

Seventh Annual Pacific-Rim Real Estate Society Conference
Adelaide, Australia, 21-24 January 2001

Evaluating the Development of Property Education in Thailand

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Keywords: Property education, valuation education, curriculum development, staff development, property industry, property education in Thailand

Abstract: In 1997 the first intake occurred for a new property education program in Thailand that was aimed at dramatically improving the property education opportunities in Thailand and to increase the number of professional valuers in Thailand by over 1000% in 5 years. Unlike other programs that aimed at increasing the number of professional valuers by sending large numbers of students offshore or by employing overseas academics to teach valuation onshore, this program aimed at developing a professional academic teaching unit of Thai nationals within five years at the same time as providing education to hundreds of local students. This paper describes how the program was designed to work, critically evaluates the outcomes after four students intakes, proposes further modifications and make some suggestions for other organizations interested in following the same path.

Introduction

There has always been a need of education in the real estate field whether it is business or valuation, but in Thailand it emerged as an issues like a red headlight during the recession period. During the growth bubble or the late 80's and early 90's real estate education was not a major issue in Thailand and the undergraduate level material on offer was considered to be adequate. At present, the educational programs in real estate are still a long way from being adequate but pioneers have now come out and have established or are trying to establish more programs to offer to the public. Most of the programs have assistants and consultants from countries with expertise. This will contribute to education and training of teaching staff as well as the students. There is a vision that education in this field will eventually take off and sooner or later be available as in developed countries, and hopefully produce qualified professionals.

Real Estate / Valuation Educational Program in Thailand

Real Estate or valuation educational programs in Thailand can be categorized into three main categories, continuing education, vocational program and higher education. Although vocational programs have been offered for quite some time, other offerings are still in their infancy.

There is no doubt that there is a shortage of qualified personnel in the real estate and valuation profession in Thailand. Many factors contribute to this situation such as the lack of professional standards, codes of ethics and regulations as well as the low importance that the market gives

towards the profession. During the last two decades the need for better-educated real estate personal has increased. The first significant sign of this occurred as a part of the Thailand Land Titling Project. As a part of this project a number of officers from the Central Valuation Authority (CVA) were sponsored to obtain undergraduate qualifications in valuation.

Thailand has offered continuing education programs for some twenty years but these have never been offered in a consistent manner. In these programs a certificate is given after the completion of an examination and with participation in at least eighty percent of the sessions. They are aimed primarily at real estate executives and experienced valuers that require a more theoretical education. One such program was initiated by Thammasat University, Thailand in 1985. The program lasted 18 cycles (intakes). Other programs include "Real Estate Investment: Strategy, Analysis and Decisions" with was offered for 5 cycles at the Sasin Institute of Chulalongkorn University. The School of Housing, Faculty of Architecture, Chulalongkorn University have also offered short programs and seminars. Unfortunately these programs have been put on hold for sometime due to low demand, however it is expected that they may restart as Thailand moves out of recession. The Government Housing Bank with the cooperation of the Valuers Association of Thailand (VAT), approached Thammasat University to conduct a program for improving valuation personnel for the second cycle and at present it has been such a success that there might be a third cycle.

The Diploma in Valuation at Rajamangala Institute is the only program available in the vocational program category. The following are details of the program extracted from White Paper: Developing the Valuation Profession in Thailand: Draft Final Report, 25th November 1998, page 67.

"A two-year full-time programme for vocational school graduates only to train valuation technicians and assistant valuers. The programme commenced in 1985 under a contract with the DOL (as a component of the Thailand Land Titling Project) to train assistant valuers to work in the new Central Valuation Authority (CVA) in the Department.....The students are restricted to the graduates of vocational schools with a certificate for three years study of construction or land surveying or business studies (majoring in finance, accounting or marketing)"

Apart from basic subjects such as Business Law and Business Statistics 1, Rajamangala Institute offers eleven valuation subjects and a professional research subject. This valuation division is headed by Mr. Sompong Puchaisri a former surveyor and a part-time Valuation Manager with CB Richard Ellis (Thailand) Co. Ltd.

