a huge magnet for employers, students, retirees, tourists and relatives and friends. So for every vacant home, office, apartment industrial, and retail space being sold or offered a

**13th Annual Real Estate Conference: Register Now**  
**Feb. 18, 2009**  
**7:30 a.m. to 11:30 a.m.**  
 San Diego Marriott Hotel & Marina  
 Keynote: Richard K. Davis, CEO, U.S. Bancorp, Minneapolis  
**\$95.00/individual;**  
**\$950 for a reserved table of 10**  
[go here](#) for a full list of speakers and topics

*Instructor*

John Ferber  
*Director, Commercial Real Estate*

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*Professor and Director of Academic Programs*

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*Instructor*

Charles Tu, Ph.D.  
*Associate Professor*

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*Communications Director*

Myla Wilson  
*Executive Assistant*

**Newsletter Info**

Suggestions? Comments?  
Contact us:  
Jeryldine Tully  
(619) 260-4786

**New Continuing  
Education Certificate  
Program in Land Use  
and Sustainable  
Community**

prices and rents well below prior market peaks, there eventually will be strong demand by prospective occupants of that real estate, either from families and businesses already here or from those desiring to relocate to the San Diego region at more affordable costs. While current property owners and lessors are being hurt by depressed selling prices, underwater mortgages and rents, the next generation of owners and lessees will be better situated to compete and prosper.

Mergers and consolidations for competitive reasons currently are being completed under duress, but again, when we emerge from this recession, surviving firms will have fewer competitors to face and be more cost-effective operationally. Voluntary employee turnover is down and will continue to diminish. Employee loyalty to firms has strengthened, and firm loyal to their employees presumptively will be rewarded with even stronger allegiance by their employees. To the extent that businesses have pared their least efficient and productive fixed assets, products, processes and employees, future profit margins will widen when revenues begin to increase in the future.

In housing, which led the current national recession with a greater impact than any in my career, short sales and lender-owned sales are offering much-improved pricing for prospective buyers and even modulating rents because so many houses and condos today are being offered as rentals. The existing owners of those distressed properties are being hurt, as we read in the headlines, but again there are winners in this market as well. Moreover, with home mortgage interest rates near historic lows, it appears that chagrined consumers are wising up to the importance of responsible debt/credit score management paying down debts when possible, spending less and saving more, and trying to position themselves for qualifying or re-qualifying for homeownership. Likewise, chastened lenders have tightened underwriting standards to prudent levels, thereby forcing borrowers to engage in the same return to conservative behavior.

While I confess to not having a clue how the federal government's spending, lending and guarantee programs will work out in the end, I have to believe that during 2009 they will contribute mightily to stemming the tide of foreclosures, lack of confidence in the financial system, and overall freeze in spending, lending and investing. I am equally convinced that the Federal Government will need to re-create a Resolution Trust Corporation-type agency to provide asset-backed guarantees that investors can trust. At present, mortgage-related government agencies, mortgage insurance

**BE READY**  
**When the Market Comes Back**  
**Earn Your MSRE Degree in Less than a Year**  
**Scholarships Available**  
**[www.sandiego.edu/msre](http://www.sandiego.edu/msre)**

**Development**

Next class:  
**Understanding the  
 Maze of  
 Stakeholders**

**Starts Mar. 5, 2009**

**Register Now**

For more information about this class and the new Certificate in Land Use and Sustainable Community Development, go [here](#)

companies, third-party private sector guarantors, and credit default swap counterparties lack the credibility that the world needs to resuscitate global capital flows.

Lastly, it is evident that the U.S. economy and mortgage markets led the global economic and capital market meltdown. While we may not remain the world's only superpower in generations to come, the fact is that global investors continue to hold massive positions in American debt, equity and real assets. They, along with each of us, have a meaningful stake in restoring the health of the U.S. economy and real estate markets. In that vein, we are all allies — friendly or otherwise.

