

Making History: An Insider's View of the Founding and First-Ten-Year Accomplishments of the American Real Estate Society

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Abstract. This article presents an overview of the numerous innovations of the American Real Estate Society during its first ten years. Many of its accomplishments are unique for an academically based organization. Because of this, the definition of an academic/professional organization has been changed forever due to the synergistic effects of mixing practicing professionals and applied academicians.

Introduction

It was March 1985 in Nashville, Tennessee and the third Southern AREUEA Annual Meeting was over. However, as the last act of business, the approximately twenty-five participants had met and formed a new national-level, academically based real estate organization to be called the American Real Estate Society (ARES). The Southern AREUEA was buried simultaneously with little fanfare. Some wanted to name the new organization the American Real Estate Association (AREA), but out of courtesy to AREUEA, it was decided to use "Society" instead of "Association".

At the organizational meeting, some people, being true academics, wanted to do a feasibility study before forming the new organization. Instead, it was decided to "just do it," and I volunteered to get the organization incorporated, file tax forms, and set up a task force infrastructure. Art Schwartz agreed and easily convinced the group that we should go ahead immediately. It was decided that if there was no demand for this group, then in a couple of years it would be disbanded.

Annual dues were set at \$20.00 per person to cover legal fees and other incidentals and money was collected immediately. Jim Cooper was so enthused about the new organization that he volunteered \$200 towards the expenses of formation. (He was later voted a life membership in ARES for this.)

It was further decided that ARES would meet in the same city and at the same time as the Financial Management Association (FMA), but in a different hotel. This way people attending both could do so in one trip. And this meant that the first Annual Meeting of the American Real Estate Society would be in October 1985 in Denver, Colorado. Terry Grissom volunteered to put the program together.

The participants at the Third Southern AREUEA meeting were virtually unanimous about the new organization! They wanted:

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- A meeting where the paper topics and panels were from the business decision-making sector of real estate, not the housing and policy emphasis AREUEA had taken on in recent years.
- A national meeting, not a regional meeting. This would make funding for travel much more available and would increase the stature of the papers, etc. that members planned to do.
- A meeting where people were open and friendly and did things in a fair and equitable manner. (Many felt that AREUEA had become too cliquish and/or too snobbish and that they had been offended in some way.)
- A group they could work for and be an integral part of, and one that would adjust quickly as situations demanded.

Most of the people left that meeting with a feeling of exhilaration . . . a feeling they had done something important. Most felt as if this was a change in the course of history. The American Finance Association had its nemesis in the Financial Management Association, and now the nemesis of the American Real Estate and Urban Economics Association had been created! (AREUEA had been a monopoly until this time.) A few people feared reprisals from the AREUEA stronghold, if the new organization failed. Most, though, didn't care. They were "mad as hell" and they weren't going to take it anymore! (Since my Dean at the time had been instrumental in forming the FMA, I had already heard numerous stories about academicians with little courage who were sympathetic to the FMA start-up, but afraid of reprisals from the AFA stronghold!)

The First Six Months

There it was. I had been given the "bell to hang on the cat" at the end of the Third Southern AREUEA meeting in Spring 1985. However, I felt up to the task! This was important work and I was determined to make the organization successful to the extent of my abilities. But one or two people are never enough. ARES has been blessed with *many* contributors then *and* now, who make the society work.

My first child (son, Clinton) had just been born the previous December (he and ARES are the same age!) and I was still adjusting to my new "dad" role as well. Nevertheless, I would often come home and spend two to three hours a night on the telephone doing ARES organizational chores. My wife chided me frequently for calling people during the dinner hour, early in the morning and on Saturdays/Sundays. I didn't care. I was on a mission from GOD!

I gave myself the title of organizing Chairperson and set up the legal work, tax work and bank account. In the six months before the first annual ARES meeting planned for October 1985, seven committees were formed to perform various tasks needed for the growth and long-term well-being of the organization.