In the White Paper: Developing the Valuation Profession in Thailand, Draft Final Report, page 24, it mentioned in the possible solutions for valuation related educational programs in Thailand that there should be an establishment of a bachelor-level property course at a reasonable price. Rankhamhaeng University has offered a Real Estate Business Course since 1989 under the Faculty of Business Administration. Joining Rankhanhaeng in 1999 is Assumption University (ABAC). The offered program at ABAC is under the Faculty of Risk Management and Industrial Services. It is a four-year full-time program (six to eight years part-time) in business administration with courses for a major in real estate, presented in the English language. ABAC offers at the most 18-19 subjects in real estate for this degree as well as a seminar for internship. This BBA in Real Estate Program has two valuation subjects, Real Estate Appraisal as a required course and Advanced Real Estate Appraisal as a major elective course. The latest university to offer a bachelor degree level is Thammasat University. Its Bachelor of Business Administration (Real Estate) Business) which has started in June 2000. For the compulsory major subjects there are one valuation related –Advanced Real Estate Valuation. The structure is quite similar to Assumption University except that Thammasat offers the courses in Thai language. The latest news from the Head of Division of Rajamangala Institute is that the institute will be joining the Bachelor degree force in year 2001 but not a Bachelor Degree in Business Administration instead a Valuation.

The next step from Bachelor Degree is the Graduate Diploma level. At present there is only Thammasat's Graduate Diploma Program in Property Valuation on offer. This is later explained in this paper.

Faculty of Architecture, Chulalongkorn University offers a two year full time Master of Housing Development Degree Program. Real Estate Appraisal, the valuation related subject is in the elective course. The Department is chaired by Associate Professor Manop Bongsadat, an architect and urban planner, who is active in urban affairs. Chulalongkorn is not the only university that has a Master Degree in property-related course. Thammasat University, is now opening its first year intake. Though it may seem that there are more of real estate business than valuation courses, valuation subjects still plays a major role in these course. If the analysis of educational trend is somewhat like the business or the real estate trend, there is a possibility that there will more educational course as the economy picks up.

The Graduate Diploma Program in Property

The Graduate Diploma Program in Property Valuation is a twenty-four credit program with two non-credit courses. The two non-credit courses acts as intensive subjects to prepare students for the eight main courses. A research paper or a full- proposed valuation report is required for graduation. The courses carried out in this program are as follows.

1. Intensive Seminar 1: a non-credit subject designed to provide students with statistical skills used in valuation.
2. Intensive Seminar 2: a non-credit subject designed to provide students with economic concepts and principles used in valuation.
3. Principle of Real Estate Valuation
4. Legal and Regulation of Real Estate Valuation
5. Cost of Construction for Valuation
6. Accounting and Taxation for Real Estate Valuation
7. Professional Real Estate Valuation
8. Finance and Investment for Real Estate Valuation
9. Market and Feasibility Analysis for Real Estate Valuation
10. Seminar in Valuation

Each of the courses will provide students with both theory and practicality by inserting case studies as much as necessary while emphasizing on theories based on acknowledged texts and researches. The research paper or the proposed valuation report required for graduation will have to past the process of defending the proposal and defending the final work accomplished. Both are done orally.

Its Uniqueness

This Thammasat's program is the first and only Graduate Diploma Program in Thailand concentrated in valuation. The highest priority for the Thammasat program is to produce graduates as quickly as possible in order to provide the industry, both public and private organization.

Presently five subjects are being taught by oversea academics. Unlike other programs, each subjects that are taught by oversea academics, there will be a Thai co-lecturer attending. This serves three main purposes. One, developing the co-lecturer to become a full lecturer of the subject in times when there will not be an oversea academic for that subject. Two, summarization and interpreting the teaching in English into Thai. Three, creating a less-intimidating atmosphere that might occur between students and oversea academics.

