

Discipline Development: Summary of Some Key Points

By Maury Seldin

Different People upon seeing the same facts may reach different conclusions because they select from the information available that which they will process in their thinking. The way they process the information is in accordance with the paradigm to which they have become accustomed over the years. These paradigms may vary greatly among individuals in the same culture and even more so among varied cultures. This is discussed in the first and some of the other essays of the *Wisdom Series*. The series starts in this issue of the *News from HHASI* as a supplement.

This article summarizes some of the key points I have been making relevant to what I see should be done to further the Homer Hoyt Institute's program of developing and disseminating the body of knowledge in real estate and closely related areas of study.

The opening paragraph of the *Real Estate in 3D: The Development of a Discipline Drama* (Supplement to ASI Newsletter, Fall 2003, Volume 18, Issue 2) was as follows:

“The development of real estate as a discipline may be viewed as a drama in the form of three acts. Act I is the emergence of the discipline and its historical development. Act II is the current condition, especially the institutional arrangements. Act III is the future of the discipline and the role of the Homer Hoyt Institute in that future.”

That essay discussed some projects that dealt with Act I, including the later forthcoming session at the annual meeting of ARES in the spring of 2004. Included was the discussion in the monograph published by the Institute, *The Challenge to Our Thought Leaders*, an April 2003 *Appraisal Journal* article on the academic roots and evolution of appraisal thought, and a proposed project of autobiographical essays of some of the leading thought developers in real estate. That last project is moving ahead as a web based project.

In preparation for the panel discussion at the ARES meeting, I wrote an article titled *Transitions. It deals with the history of thought in real estate and suggests five areas that might be explored in a way similar to that done for appraisal. They are property rights, externalities, city growth, space markets, and capital markets.* The article was drafted in two forms; one used as the basis of my presentation at ARES, and the other developed into an article published in *Real Estate Issues* (Volume 29, Number 1, Spring 2004).

The article in the Counselors of Real Estate publication, *Real Estate Issues*, was forward looking as well as providing some historical and current perspectives. The most challenging idea was as follows:

“Just as combining different chemicals may transform constituent materials into a new form, so a combination of the resources of land and building materials can engender a transition to income- or amenity-producing real estate.

“The real estate literature... tracks a history of thought that produced the principles that assist us in making wise choices in the combination of resources. Principles rooted in economics include those that relate to getting the right balance between building investment and land as well as the right balance between the land use and other land uses. Indeed, the idea of balance, as related to real estate, goes beyond the discipline of economics to include city planning, law, and public administration....

“There are other principles common to many disciplines; for example leverage and inertia. The idea of the commonality of basic principles is expounded in the concept of consilience as written about by Edward O. Wilson.

“We can extend this concept of consilience to the idea of transitions of thought. This is a mighty challenge because we know more about how the system works at a point in time than how it changes over time, especially in the time dimension of the long run evolution of society.... so, let us take a look at the study of real estate as a social science and see what we can learn about the process of transition of thought. Then, by applying the concept of consilience, what we learn about the process of transition, by the techniques of studying intellectual history, may be applied to other issues...”

That article was reprinted as an essay in the Supplement to ASI Newsletter, Summer 2004, Volume 19, Issue 2. The particular idea espoused about consilience is so esoteric that it may only be of specialized interest. But it is part of what I have been working on as the book in progress. The idea was used in writing an article for the *Journal of the Cosmos Club of Washington DC* originally titled “Strategic Thinking.” They re-titled it to “Getting to the Roots of Terrorism: Strategic Thinking to Solve a Complex Problem.” It is currently in press, to be released shortly.

A more doable program was also proposed in the *Transitions* article. It is as follows:

“The Counselors of Real Estate may want to consider initiating or participating in a data gathering project that tracks the various types of assignments, perhaps in conjunction with academic specialists. Also worth considering is the formation of small groups of counselors interested in specific types of problems. Such groups could not only monitor trends, but could add to the body of knowledge, either with academia or on their own. The point is that we can make progress in improving the quality of decisions not only by providing counsel, but also by better understanding the issues. One route to better understanding the issues is to trace the development of thought and extend it by appropriate means. This is an activity that might best be approach by a cooperative effort between industry and academia. The Counselors of Real Estate may well be the best industry group to get involved in such an effort, though it need not be the sole participant. The academic organizations might take a role in this process. ARES already has with the panel discussion set for this year's annual convention. And, the Homer Hoyt Institute has, especially through the Hoyt Fellows, in initiating the effort in documenting the history of thought in the real estate discipline.”