First Elections

The initial election of officers and directors took place at the first official ARES Annual Meeting in October 1985 in Denver. There were forty-four ARES members present at the initial election. Jim Kau was even there! I was elected the first full-term President for 1986

Exhibit 1
ARES Past, Present, Future Presidents

1985	Joseph D. Albert
1986	James R. Webb*
1987	Thomas D. Pearson
1988	Charles R. Wurtz bach
1989	Larry E. Wofford
1990	Theron R. Nelson
1991	Jerome Dasso
1992	Terrence M. Clauret ie
1993	Donald R. Epley
1994	Arthur L. Schwartz
1995	Steven D. Kapplin
1996	Stephen E. Roulac
1997	Willard McIntosh
1998	Glenn R. Mueller
1999	Karl L. Guntermann
2000	G. Donald Jud

*first full-term President

by acclamation. Joe Albert was then nominated by me to be President for the two and a half months remaining in 1985 (see Exhibit 1, a list of past, present and future presidents). He also was elected by acclamation. Joe had been active in setting up the Southern AREUEA meetings—the birthing organization.

Tom Pearson was elected President-Elect (to become 1987 President) and Charlie Wurtz bach was elected Vice-President and Program Chairman (to become 1988 President). Six directors were elected and will be discussed in the leadership article of this volume. Bill Weaver was elected Secretary/Treasurer. Finally, an official Board of Directors and Officers were in place.

At this meeting, numerous issues were decided by a vote of all members present. The one I remember clearly was the question of whether ARES should continue to meet in conjunction with the FMA, or go out on its own to totally separate locations. It was decided, almost unanimously (there were only two dissenting votes—Norm Miller's and mine), that ARES would henceforth meet by itself. The reasoning of most people I spoke with afterwards was that meeting with the FMA was just too hectic, as was the case with AREUEA and the ASSA. People wanted more time to talk with each other and discuss their research concerns at a leisurely pace. It was also decided not to have discussants for research papers presented at the annual meetings. People felt that information flows were much more efficient without the traditional discussant format, since those in the audience working on similar topics would now have time to make relevant comments or ask questions. Rarely at meetings with discussants had there been time for questions/comments from the audience.

Innovations

The list of innovations that ARES has implemented over the first ten years is long. In no particular order they include, but are not limited to, the following:

- An Executive Director position to provide for supervision of all projects on a continuing basis.
- Special issues of *The Journal of Real Estate Research* (the official ARES publication) funded by industry groups and devoted to general industry topics.
- Different membership categories going up to \$1,000 per year (1985 dollars).
- No discussants for presented research papers.
- A printed annual program devoted solely to ARES.
- Multiple events at the annual meeting sponsored by industry organizations.
- Creation of a foundation for special needs and future growth.
- Establishment of the James A. Graaskamp Award for iconoclastic leadership in the real estate area. (See Exhibit 2 for a list of recipients.)
- A doctoral seminar on the afternoon before the regular meeting starts for students completing real estate topic dissertations (an idea that was “borrowed” the year after by AREUEA). Doctoral students are asked to present their dissertations, later they are taken to dinner with ARES officers and directors.
- Financial support for doctoral students to attend the doctoral seminar.
- Election of Officers and Directors at the annual meeting in front of all present.
- Nominations are taken from the floor and a person must be present to vote or be elected. Therefore, the people who support the organization with their attendance are the people that manage the organization.
- Manuscript prize of \$1,000 each year for the best paper in *The Journal of Real Estate Research*. “Best” is determined by a mail ballot vote of all members. Additional manuscript prizes of \$1,000 for the best paper presented at the ARES annual meeting for particular topics. (There eventually would be fifteen of these. See Exhibit 3.)
- Sessions at the annual meeting on teaching cases and other educational tools.
- Sessions at the annual meeting on information technology in real estate.
- The workers run the organization. No “window dressers” are kept in place. They are replaced A.S.A.P. Example: Editorial boards for all journals are set up on three-year revolving appointments; one-third are reviewed each year, some people removed if their performance is not satisfactory, and new appointments are then made.
- Encouragement of meeting participants to bring spouses and significant others.
- Continuing attempts to keep the organization open and friendly.
- Being proactive – not waiting for problems to occur before trying to solve them, but trying to anticipate industry/academic concerns and needs.
- Encouraging practicing professionals to participate and giving them the freedom and support to do so.
- Getting people from major real estate trade organizations involved.
- Meeting in pleasant and warm surroundings where people can have fun, as well as work hard (‘World class water,’ as Art Schwartz would say).
- Establishment of a Life Membership category of membership.
- Establishment of a Case Study Clearinghouse (first at the University of Denver; now at Texas A&M University).