It might be argued that the subject should all be taught in English without any summarization or translation. But in order to be able to achieve the goal that was set at the beginning of the program, producing graduates as quickly as possible, misconception due to low English proficiency should be corrected and prevented.

This with other of the program's staff development plan, such as providing scholarships for current or future staffs to study oversea at a highly- recognized universities, has proven to be effective. As mentioned above that presently there are five subjects taught in the oversea academic-local co-lecturer system, this is a development from the program's first year's ten full subjects system. The five subjects system has been in use since the third year of the program. This will enable Thammasat to produce graduates on their own as well as saving teaching cost and allocating that cost into research.

This re-allocation of cost and oversea academic duties from full-time teaching and part-time research with Thammasat staffs to part-time teaching and full-time research during their visit to Thammasat will be implemented in the year 2002.

So in the above aspects, the Program has reduced the cost of oversea academics by 50% within three years of establishment. And not only produced quality graduates but their own academics at the same time.

Another great uniqueness of this program is the partnership it has with the University of South Australia (U-SA), which has experience in providing an equivalent program. Apart from receiving access to teaching materials, computer software and experiences, graduates of the program are able to transfer their credits to the Master Program in U-SA, enabling them to save time and cost by studying only one year for the Masters.

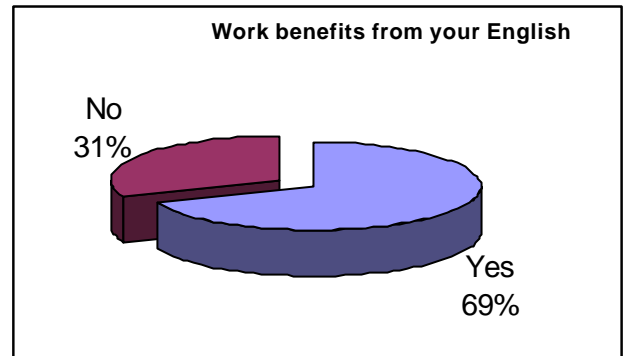
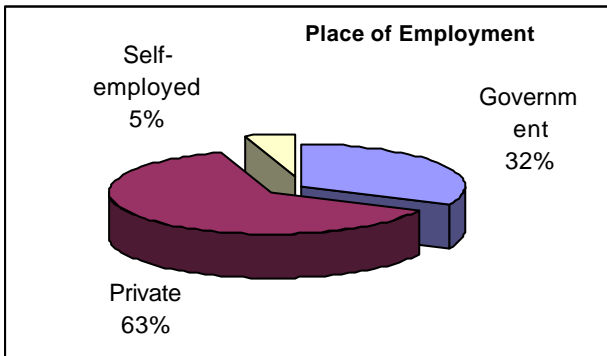
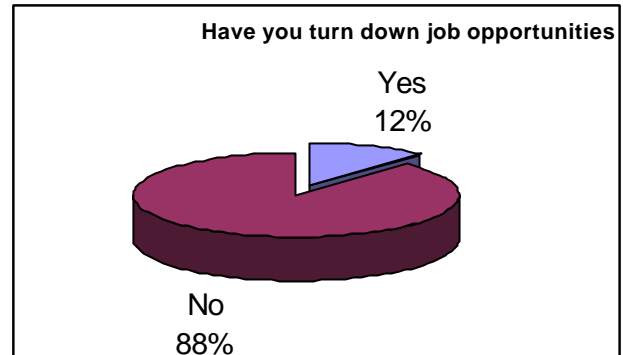
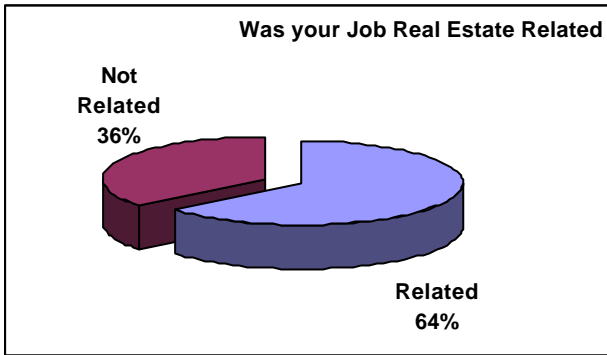
While on the cost saving issues, an intensive format lecturing from an U-SA is carried out. This format means that the subject are offered consecutively through the year. The majority of teaching in each subject will occupy a three week period, the introductory lectures will be provided by Thammasat staff followed by an intensive period of lectures from an U-SA lecturer.

