

City University of Hong Kong

Information on a Course
offered by the Department of Economics and Finance
with effect from Semester A in 2014 / 2015

Part I

Course Title: Urban and Real Estate Economics

Course Code: EF5409

Course Duration: 1 semester (39 hours)

Credit Units: 3

Level: P5

Medium of Instruction: English

Prerequisites: Nil

Precursors: Basic Microeconomics or equivalent &
Basic Macroeconomics or equivalent

Equivalent Courses: Nil

Exclusive Courses: Nil

Part II

Course Aims

This course aims to provide students with knowledge and techniques to formulate and solve models in modern urban and real estate economics. Emphasis will be placed on models which generate testable implications and carry important policy implications. In the term project, students are expected to be able to critically evaluate the existing literature, or even propose new research possibilities. In the final examination, students are expected to solve economic models, which are variants of the existing literature, and to relate the implications of those models to the empirical stylized facts.

The course will strengthen students' discovery skills when they examine issues related to demographic trends, changing economic activities, financial market volatility and local government behavior as they affect the real estate markets.

The project presentation and examinations will reflect their accomplishments in discovery and innovation.

Course Intended Learning Outcomes (CILOs)

Upon successful completion of this course, students should be able to:

No.	CILOs	Weighting (if applicable)
1.	Demonstrate their understanding of basic dynamic optimization.	20%
2.	Apply variants of the Lucas Tree model under different government policies and economic environment. Students should be able to integrate the theoretical model and the property market in practice to implement and examine the interactions between the financial market and the real estate market.	20%
3.	Demonstrate their understanding of variants of the Overlapping Generations model and apply them under different government policies and economic environment. Students should be able to integrate the theoretical model and the property market in practice to implement and examine the intergenerational issues in the real estate market.	20%
4.	Demonstrate their understanding of variants of the Kiyotaki-Moore model and apply them under different government policies and economic environment. Students should be able to integrate the theoretical model and the property market in practice to implement and examine the credit market-related issues in the real estate market.	20%
5.	Demonstrate their understanding of variants of the Alonso-Muth-Epple model and apply them under different government policies and economic environment. Students should be able to integrate the theoretical model and the property market in practice to implement and examine the spatial segregation and urban economic issues in the real estate market.	20%

Teaching and Learning Activities (TLAs)

(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	TLAs	Hours/week (if applicable)
All CILOs	Seminar (to Provide basic concepts and structure) Lecturer encourages students to think critically and logically by asking them to respond to questions and getting students to solve the problems by themselves instead giving out the solutions without engaging students.	2
All CILOs	In class Discussion on current issues that are related to the real estate market (to stimulate the interest of the students and to demonstrate how different models can be applied in reality). Students will discuss on the topics related to the property development and impact of different government policies on the housing market in Asia and other economies.	1
All CILOs	Group Project This part demands the applications of concepts and models discussed in class, as well as the team spirit formation, the organization, written presentation skills, and the application of audio-visual devices. Students are encouraged to use the library, government website, district council, even the real estate agent, and the real estate developers to gather useful information. Information collected and consolidated is used in the analysis and graph drawing. Presentation is tentative depending on the time schedule for each semester and is also an important part for students to hone their skills of interpretation and get a deeper understanding of their research through the Q&A led by the instructor. Students' ability and accomplishments are reflected through team work on a case analysis.	
All CILOs	Saturday Seminars Students are expected to participate in a few Saturday seminars organized by the department, with speakers from the industry or government agencies. A seminar review report may be required as a substitute for the project presentation, depending on the teaching schedule. Students will enhance their critical thinking skills through the seminar and they are encouraged to discuss with the speaker in Q&A session and post-seminar networking session. The ability to discover and innovate would be enhanced through seminar attendance and a seminar report of good quality will be considered an accomplishment in discovery and innovation.	

Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)
All CILOs	Course work (group project; final written report submission; project presentation; seminar review report)	50%
All CILOs	Final Examination (3-hour examination)	50%

The essay questions in final examination will help students integrate theories and concepts and develop their problem solving skills. The final examination emphasizes the applications of their analytical skills. This reflects the accomplishments of discovery and innovation.