Resulting from the Counselors' panel discussion is the exploration of including arrangements on the CRE website for communication relevant to the issues at hand; specifically, some sort of project on emerging types of assignments calling for the development of new knowledge, i.e., discipline development. The next panel discussion at a professional meeting that will consider the issues is scheduled for the Annual meeting of ARES, to be held in April, 2005. **As this draft is being written, the program is as yet undetermined.**

The program that would be most useful would be one that is responsive to comments made by Ron Racster to me relating his experience in the study of the history of economic thought. His comments were, and I agree wholeheartedly, that **the focus should be on ideas. The process starts with defining a topic to be considered and identifying the seminal work and concepts. Then, the study should show how the topic evolved to its present state, identifying contributions along the way. The identification of people comes as part of the process of relating who made what contribution, and may be reflected in the published work.**

As I noted earlier in this article, the *Transitions* article suggested five areas that might be explored in a way similar to that done for appraisal. They are property rights, externalities, city growth, space markets, and capital markets. There are others, and it is an open question as to priority.

One consideration of priority may well be the interests of the panelist/researcher. For the ARES meeting we would do well to get some panelist presenters who have by virtue of their work already done the literature research and could readily trace the development of thought. The really challenging part, as I have alluded to, is to grasp what it was that generated the contribution.

Some help in that area is provided by the work of Thomas S Kuhn in his classic *The Structure of Scientific Revolutions*. I commented on that and the history of thought in the development of real estate as a discipline in the monograph, *The Challenge to Our Thought Leaders*. The following is an excerpt from the monograph (available on the web at www.hoyt.org).

“Enhancing the System. The key is in the selection of problems to be defined. Momentum is a great force in research, as in other areas. The tendency is to define problems in the context of existing research, solvable with existing methodology. New disciplines may emerge when there is a ‘Selection of a class of systems with an associated set of problems.’”

It would be helpful if the panelist/researchers could find out how the issues came to be identified. I believe that there were relevant issues that could be identified for which existing theories were

insufficient. This is what I hope for with the Counselors of Real Estate would becoming involved in as a cooperative effort with academia. I identified a couple of ways in which that might work. There are also other organizations with various specialties that may be interested.

The quote from the monograph later continues as follows:

“Making a difference is what it is all about, and the birth of a new discipline is a way to sharpen the focus in studying a set of problems in order to get a better understanding of relationships useful in predicting outcomes....

“Economics later develops into sub-specialties such as labor economics and land economics. When land economics later develops as a discipline, the concern with its administration emerges into a discipline. For a long time, business administration was thought of as applied economics. But, it is obviously more. We don’t call it applied behavioral sciences or applied mathematics. We integrate those disciplines and come up with a new category called business administration or management. Thus, real estate administration has taken a variety of disciplines and emerged to deal with its own set of issues, which may include the natural sciences in dealing with the environment, and other social sciences in dealing with politics and sociological issues. It is interdisciplinary, not simply multi-disciplinary. We will get better predictive ability for the decisions relating to societal issues affecting our quality of life by drawing on the relevant disciplines and attacking the salient problems rather than tackling the problems that simply increase intelligibility....

By tracking the development of the discipline of real estate, focused on a series of sub-specialties, we can get assistance in learning more about how a discipline develops. The ARES meetings should provide more examples along the lines of the *Appraisal Journal* article, *The Academic Roots and Evolution of Real Estate Appraisal*, which was reported on by Norm Miller, co-author of the article, at the last ARES Annual Meeting. That tracked the development of thought – the approach which should be the spine of the to-be-developed panel at the ARES 2005 Annual Meeting.

The great hope is that we learn enough about the process to have it transferred to other social science disciplines. Perhaps a special issue of *Journal of Real Estate Research* would be appropriate. It would increase the stature of real estate as a discipline in academia and in industry. In the meantime we should enlist some industry partners to track emerging issues and work with academia in developing new knowledge. We can thus generate more relevant research with the rigor to which we are accustomed. That is what we do at the Homer Hoyt Institute.

RESOLUTION ADOPTED BY THE HOMER HOYT INSTITUTE AT ITS 1994 ANNUALMEETING

Whereas, the primary mission of the Homer Hoyt Institute is the development and dissemination of the body of knowledge in real estate and related areas, and

Whereas, the heart of the strategy for accomplishing this mission has traditionally been through supporting the Weimer School of Advanced Studies in Real Estate and Land Economics, and

Whereas, the Homer Hoyt Institute has also identified bridging the gap between industry and academia as a significant part of its primary mission, and

Whereas, the Institute has identified encouraging relevant, rigorous research to improve the quality of real estate decision making as a way of further developing the discipline, and

Whereas, it is appropriate to periodically review the strategy as to its effectiveness at achieving the mission,

Now, therefore be it resolved that the Homer Hoyt Institute create a task force to explore additional strategies for further developing the discipline as a part of accomplishing the Institute’s mission and further supporting the Advanced Studies Institute.

Furthermore, this task force is charged with the responsibility for exploring a variety of relationships with industry and academic groups that may contribute to developing appropriate programs. Included among these programs may be the development of a role for the Hoyt Fellows, and cooperative efforts with selected academic and industry organizations.