**Check Us Out on Facebook**

[^back to top](#)

The Burnham-Moores Center has created several new Facebook pages to connect with our friends online. If you're a member of the social networking site, look us up at the following sites, become a fan and help us shape our online presence:



**Continuing Education  
 Certificate Program in  
 Real Estate Finance,  
 Investments and  
 Development**

Next class: Creative  
 Investment and  
 Development in Real  
 Estate Changing  
 Times

**Starts Mar. 10, 2009**

**Register Now**

For more information about this class and the Certificate in Real Estate Finance, Investments and Development, go [here](#)

Burnham-Moores Center for Real Estate:

<http://www.sandiego.edu/business/facebook/bmc>

USD Real Estate Society (member-only):

<http://www.sandiego.edu/business/facebook/resociety>

USD Master of Science in Real Estate:

<http://www.sandiego.edu/business/facebook/msre>

USD Real Estate Alumni Association (member-only):

<http://www.sandiego.edu/business/facebook/realumni>

**MSRE Students Recognized at NAIOP Mayor's Event**

[^back to top](#)



(l. to r.) Bill Rodewald, senior vice president/regional manager of Harsch Investment Properties LLC, SDSU student Patrick Hale, MSRE student Jacqueline Lee, MSRE student Artin Panossian, and Charlie Abdi, principal of Finest City Realty Advisors, attended NAIOP San Diego Chapter's Third Annual Breakfast with the Mayor at San Diego Marriott Del Mar on Jan. 21. The students were all recognized at the event for being selected as the Fall 2008 NAIOP San Diego Chapter scholarship recipients. For a full list of recent MSRE scholarship recipients [go here](#).

**MSRE Students Spend Intersession in Hong Kong**

[^back to top](#)



MSRE students Jacqueline Lee and Lawrence Kopp joined 19 other students in the MBA negotiations course taught by Professor Craig Barkacs held at

Hong Kong Baptist University over the winter intersession Jan. 4-14. The program was designed so that students could learn about the business and economic environment of the region through coursework, expert guest lecturers and the opportunity to participate in socio-cultural group activities.

Classes began on Jan. 5, the morning after students arrived in Hong Kong. Each day the class met, the group would break up into intense yet entertaining negotiation simulations; topics included: learning to negotiate with individuals vs. a group setting, negotiating when you are acting as an agent and negotiating across cultural borders.

The students also took advantage of several other optional activities that were available for them throughout the program to learn more about Hong Kong and its dynamic culture. The first day of class was followed by a campus tour, a tour of the city and of Victoria Peak, which overlooks the skylines of Hong Kong and Kowloon City. Another evening, the group experienced a Beijing style dinner and visited Temple Street Night Market, where the students were able to practice their negotiation skills firsthand and shop for handbags, watches, luggage and other similar items.

### Real Estate Society Kicks Off Spring Semester

[^back to top](#)



The first Real Estate Society meeting of the spring semester featured Brian Trotier, interim director of the Southeastern Economic Development Corporation, and Dan Phelan, president of Southwest Realty Services, who discussed "The Money Game" and how the current economic downturn compares to past real estate declines. More than 50 students attended the Jan. 29 event. Shariar Monfared, undergraduate chair of the Real Estate Society, and John Hundley, graduate representative for the Real Estate Society, both moderated the discussion.

The Real Estate Society has two other events planned for this month:  
Feb. 13-Habitat for Humanity Build

Feb. 26-Real Estate Expo

To participate, contact Lauren Lukens at (619) 260-7619 or [llukens@sandiego.edu](mailto:llukens@sandiego.edu)

### Mark Riedy Speaks at National Tax Credit Conference [^back to top](#)

Mark Riedy, Ph.D., executive director of the Burnham-Moores Center, spoke to more than 300 executives from across the United States on current real estate and capital market conditions and prospects at the Eighth Annual New Markets Tax Credit Winter Conference in San Diego on Jan. 29. He covered the causes of the current real estate and capital market crises; the economic changes that are occurring to help accelerate recovery once it begins; and the major hurdles that need to be overcome before recovery time becomes realistic.

### In the News [^back to top](#)

Norm Miller was interviewed by Alan Zibel of the Associated Press about when the market will bottom out. The [article](#) was published Jan. 26 and picked up by the International Herald Tribune and more than 50 other papers both domestically and internationally.

Norm Miller spoke with John Adams of [Bank Technology News](#) on AVMs.

