

What might we find surprising about the future of the homebuilding industry in California?

In the next 50 years, California will likely experience a paradigm shift in how people will be housed. The population is expected to increase almost 50 percent with some estimates reaching 60 million people by 2050. Therefore, obsolete housing stock must be replaced, and new housing stock needs to be constructed. The longer term issue for California housing will be affordability. The cost of overcoming state regulations, environmental issues, increasing material prices and localized political issues – such as traffic – will make the future of new, affordable California housing very prohibitive.

How will that be reconciled?

Workforce housing will be a large component need of this growth, and homebuyers and renters can't be priced out of the market. Over time, communities must embrace and overcome the stigma of higher housing densities.

Local municipalities need to become part of the solution and work with developers and homebuilders to bring the right economics to the equation. Housing units and space will shrink in size, and the advent of technology will aid in bringing down construction costs. Alternative means of transporting people must be embraced to offset the impacts of density.

How all this will be achieved over the next 50 years will likely usher in some significant changes.

Is homebuilding still a good industry for business students to consider?

Real estate, whether it's residential, commercial, industrial or hospitality is a fascinating and exciting business. It is a rewarding business for those who succeed; however, it is also a business that can result in failures. This is due to many variables, some of which have to do with its very cyclical nature and the fact that real estate is capital intensive. Nonetheless, I highly recommend the real estate industry for those starting out who can set the right expectations for themselves.

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Derek Chen

The Wall Street Journal Picks Equity Analyst Rafay Khalid '99 As 'Best On The Street'

Rafay Khalid '99, above, is an analyst at Standard & Poor's in New York City. He visits Mihaylo College often, below, to talk with students about their futures in finance.

Part detective, part storyteller. That's how Rafay Khalid describes his job at Standard & Poor's in New York City. "I spend time validating management's claims about its business. I then advise clients about the potential impact on the stock and whether a company's stock is a buy, sell or hold," says Khalid, a Wall Street Analyst. "Communicating actionable items in a clear and succinct way is critical."

Khalid evidently does this detective work and storytelling very well – *The Wall Street Journal* named him "Best on the Street" this year – a prestigious designation singling out analysts with impressive stock-picking ability. Only the top five analysts in each of 44 industries are selected for the list.

"It's a huge honor because it demonstrates the culmination of both personal and professional hard work," says Khalid. "This was my first year of eligibility, and I won the award."

Khalid has spent most of his career analyzing companies, talking with company management and clients, conducting primary research and forecasting financial statements. "I've worked in trading, fixed income and equity research. Currently, I'm in structured finance. I've learned new investment areas and broadened my investment knowledge and skill set," he says.

Raised and educated in Southern California, Khalid didn't expect to leave the West Coast. "But due to the difficult economic environment at the time, I moved to New York City to accept a job with S&P," says Khalid, who graduated from CSUF's business school in 1999 with a degree in finance and a minor in insurance studies. "During college, a professor recommended majoring in finance, because I had a passion for the stock market."

Khalid returns to Mihaylo often to share his experience with students. "The material I learned at CSUF is very relevant," he says. "Students from our school have a great foundation to compete and excel in the investment industry."

"I advise them to network, network, network. I don't mean asking for a job, but building a relationship. This will eventually lead to unknown opportunities." **M**

