

**Real Estate Update**  
 April 8, 2009



**UTSA Economic Crisis Panel**

2 p.m.  
 Tuesday, April 14  
 Business Building 2.01.02  
 Free and open to the public  
[Stream](#) the panel live

**Founders Council**

The College of Business established the Real Estate Finance and Development Founders Council in spring 2008. The council is charged with furthering the support and growth of the college's Real Estate Finance and Development program. Members made an initial three-year commitment of \$15,000 each in support of the program.

**Executive Committee**

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**Business Students Learn About Real Estate Industry During Annual Career Expo**

The UTSA College of Business hosted its third annual Real Estate Expo in March. More than 200 students and representatives from 14 companies and organizations were on hand to discuss career and internship opportunities in their respective fields.

"The expo allowed students to interact with real estate industry representatives and receive feedback on the serious conditions we are all experiencing right now," said **Sharon Straus**, director of business development at Koontz McCombs. "The students asked intelligent questions and took time to listen to the advice of industry participants."



Participating companies were **Embrey Partners**; **First American Commercial Property Group**; **Galaxy Builders, Ltd.**; **Joeris General Contractors, Ltd.**; **Koontz McCombs**; **Lyda Swinerton Builders**; **Metropolitan Contracting Company**; **Presidio Title**; and **Yantis Company**.

Organizational participants were **Associated Builders and Contractors (ABC)**, **Certified Commercial Investment Member (CCIM)**, **Commercial Real Estate Women (CREW)**, **Institute for Real Estate Management (IREM)** and the **International Facility Management Association (IFMA)**.

"The expo allowed me to identify a variety of opportunities in the real estate industry as well as network with professionals in the real estate community," said **Will Address**, a REFD major.

The expo is sponsored by the UTSA College of Business Center for Student Professional Development, the Real Estate Finance and Development Program and the UTSA Career Center. The college's dynamic Real Estate Finance and Development Program has grown to over 150 students in the past year. The college offers a BBA degree in Real Estate Finance and Development, a MBA concentration in Real Estate Finance, a MS in Finance with a concentration in Real Estate Finance as well as a new MS in Construction Science and Management.

[-More-](#)

**Mark Gibson Presented Founders Council Keynote Address on Capital Market Trends**

**Mark Gibson**, one of the founding partners and an executive managing director for Holliday Fenoglio Fowler, L.P., provided a keynote lecture on real estate capital market trends to an audience of over 80 industry professionals at the UTSA College of Business.

On the positive side, Gibson noted that foreclosure rates are low, lending rates are low by historical standards, and there is equity money waiting on the sidelines. He noted that cash flow is critical, so it is important that buildings provide solid cash flows to attract investors and lenders.

He also remarked that on the negative side, cap rates are increasing and lenders are simultaneously requiring higher LTV's as loans rollover. The combined effect requires substantially more equity to acquire financing on buildings. As the CMBS loans mature, other lending

Bart C. Koontz  
 Edward K. Kopplow  
 Steve Lee  
 Becky Oliver  
 Jack J. Spector  
 Ronnie Urbanczyk  
 Arun K. Verma  
 Don Walker  
 Marty Wender  
 Blake Yantis

## Calendar of Events

- **April 14**
  - [Economic Crisis Panel Discussion](#). 2 p.m. Business Building 2.01.02. Call 458-4313.
- **April 16**
  - Frost Distinguished Lecture Series featuring **Joe Robles**, president and CEO of USAA. 11 a.m. Business Building 2.01.02. Call 458-4313.
- **April 16**
  - [Executive MBA](#) Information Session. 6 p.m. Business Building 1.01.20. Call 458-4874.
- **April 17**
  - [Accounting Department Memorial Scholarship Golf Tournament](#). Quarry Golf Club. \$250 per person and sponsorships available. Call 458-6632.

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sources will have to take up the slack.

Gibson, located in Holliday Fenoglio Fowler's Dallas office, is responsible for the overall direction of the firm's 18 offices throughout the nation. He has been involved in real estate financing and asset sales for major corporate, institutional and entrepreneurial owners, both nationally and internationally.

## Is Cash the King in Real Estate?

According to a recent study by **Ron Rutherford**, professor of finance and the Elmo J. Burke Jr. Endowed Chair in Building Development, cash is "king" when purchasing residential properties.

The study was done in collaboration with **Jessie Huang**, a UTSA finance doctoral student, and Texas Christian University Professor **Larry Lockwood**. According to their research findings, cash buyers obtained discount purchase prices in comparison with individuals who used conventional mortgage purchases.

The results were obtained by sampling 500,000 properties selling through the MLS. The results for the foreclosure subsample show that foreclosures purchased with cash sell at a discount of approximately 10% in comparison to properties financed with a conventional mortgage. Interestingly, this finding only held true with properties in the lower-priced housing segments, not the higher-end markets.

Click [here](#) for a link to the paper, which was recently presented at Mississippi State University by Huang, whose research is focused in real estate.



## New Scholarship Established for REFD Students

The Real Estate Council of San Antonio Leadership Development Program established a \$10,000 scholarship endowment for undergraduate and graduate students majoring in Real Estate Finance and Development.

The money was raised at their annual clay shoot, which will be held this year on May 8 with proceeds supporting their scholarship. "Our class advocated for the support of UTSA's real estate program because we understand the importance that this program has for the future of our industry," said **Rob Killen**, a member of the 2008 class. The RECSA Leadership Development Program was established to provide leadership development for members of the real estate development industry.

The Real Estate Council of San Antonio has also endowed the *Quincy Lee Memorial Endowed Scholarship*, which they established with support from friends in the real estate community to honor one of their leaders, **Quincy Lee**.

Newly funded annual scholarships include the *Warner F. Fassnidge Scholarship*, which was

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established three years ago by retiring real estate faculty member **Warner Fassnidge**, and the *CREW-San Antonio Annual Scholarship* which was funded for the second straight year. For more information about establishing a scholarship, contact [Kimberly West](#) at (210) 458-7307.

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Please send all comments and suggestions to Wendy Frost, director of communications, at [wendy.frost@utsa.edu](mailto:wendy.frost@utsa.edu).