



# Finding Its Center

## How the Real Estate Center has changed the industry in Texas

BY BRANDI SMITH

There are few pieces of legislation that could pass through the Texas Legislature with unanimous votes, but one could also argue that there are few organizations as valuable to the Texas economy as the Real Estate Center at Texas A&M University.

"When our last funding increase went through, there was not a single vote against us in the Senate," said Gary Maler, the center's director.

Maler and those who preceded him in the position know the center's challenges and triumphs, making the vote all that more satisfying.

"Unanimous. I'll take that any day," Maler said.

### "Away we went"

The Center, which is now "the nation's largest publicly funded organization devoted to real estate research," has come a long way since its humble beginnings more than 45 years ago, but its story goes even further back to late 1960s. That's when Julio Laguarta, an instructor for the Realtors National Marketing Institute, met Howard Benedict, a CCIM from Connecticut. As the two discussed Benedict's presentation, Laguarta said he was impressed by the "detail in the overhead slides he used."

"[Benedict] was giving credit to something called the Connecticut Real Estate research

institute," Laguarta recalled during a 2007 interview.

As the two discussed the organization, Laguarta realized the value of such a center in Texas, where more than 100,000 people held real estate licenses. He took his idea to the Texas Association of Realtors in the weeks that followed, convincing leadership to go in on a venture that was by all accounts a gamble.

"We had the bill prepared by TAR's general counsel, and then went to meet with the governor, lieutenant governor and speaker of the house," said Laguarta. "They gave it their blessing, and away we went."

### "As welcome as a skunk at a picnic"

However, getting something as complex as a real estate research center up and running wasn't that simple; the next task was finding a place to house it.

"The natural thought was, 'Well, we have the legislature and the capital in Austin. TAR's office is in Austin. Many of the state associations, home builders and real estate-related organizations are in Austin,'" Laguarta said. "UT was the logical choice."

The administrators at the University of Texas' school of business did not agree. They did accept a meeting with Laguarta, but it didn't go as he had hoped.

"We felt as welcome as a skunk at a picnic," remembered Laguarta. "They didn't like the idea of real estate, period, especially in the curriculum at the UT business school. They just let it be known, not in a

direct way but in such a way it didn't take a rocket scientist to figure it out, that they were not going to be receptive to housing the Center."



Late 1960s. Julio Laguarta had the idea for a Texas "institute" dedicated to real estate research.



Gary Maler, Director

### "We considered all the options"

UT's refusal eventually led to a meeting with Texas A&M's Dr. A.B. "Pat" Wooten, which Laguarta recalled vividly: "Wooten sat at a gun metal desk with chairs to match. His office had few appointments. Wooten wore old, beat-up cowboy boots, a white, long-sleeved shirt, and khaki pants. From his pocket dangled a string. I quickly learned it was his bag of Bull Durham tobacco; he proceeded to roll a cigarette."

Laguarta, who initially thought Wooten was an "A&M rube," would eventually come to know him as a visionary.

"He was a very astute real estate professional and he got the picture," Laguarta said.

It was decided initially that the Center would be located within the College of Agriculture instead of the university's College of Business Administration.



On May 18, 1971. Gov. Preston Smith signed Senate Bill 338 creating the Center. L to R: Ervin W. Luedtke, Julio Laguarta, Robert Hale, Rep. Delwin Jones, Lawrence Miller, Dr. Harry O. Kunkel, Sen. William T. Moore, Dr. A.B. Wooten and Cecil Culpepper.

"We considered all the options, but upon close examination, we found real estate did not fit any better into the narrowly defined areas of finance or marketing," Wooten told the Center's senior editor in an interview earlier this year. "In fact, it was more closely aligned with the broad area of study encompassed by agricultural economics."



Now that it had a home, the next step in getting the Center up and running was to get lawmaker approval. Legislation creating the Real Estate Center made it through the Senate with few arguments. However, it got stalled in committee when it reached the House, before eventually passing on May 6, 1971. Less than two weeks later, Gov. Preston Smith signed the legislation into law.