Norm Miller was quoted in an [article](#) by David Bogoslaw of *BusinessWeek* on the ability of loan modifications to bring relief to the mortgage crisis. The article appeared in the Jan. 26 edition of the online publication.

Norm Miller was interviewed by Matt Carter of Inman News on the impact that foreclosures will have on the market in the future. The [article](#) was published Jan. 26.

Mark Riedy was interviewed by *Wall Street Journal* reporter Bob Hagerty for a book he is writing from the perspective of former Fannie Mae executives.

The Burnham-Moores Center for Real Estate was mentioned in a Jan. 26 [article](#) in *The Earth Times* for its role in the green real estate study co-authored by Professor Norm Miller. The same study was [referenced](#) in the *Nashville Business Journal*

and picked up by several other business journals as well.

Norm Miller was interviewed by Bloomberg News on loan modifications and the limitations of the Case Shiller Index.

Louis Galuppo was interviewed by Tara Sharp of the *San Diego Business Journal* regarding the state of the residential housing market. The [article](#) appeared in the paper's Feb. 2 edition.

## Calendar

### SAVE THE DATES . . .

[^back to top](#)

#### **Habitat for Humanity Build** Feb. 13, 2009

- Open to current University of San Diego students

For more information, contact Lauren Lukens at [llukens@sandiego.edu](mailto:llukens@sandiego.edu).

#### **13th Annual Real Estate Conference** Feb. 18, 2009

- San Diego Marriott Hotel & Marina
- \$95.00 for individuals; \$950 for a reserved table of 10

To register go to [www.sandiego.edu/annual](http://www.sandiego.edu/annual).

For questions or sponsorship opportunities, contact Diane Gustafson at (619) 260-2379 or [dgustafson@sandiego.edu](mailto:dgustafson@sandiego.edu).

For a complete listing of speakers and topics, [go here](#).

#### **Real Estate Career Expo** Feb. 26, 2009

- Hahn University Center, University of San Diego Campus
- Free Event

To reserve a company booth or for more information, contact Lauren Lukens at [llukens@sandiego.edu](mailto:llukens@sandiego.edu).

#### **LEED AP Training Course** Feb. 27, Feb. 28 and March 6, 2009

- Olin Hall, Room 226, University of San Diego Campus
- Course meets over the following three days at the specified times:
  - Friday, Feb. 27, 2009 - 9 a.m. to 2:30 p.m.
  - Saturday, Feb. 28, 2009 - 9 a.m. to 3:30 p.m.
  - Friday, March 6, 2009 - 9 a.m. to 2:30 p.m.
- The Center is offering discounted rates to individuals and companies as follows:
  - \$300.00 registration fee for individuals, or \$500.00 for two registrants
  - \$1,000.00 corporate registration fee for four students

For more information, please contact Ines Kraft at [ikraft@sandiego.edu](mailto:ikraft@sandiego.edu).

#### **USD Real Estate Alumni Quarterly Networking Event** April 9, 2009

- Sé San Diego, 1047 Fifth Ave., San Diego, Calif. 92101

For more information, contact Lauren Lukens at [llukens@sandiego.edu](mailto:llukens@sandiego.edu).

## Continuing Education

### Upcoming Continuing Education Classes

[^back to top](#)

New Land Use and Sustainable Community Development Certificate

#### **Next class: Understanding the Maze of Stakeholders**

- Starts **Mar. 5, 2009**
- To register, contact [Julia Chemers](#), or [register online](#)

For more information about this class or the new certificate program, go [here](#).

This class is a core course for the Land Use and Sustainable Community Development Certificate and an elective class for the Real Estate Finance, Investments and Development Certificate.

Real Estate Finance, Investments and Development Certificate

#### **Next class: Creative Investment and Development in Real Estate Changing Times**

- Starts **Mar. 10, 2009**
- To register, contact [Monica Phelps-Zambrano](#), or [register online](#)

For more information about this class or the certificate program, go [here](#).

This class is a core course for the Real Estate Finance, Investments and Development Certificate and an elective class for the Land Use and Sustainable Community Development Certificate.

Visit us online at [www.USDRealEstate.com](http://www.USDRealEstate.com)

The Burnham-Moores Center for Real Estate is committed to delivering outstanding education, industry outreach, career and research services to advance socially responsible leadership in real estate.

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