The topic of the group projects must be based on scenarios related to current issues and will develop students' ability in making use of information they collected for analysis.

Students are required to pass both coursework and examination components in order to pass the course.

Constructive Alignment of CILOs and Assessment Methods

	Examination (Final)	Project/ Presentation / Seminar review report	Row total
CILO 1	10%	10%	20%
CILO 2	10%	10%	20%
CILO 3	10%	10%	20%
CILO 4	10%	10%	20%
CILO 5	10%	10%	20%
Column Total	50%	50%	100%

5. Summary of how DEC is incorporated in Assessment Tasks, and Teaching and Learning Activities (TLAs)

DEC Elements	Assessment Tasks and TLAs
Develop students' attitude to discover and innovate	Lectures In-class discussions of case studies
Develop students' abilities to discover and innovate, accomplishments of Discovery and Innovation	Group project: report Seminar review report
Accomplishments of Discovery and Innovation	Final Exams

Grading of Student Achievement:

Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

Letter Grade	Grade Point	Grade Definitions	Remarks
A+ A A-	4.3 4.0 3.7	Excellent	Strong evidence of knowing how to apply concepts and models explained in class. Students have demonstrated very strong overall ability to discover and innovate, and shown very strong evidence of accomplishments of discovery.
B+ B B-	3.3 3.0 2.7	Good	Evidence of knowing how to apply concepts and models explained in class. Students have demonstrated strong overall ability to discover and innovate, and shown strong evidence of accomplishments of discovery.
C+ C C-	2.3 2.0 1.7	Adequate	Some evidence of knowing how to apply concepts and models explained in class. Students have demonstrated some ability to discover and innovate, and shown satisfactory evidence of accomplishments of discovery.
D	1.0	Marginal	Basic familiarity with the subject matter in examinations but unsatisfactory performance in examination and group project. Students have demonstrated marginal ability to discover and innovate, and shown marginal evidence of accomplishments of discovery.
F	0.0	Failure	Little evidence of familiarity with the subject matter in all forms of assessment methods. Students have demonstrated little evidence of ability to discover and innovate, and shown little evidence of accomplishments of discovery.

Part III

Keyword Syllabus

Introduction to Real Estate Markets

Basic Dynamic Optimization techniques

Housing Decisions and Residential Property Market

Firm Decisions and Commercial Property Market

Real Estate Finance and Mortgage Instruments

Property Market Cycles

Role of Government Policies in Property Markets

Recommended Reading

Text(s)

Sargent, Thomas (1987), *Dynamic Macroeconomic Theory*, Cambridge: Harvard University Press.

Manuelli, R. and T. Sargent (1987) *Exercises in Dynamic Macroeconomic Theory*, Cambridge: Harvard University Press.

(Reference)

Ben-Shahar, Danny; Charles Ka Yui Leung and Seow Eng Ong ed. (2008), *Mortgage Market Worldwide*, Oxford: Blackwell Publishing.

Brakman, Steven; Harry Garretsen and Charles van Marrewijk (2001), *An Introduction to Geographical Economics: Trade, Location and Growth*, Cambridge: Cambridge University Press.

Brueggeman, William and Jeffrey Fisher (1997), *Real Estate Finance and Investment*, Chicago: IRWIN (10th edition).

Chan, Su Han; John Erickson and Ko Wang (2003), *Real Estate Investment Trusts: Structure, Performance, and Investment Opportunities*, Oxford: Oxford University Press.

Fujita, Masahisa (1989), *Urban Economic Theory*, Cambridge: Cambridge University Press.

Fujita, Masahisa; Paul Krugman and Anthony Venables (2001), *The Spatial Economy: Cities, Regions and International Trade*, Cambridge: MIT Press.

Fujita, Masahisa and Jacques-Francois Thisse (2002), *Economies of Agglomeration: Cities, Industrial Location, and Regional Growth*, Cambridge: Cambridge University Press.

Henderson, J. Vernon and Jacques-Francois Thisse (2004), *Handbook of Regional and Urban Economics*, Vol. 4, *Cities and Geography*, New York: Elsevier.

Online Resources

National Bureau of Economic Research website <http://www.nber.org/>

IDEAS: Economics and Finance Research website <http://ideas.repec.org/>