"Years later, Preston Smith sent us a letter saying it was the best piece of legislation he'd ever signed," said Maler.

## "A university experience"

Wooten, who had been a tenured professor on campus, was named the first-ever director on Feb. 29, 1972. He said, while working on getting the Center set up, he never intended to be put in charge, but he attacked the challenge head-on.

The first year of the Center was spent hiring staff (it had 18 employees by the end of



1972. Dr. A.B. 'Pat' Wooten was named first director of the Texas Real Estate Research Center.

its first fiscal year) and figuring out the parameters for the research projects it would take on.

"The organizational structure of the research center was based on the traditional land-grant concept — research, education and communication," said Wooten. "It was a model that was proven to be successful, and it fit our legislative mandate exactly."

Almost overnight, the Center started making a name for itself in Texas' real estate world. One of the first projects undertaken by staff was to build a rural land catalog, but the Center was also the recipient of the Census Bureau's monthly building permit data. It also tackled massive research projects, such as a survey of the more than 66,000 Texans with real estate licenses.

The legislature also mandated that, in

addition to providing information for professionals, the Center also help consumers. It did just that starting in 1974 when it launched educational programs such as "How and When to Sell Your Land" and the "Real Estate Settlement Procedures Act of 1974."

Also in 1974, the Center started its School of Advanced Real Estate Subjects, or SOARS, to provide more training for Texas real estate

professionals. The formal education was offered to offset some of the shorter training programs that were so common in the industry.

"SOARS was a university experience for the broker who had been out there humpin' it and trying to make a sale," said Doug Moore, former head of the Center's education division. "Some university graduates in attendance thought we should be giving tests all the time. We had to run SOARS when Texas A&M students were not on campus. But the summertime was a hard time to recruit real estate professionals because that was their prime selling season. But it was a good time to get instructors, most of whom were Ph.D. level people from other universities."

The Center's emphasis on education was also marked by its early \$100,000 endowments of two professorships: the William Jennings Professorship at the University of Texas at Austin and the Julia Laguarta Professorship at Texas A&M.

"The objective of establishing the professorship is in keeping with the mandate ... to work with colleges and universities in Texas," said Dr. Wooten. "It's only appropriate the professorship (at Texas A&M) be established in Laguarta's name because he has been a strong supporter of real estate education for many years."

A ceremony celebrating that professorship drew Laguarta to the Center for the first time in November 1981, giving him a chance to see the Center he helped create.

"It has become even more than the founders

envisioned. It has surpassed our expectations. And for Texans that's saying quite a lot," he told the audience at the ceremony.

The Center's location in the College of

Agriculture had added benefits: the creation of a graduate real estate program under the Master of Agriculture in 1972. It has since evolved to become the Master of Land Economics and Real Estate, then the Master of Real Estate after the Center became part of the Mays Business School.

"These students left Texas A&M and

formed a network of well-educated leaders of most of the state's important real estate related organizations, such as the Veterans Land Board, the State Property Tax Board and others," said Wooten. "This has paid big dividends for the Center, Texas A&M and the real estate industry of Texas."

In 1977, the Center started printing *Tierra Grande*, its quarterly flagship magazine. The publication has received endless accolades in its nearly 40 years, but in 2016, the International Association of Business Communicators honored *Tierra Grande* with its 2016 Gold Quill Award. The magazine was one of only 10 U.S. winners, despite more than 650 entries from all around the world.

## "Music to my soul"

The Center would get its second director, Richard L. Floyd, after Wooten's abrupt retirement due to health issues.

"He was a full professor of agricultural economics, and that is all he wanted to do. He was the true professor and the students loved him," said Floyd.

That was the first substantial leadership change for the Center, which would evolve right along with the Texas real estate industry. That culture of change is what invigorates current director Gary Maler.

"I read a lot about creativity, spark, all those kinds of things. That's juice to me. That's like music to my soul," he said. "I'm not a guy who says, 'We're going to maintain the status quo. We're going to maintain the Center where it is.' I would be bored to death."



1976. Dr. Stephen Phyrre from the University of Texas lectured at the Center's Studies of Advanced Real Estate Subjects (SOARS) program.