Because this program originated from one of Thailand Land Titling Project (TLTP) objectives which was funded by World Bank, ten quotas per intake are to be kept for officers from the Department of Land. This is to guarantee that not only will the private sector benefit from this production but also the public.

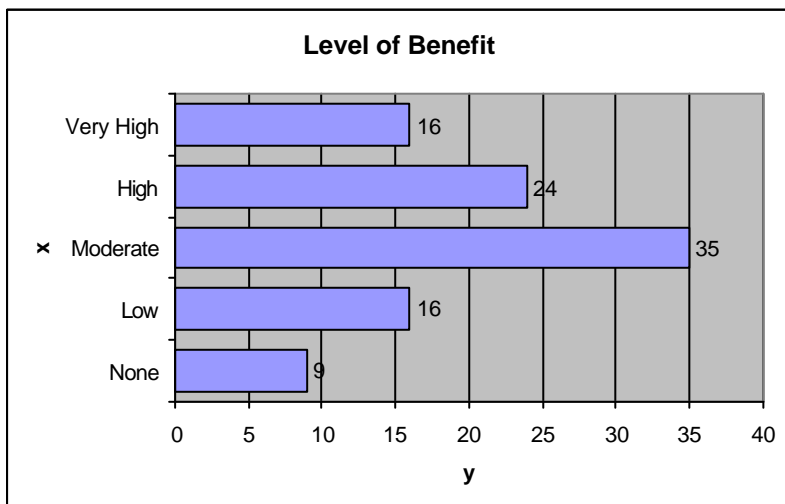
The Follow Up

Up to date, there has been four cycles of graduates, amounting to two hundred and twenty nine students. A survey has been carried out to follow up on the graduates career paths as well as to find out how much of what they have learned has been applied to their work and how useful were the subjects conducted at the program.

From the sample, sixty-nine percent had the same job before, during and after graduation. Twelve percent either have changed their job during or after graduation. Four percent have never worked before or during the study but were employed after graduation. Within this number sixty-six percent are real estate related jobs. And seventy-six percent said that studying at the program was helpful to their work.



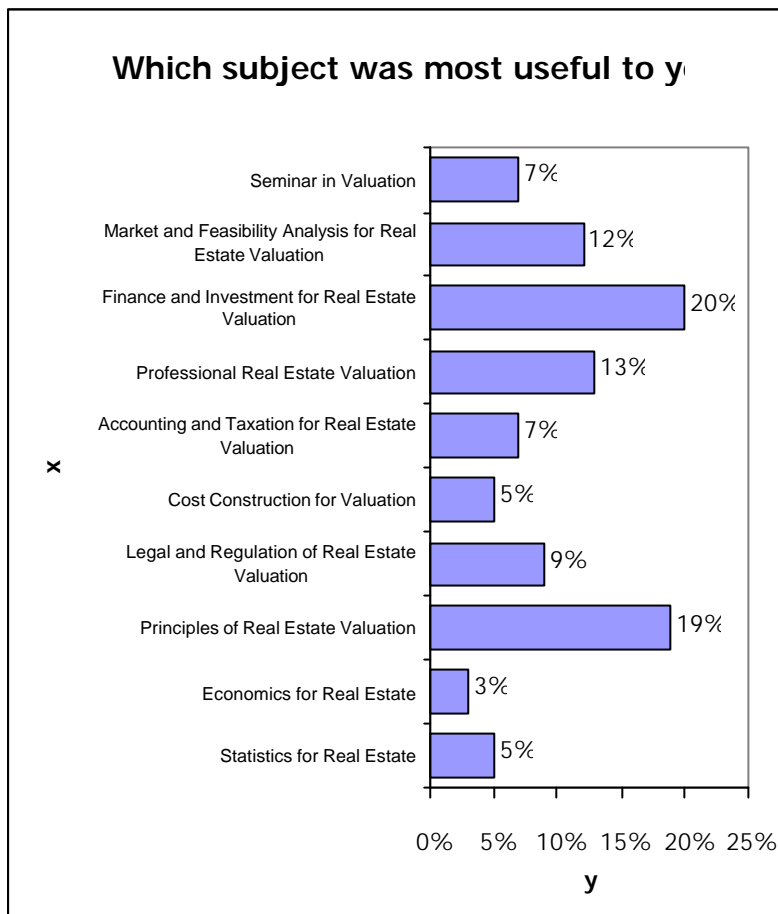
We can see from the above results that though the real estate related job exceed fifty percent by not much but the percentage of students that thinks that what they have studied are useful have exceeded the previous percentage. It is clear that though the work is not real estate related, the curriculum is effective.