Major First-Ten-Year Accomplishments

Some of the items from the previous section on ARES innovations should probably be listed again here. However, the following list contains only the major accomplishments of ARES over the first decade. Many lesser accomplishments have been omitted.

- Founding *The Journal of Real Estate Research (JREER)*, with the first issue being published in the second year of ARES' existence (1986). It went to a quarterly publication schedule in 1992, then to five times a year in 1995, and six times a year in 1996. This is a double-blind, peer-reviewed journal that contains eight to ten articles per issue.
- Founding the *Journal of Real Estate Literature (JREL)* in 1993. This journal is modelled after the *Journal of Economic Literature*, except it is for real estate and has broader coverage. *JREL* is published biannually and contains sections on information technology in real estate, teaching cases, dissertations, working papers, international research, and data sets in addition to literature review articles and indexing of relevant publications. Approximately fifty people are involved in the editorial and indexing sections of this journal.
- Founding *The Journal of Real Estate Portfolio Management*. This journal is modelled after *The Journal of Portfolio Management*, except it is for real estate. The first issue was published in 1995, and has an editorial board that is mostly from industry.

Exhibit 2

James A. Graaskamp Award Winners

1990	James R. Webb In recognition of his contribution to significantly changing the model of real estate professional organizations, the role they play, and the services they provide through his efforts to develop the American Real Estate Society.
1991	Award not given.
1992	Hugh O. Nourse In recognition of his contribution to academic and professional real estate through his leadership, scholarship and perseverance in making the management of corporate real estate assets a viable, important, and fruitful area of research and teaching.
1993	Award not given.
1994	Award not given.
1995	William N. Kinnard, Jr. In recognition of his contribution to academic and professional real estate through his leadership, scholarship and perseverance in changing the assumptions, theory and methodology of income property valuation research, teaching and practice, and codifying valuation procedures.
1996	Award not given.
1997	Stephen E. Roulac In recognition of his contributions to academic and professional real estate through his leadership and scholarship in the areas of real estate securitization, institutional real estate, real estate indices and disclosure, strategic planning, and decisionmaking.

- Publishing special issues of *The Journal of Real Estate Research*. ARES has acted as a catalyst to encourage and bring acceptance to areas of real estate research not previously considered “respectable” (i.e., corporate real estate research and real estate brokerage).
- Establishing a monograph series—an annual research volume that is sent to all ARES members. Future volumes include *Ethics in Real Estate*, *Real Estate Education Throughout the World*, and *The Future of Real Estate Research*. Past volumes have included *Appraisal, Market Analysis, and Public Policy in Real Estate: Essays in Honor of James A. Graaskamp* (1994), *New Ideas in Real Estate Investment* (1995), *Megatrends in Retail Real Estate* (1996) and *Seniors Housing* (1997). See Exhibit 4.
- Establishing the ARES foundation for special projects and future growth. Each year approximately fifty to sixty people become ARES “Fellows” by paying \$175 over and above regular dues (changed to \$200 in 1995). The additional money goes into the ARES Foundation; only the interest is spent to fund special projects.
- Creating the International Real Estate Society (IRES). ARES has acted as the catalyst to form the European Real Estate Society (ERES), the Pacific Rim Real Estate Society (PRRES), the Asian Real Estate Society (established 1996), and

Exhibit 3 Manuscript Prizes*

Each of the following manuscript prizes is for the best paper presented on the topic noted at the American Real Estate Society Fourteenth Annual Meeting, to be held April 16–18, 1998 in Monterey, California.