Continued on page 10





2009. The Center executive staff, from left: Gary Maler, Lynn Stevens, Patricia Smith, Elaine Lovell and Denise Whisenant.



2009. The Center research staff, seated, Dr. Mark Dotzour, left, and Dr. James Gaines. Standing, from left: Dr. Ali Anari, Dr. Charles Gilliland, Judon Fambrough, Beth Thomas, Gerald Klassen, Edith Craig, Mark Baumann and Dr. Harold Hunt.



2008. Communications staff posed for a team photo after winning another award. From left, Bryan Pope, Bob Beals, David Jones, Kammy Baumann, Nancy McQuiston and JP Beato.

**ABOVE PHOTOS WERE TAKEN IN 2009. TEAM MEMBERS ADDED SINCE THAT TIME INCLUDE:**

**EXECUTIVE STAFF:** PAMELA CANON, ADMINISTRATIVE COORDINATOR; PATSY-ROSE GOODNIGHT, ADMINISTRATIVE ASSISTANT

**RESEARCH STAFF:** WAYNE DAY, RESEARCH ASSOCIATE; GERALD KLASSEN, RESEARCH DATA SCIENTIST, JOSHUA ROBERSON, SENIOR DATA ANALYST; DR. LUIS TORRES, RESEARCH ECONOMIST

**COMMUNICATIONS STAFF:** NANCY MCQUISTION, *TIERRE GRANDE* MANAGING EDITOR

Maler, who was hired when Wooten led the Center, said he never intended to stay on for nearly four decades.

"I thought, 'Well, I don't have a job. I'll do this for a couple years and then I'll go do something else,'" recalled Maler. "[Wooten] was a great guy and he had a great group of people doing fun things, challenging things. I love being around bright people. There are extremely bright people here. I ended up staying 38 years now."

His tenure hasn't been without challenges. Maler assumed the interim director position

from Jim Christian during a period when funding was scarce.

"We needed refinancing or we were going to go out of business," said Maler. "I had to build a case to the industry to go to the legislature to ask them to take more money from the industry. That basically means the brokers had to say, 'Up my fees to take care of the Center.'"

Maler managed to pull it off, securing the Center's longevity, just as a new director came on board. It would be several more years before Maler would officially be chosen to lead the Center in 2012.

"At that point, I think they just said, 'Who else is in a better position to lead the Center than someone who knows everything about it, really?'" said Maler.

## "Where's that sweet spot?"

Just as technology has morphed substantially, so has the Center's approach to disseminating the information it compiles. As an example, Maler cited his organizations' incredible data pools.

"We have a four-way partnership now with TAR, the local associations of realtors, every board in the state. We electronically download every single house that's listed and sold in the state of Texas through all the Multiple Listing Services going back five years," he said. "We can pair that data with our government data that we have about economics, job growth, population and characteristics. Then we can determine just about anything about those neighborhoods and what's happening in the marketplace."

The Center intentionally leaves a large chunk of its calendar year open for short-term research projects that may crop up, specifically to meet the immediate need of consumers and professionals. Maler said one of the topics he expects staffers to start investigating is price strategy related to property listings and changes in pricing.

"When you look at that ratio compared to days on market, you can start to see what kind of discount people are taking on various durations," said Gerald Klassen, a research data scientist at the Center. "Where's that sweet spot where you think the market is? People want to go up a little bit higher, but how much higher should you go? We want to figure out what that pricing structure is."

Maler said, while the Center has vast knowledge of existing home sales, his goal in the next five years is to get better insight into commercial real estate and the new home sales market.

"My hope is that before I hang up my spurs, the Center will be able to forecast the magnitude of growth, population and development activity in the state of Texas," Maler said. "I think we're going to do it."

In the 45 years since its inception, The Real Estate Center at Texas A&M University has fundamentally changed how real estate is studied, analyzed and approached not just in Texas, but nationally. Under the leadership of director Maler, as well as its passionate staff, it will no doubt blaze even more new trails in the years to come. ●