Thirty-five percent replied that the benefits they gained from studying at the program is at a moderate level. Twenty-four percent said that they benefit much. Sixteen percent benefit very much. Also sixteen percent benefit at a low level while nine percent benefits nothing. Though the majority benefits only at a moderate level but ones that benefits much was not that far away of a percentage.

Within the sample that we took, which exceed more than half of the four cycle graduates, thirteen percent

had job offers during and after their graduation in which they have turned down. Some of the reasons behind this turn down is the fact that they payment was lower than they expect or that they were not interested to the new position they were offered and prefer to stay at the same working place. A thirteen percent is a very pleasing number to see that because of the qualification and education they have received at Thammasat they have been offered jobs or able to turn down jobs especially in this economic situation.



As for the subjects that they find most useful to their job is Finance and Investment for Real Estate Valuation, this has a percentage of twenty. The first runners up is the Principle of Real Estate Valuation with a nineteen percent. Intensive seminar 1 has five percent. Intensive seminar 2 has three percent. Legal and Regulation of Real Estate Valuation has nine percent. Cost of construction for valuation has five percent. Accounting and taxation for real estate valuation has seven percent. Professional Real Estate Valuation has thirteen percent, mostly graduates who work for the Department of Land agreed to this subject. Market and feasibility analysis for real estate valuation has twelve percent. And seminar in valuation has seven percent. There were no subjects unrecognized nor did the percentage vary tremendously.

When asked in the survey, on the benefits that they have gained and the helpfulness of learning in English towards their own development and their career, a sixty nine percent answered helpful. Explanation among the other thirty one percent was that they did not use English as a part of their daily work task.