- *Best Research Paper Presented by a Practicing Real Estate Professional* (any category), sponsored by the American Real Estate Society Foundation
- *Real Estate Valuation*, sponsored by the Appraisal Institute (AI)
- *Real Estate Investment/Portfolio Management*, sponsored by The RREEF Funds
- *Corporate Real Estate*, sponsored by NACORE International
- *REITS*, sponsored by the National Association of Real Estate Investment Trusts (NAREIT)
- *International Real Estate Investment/Portfolio Management*, sponsored by Jones Lang Wootton USA
- *Industrial Real Estate*, sponsored by the Society of Industrial and Office REALTORS (SIOR)
- *Retail Real Estate*, sponsored by the International Council of Shopping Centers (ICSC)
- *Apartments*, sponsored by MIG Realty Advisors
- *Real Estate Brokerage/Agency*, sponsored by the Center for the Study of Real Estate Brokerage and Markets at Cleveland State University
- *Real Estate Finance*, sponsored by the Federal National Mortgage Association (Fannie Mae)
- *Seniors Housing*, sponsored by the National Investment Conference for the Senior Living and Long Term Care Industries (NIC)
- *Real Estate Development*, sponsored by the Urban Land Institute (ULI)
- *Agricultural Real Estate Investment*, sponsored by Hancock Agricultural Investment
- *Property/Asset Management*, sponsored by BOMA International/BOMI Institute

*Prizes of \$1000 are given in each area as noted; papers may be considered for more than one prize, but may win only one prize; all prize winning papers are published in a special edition of *The Journal of Real Estate Research* after suggested revisions, therefore, all papers submitted for consideration must be available for publication.

Exhibit 4

ARES Monographs: Past, Present, Future

Past

- 1994: Essays in Honor of James A. Graaskamp: Appraisal, Market Analysis, and Public Policy in Real Estate (481 pages)
- 1995: Alternative Ideas in Real Estate Investment (189 pages)
- 1996: Megatrends in Retail Real Estate (co-sponsored by ICSC; 378 pages)

Forthcoming

- 1997: Senior Housing (sponsored by the National Investment Conference for the Senior Living and Long-Term Care Industries)
- 1998: Ethics in Real Estate (co-sponsored by the Howard Hughes Corporation)
- 1999: Technical Change and the Appraisal Industry: Electronic Commerce, Collateral Assessment and Information Management (sponsored by the Appraisal Institute)

In Process

- 2000: Real Estate Education: Past, Present, and Future (co-sponsored by the European Business School)
 - 2001: Dangerous Visions: The Future of Real Estate Research (sponsor not yet determined)
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the African Real Estate Society (established 1997). In addition, these, as well as future societies which may develop throughout the world, are coordinated through IRES, which has been initiated by ARES. IRES will eventually link all the high-level practicing professionals and the applied academicians in real estate research and education throughout the world. A future area of development will include South/Central America and India, among others.

The Next Ten Years

The next ten years will include more of the same, I am sure. However, some signs of change are beginning to take shape. In 1993, Stephen Roulac was appointed Chairman of the ARES Strategic Planning Task Force and elected Vice-President, Program (to become 1996 President). The Strategic Planning Task Force has begun to outline future developments for the "thought leaders of real estate" and an ARES Strategic Plan was written and published. Stephen Roulac will be the first president in the history of ARES not to hold a full-time academic post and to be from the "industry" side. Also, Willard McIntosh of Prudential Real Estate Investors will be President in 1997, and Glenn Mueller of Legg Mason Wood Walker assumes the position for 1998. However, Karl Guntermann of Arizona State University and G. Donald Jud of University of North Carolina-Greensboro, will follow in 1999 and 2000, respectively.
