

COMMENTARY: OPPORTUNITIES IN RESIDENTIAL PROPERTY MANAGEMENT

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Shaping change and influencing public policy has always been a central part of HERA's focus. Among the most important issues affecting family and community well-being is housing. The U.S. is constantly challenged to provide its citizens the opportunity for "a decent home and a suitable living environment" as called for in the Housing Act of 1949.

The housing industry, including residential property management (RPM), is an ever-changing, highly competitive, and interrelated operation that provides many exciting and challenging career opportunities. An increasing number of community colleges, colleges, and universities are offering specific RPM curriculums as part of a four-year degree program or a certificate-based program. The majority are affiliated with Housing and/or Family and Consumer Sciences (FACS) departments. This is as it should be. In these departments there is a natural fit between the mission of focusing on the family and building communities, as well as the preparation of students for meaningful employment in the nation's workforce.

The National Apartment Association Education Institute (NAAEI) reported that critical workforce issues in residential property management include recruitment, employee retention, education, and training. Demand for multi-family housing is increasing because of immigration growth (43% of recent immigrants rent apartments) and because more residents are opting for apartment living, with its lifestyle appeal of amenities and service, over homeownership (National Apartment Association Education Institute, 2005).

The rental housing industry, where most RPM student career opportunities are available, is a major part of the U.S. economy. Almost 31% of U.S. households

are renter-occupied (34.6 million households providing shelter to more than 81 million residents). Multi-family structures (two or more units) serve 22.5 million households housing 48.3 million residents. Additionally, rental housing accounts for approximately 2% of the Gross Domestic Product, equaling that of transportation and utilities (National Apartment Association Education Institute, 2005).

Employment possibilities in the residential property management field should be ample in the immediate future. The typical apartment manager operates an apartment community with 248 homes, directs an on-site team of six persons, prepares and implements an annual budget of \$2.1 million, and maintains a real estate asset valued at \$12.1 million (National Apartment Association Education Institute, 2005). *Units* magazine reported, based on Bureau of Labor Statistics data, that approximately 678,000 persons were employed in rental industry property management in October 2005, up 1% from a year earlier (Sheehan, 2006). NAAEI predicts employment will grow by 1.6% per year through 2010.

Further, this growing career opportunity pays well. The National Multi Housing Council (NMHC), in its compensation survey of the apartment management industry, reported weighted average salary, bonus, and rent discounts. Apartment managers, based on the number of dwelling units in the community they manage, earn between \$42,000 and \$59,900. The weighted average salary, bonus, and rent discount for assistant managers are \$32,500. Advancement potential is strong and regional managers who supervise multi-property portfolios are paid from \$70,000 to \$90,000 annually (Watson Wyatt Data Services, 2005).

The question then arises as to how we educate our college students to handle meaningful careers of interest and value to them, as well as to the community and environment in which they work and the families and individuals they serve. The *Occupational Outlook Handbook* of the Bureau of Labor Statistics noted that opportunities for property managers “should be best for those with college degrees ... and with professional designations. Good speaking, writing ... as well as an ability to tactfully deal with people, are essential” (Bureau of Labor Statistics, 2006-07). Knowledge and competencies in customer service, fair housing regulations, risk management, legal concepts and responsibilities, marketing and leasing, leadership and team supervision, and property maintenance management are skill sets for a successful career in RPM.

University-based residential property management programs continue to grow throughout the country. Universities frequently work with local apartment industry professionals and seek the involvement of the National Apartment Association (NAA) as they develop their programs. The longest standing and most complete RPM programs are located at Virginia Tech (1986) and Ball State University (1999). Both programs are part of the Housing and/or Family and Consumer Sciences departments. Additional programs at Georgia, Georgia Tech,

and Florida State are also part of these departments and are in various stages of course development, program emphasis, and degree offerings. Programs are starting to trickle down to other educational levels as well, as evidenced by the Indiana FACS high school curriculum adding RPM content.

The goal for these four-year degree programs is to provide the student more than residential property management skills. Developing broadly educated, critical thinkers committed to meeting the housing needs of families and communities is part of their objective. The required knowledge, competencies, and skill sets are best provided within an emphasized interdisciplinary program. People skills to deal with employees and residents are critical and are more likely to be available in the interdisciplinary curriculum provided by Housing and Family and Consumer Sciences programs.

RPM programs best prepare students to meet the basic human need for shelter and focus on the demand side of the consumer for this shelter. The more traditional real estate programs in universities are offered mainly within the business school where the emphasis is on real estate law, finance, development, asset management, and marketing. The need to understand such topics is important for effective performance of residential property management responsibilities. The interdisciplinary nature of Housing and FACS programs allows students to complete courses such as real estate principles, basic accounting, and basic marketing in business school curriculums. The emphasis for business schools is not, however, to prepare their graduates for careers on site or in supervisory RPM positions, but rather to prepare graduates for careers in business administration with a real estate emphasis. Their education, unlike Housing and Family and Consumer Sciences programs, does not focus on families, communities, special needs residents (elderly, disabled, and low income), or the environment in which students might work.

Housing and Family and Consumer Sciences mission statements typically reflect the objective of preparing students qualified and committed to improving the quality of life for families, communities, and the environment. Further goals include the ability to better manage the challenges and opportunities of living and working in a diverse, ever-changing global economy. The goals of such Housing and Family and Consumer Sciences programs make it the ideal place to provide much needed residential property management programs.

References

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