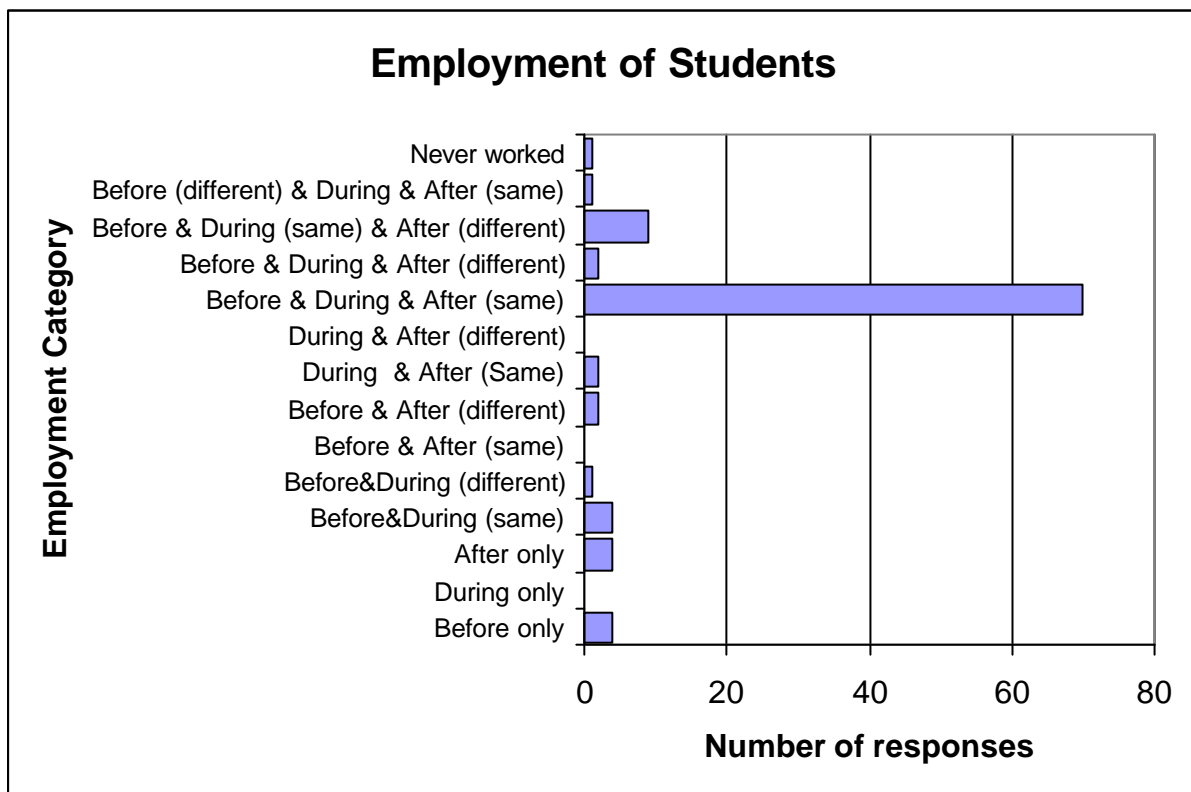
The last part of the survey asked what other factors or benefits did they gained because of the study at the program than the academic and English part. More than fifty percent answered making more friends in which in this industry and especially for the Thais is quite an important factor. Some answered that knowing the lecturers both Thammasat and U-SA is something they cherish. Other answers were being able to establish a real estate company, knowing professionals came in to lecture them part time, better computer skills and knowing high ranked government agents that also came to give lectures part time.

Though the program would like to see an one hundred percent on the helpfulness of the program towards their development and career and an one hundred percent on the “very much” ranking when asked how much did they think that the program has benefit them, but if take the consideration of life stage of this program which is only emerging, this is a great feed back.

This chart shows the time that students were employed in three main categories, before studying at Thammasat, during and after.

Then it is subdivided into 14 sub-categories.

1. Never worked
2. Before only
3. During only
4. After only
5. Before & During (same job)
6. Before & During (different job)
7. Before & After (same job)
8. Before & After (different job)
9. During & After (same job)
10. During & After (different job)
11. Before & During & After (same job)
12. Before & During & After (all different job)
13. Before & During (same) & After (different)
14. Before (different), During & After (same)



This chart shows that for almost all students that employment has not changed during the progression through the course and afterwards.

Conclusion

This paper has outlined the current position of professional real estate (Property) education in Thailand. It documents the beginnings of a new era in the development of the property professional in Thailand. It is hoped that in future years when the property profession in Thailand has developed and more practitioners are at world standards, that reader will be able to reflect on this development. The authors also hope that this paper may be of interest to other countries that are fighting to develop the property industry.

Appendix 1

CONFIDENTIAL

Jittaporn Sriboonjit (Real Estate Program, Faculty of Commerce and Accountancy, Thammasat University) in association with Peter Rossini (School of International Business, University of South Australia)

GRADUATE DIPLOMA DESTINATION SURVEY

You are invited to take part in this survey of all graduate diplomas by completing this questionnaire and returning it as soon as possible to the following address.

Jittaporn Sriboonjit
Real Estate Program
Faculty of Commerce and Accountancy
Thammasat University
Tha PraChan, Bangkok 10200

OR

Fax to : 02 623-5105

The purpose of this survey is to find out something about the type of work, whether you have gained something from graduating this course and how much you have gained.

The information is used by researchers to check the results of the Program's student production to compliment the research paper on the uniqueness and strengths of the Program for the Pacific RIM Real Estate 7th Society Annual Conference. Your help will be very much appreciated.

On average, this form should take around 6 minutes to complete.

For results of the survey and a read on the paper please contact Jittaporn Sriboonjit at (02) 613-2260. After the completion and presentation of the paper, you are welcome to view the paper at the Program's web site at:

<http://bus.tu.ac.th/propertyindex.htm>

To answer the questions, please place a tick inside the appropriate box or write in the space or boxes provided.

THANK YOU FOR YOUR TIME AND CO-OPERATION

1. YOUR EDUCATION BACKGROUND AND STUDY AT THE GPV

(a) Which year and cycle did you study at the Graduate Diploma Program in Property Valuation?

.....

(b) Which year did you graduate from the Graduate Diploma Program in Property Valuation ?

.....

(c) Please rank your level of education from Bachelor Degree to PhD. and the university or the institute that you graduated from.

1.

2.

3.

2. WORK HISTORY BEFORE AND DURING THE STUDY OF THE GRADUATE DIPLOMA PROGRAM IN PROPERTY VALUATION

Please fill in the section if you worked before and/or during the study of the course.

(a) Did you worked before your admission to the GPV course?

..... Yes No

(b) If yes, where did you worked and which position were you holding?

.....

(c) Did you worked during your study at the GPV course?

..... Yes No

(d) Please fill in the blanks if you did not have the same job before and during your study at the GPV course. Please fill in your place of work and position during your study at the GPV course.

.....

(e) Were/was your work real estate related?

..... Yes No

(f) How was your work related to real estate?

.....

.....

(g) Answer only if while you were studying at GPV , you were working.

Did the study at GPV helped you in your work? If yes, how?

..... Yes No

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.....
.....
.....

(h) Please mark the degree that you think suitable for the help of studying at GPV have on your work.

..... 0: None 1: Little 2: Moderate 3: A lot 4: Extremely

3. EMPLOYMENT AFTER GRADUATION

(a) Are you currently working?

..... Yes No

(b) Please answer this if you answer “No” to the question 3 (a). What are you currently doing?

.....
.....
.....

(c) Is the job (after graduation) the same before your graduation/completion?

..... Yes No

Answer the followings if you answer No to question 3 (c)

(d) What is your new employment?

.....
.....

(e) When did you start working for this new employment?

.....
.....

(f) Is your job real estate related? How?

.....
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.....
.....

(g) Are there any other jobs that you were accepted or offered but you declined?

.....
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.....
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.....

(h) Was the completion or graduation from the GPV program a help to your work application?
Please mark the degree that you think suitable for the help of your graduation.

..... 0: None 1: Little 2: Moderate 3: A lot4: Extremely

4. IMPLEMENTATION AND USEFULNESS OF THE GPV SUBJECTS AND ASPECTS TOWARDS YOUR JOB.

Which subject do you consider the most usefulness when applying to your work? Please mark only one.

..... Intensive 1

..... Intensive 2

..... PV 510: Principle of Real Estate Valuation

..... PV 511: Legal and Regulation of Real estate Valuation

..... PV 512: Cost of Construction for Valuation

..... PV 513: Accounting and Taxation for Real Estate Valuation

..... PV 514: Professional Real Estate Valuation

..... PV 515: Finance and Investment for Real Estate Valuation

..... PV 516: Market and Feasibility Analysis for Real Estate Valuation

..... PV 517: Seminar in Valuation

Did the teaching in English in some of the subject a help in your career?

..... Yes No

Are there any other aspects of this program that has helped you in your job or in the application for a job? If yes, please state the aspects.

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