

EF5409: URBAN AND REAL ESTATE ECONOMICS

Effective Term

Semester A 2025/26

Part I Course Overview

Course Title

Urban and Real Estate Economics

Subject Code

EF - Economics and Finance

Course Number

5409

Academic Unit

Economics and Finance (EF)

College/School

College of Business (CB)

Course Duration

One Semester

Credit Units

3

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

Nil

Precursors

Basic Microeconomics or equivalent &
Basic Macroeconomics or equivalent

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

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)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1 Demonstrate understanding of basic dynamic optimization.	20	x	x	
2 Apply variants of the Lucas Tree model under different government policies and economic environments and integrate the theoretical model and property market in practice to implement and examine the interactions between the financial market and the real estate market.	20	x	x	x
3 Demonstrate understanding of variants of the Overlapping Generations model under different government policies and economic environments and integrate theoretical model and property market in practice to implement and examine the intergenerational issues in the real estate market.	20	x	x	x
4 Demonstrate understanding of variants of the Kiyotaki-Moore model under different government policies and economic environments and integrate theoretical model and property market in practice to implement and examine the credit market-related issues in the real estate market.	20	x	x	x
5 Demonstrate understanding of variants of the Alonso-Muth-Epple model under different government policies and economic environments implement and examine the spatial segregation and urban economic issues in the real estate market.	20	x	x	x

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

	LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Seminar	Students will engage in seminars to think critically and logically by asking them to respond to questions and solve problems instead of giving solutions.	1, 2, 3, 4, 5	
2	Peer Discussion	Students will discuss topics related to property development, the impact of different government policies on the housing market in Asia and other economies, and current issues related to the real estate market.	1, 2, 3, 4, 5	
3	Saturday Seminars	Students will participate in a few Saturday seminars organized by the department, with speakers from the industry or government agencies. Depending on the teaching schedule, a seminar review report may be required as a substitute for the project presentation. The seminar and discussion with the speaker in a Q&A and post-seminar networking sessions will enhance critical thinking skills. 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.	1, 2, 3, 4, 5	

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1	Course work (group project; final written report submission; project presentation; seminar review report)	1, 2, 3, 4, 5	50	-	Yes

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Additional Information for ATs

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.

Assessment Rubrics (AR)**Assessment Task**

Course work (group project final written report submission project presentation seminar review report) (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Demonstrate good understanding of the theories and models related to urban and real estate economics and the capability of applying the knowledge learnt to daily practical real life cases.

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Not even reaching marginal levels

Assessment Task

Final Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Demonstrate familiarity with the various theories and models of urban and real estate economics.

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Not even reaching marginal levels

Assessment Task

Course work (group projectfinal written report submissionproject presentationseminar review report) (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Demonstrate good understanding of the theories and models related to urban and real estate economics and the capability of applying the knowledge learnt to daily practical real life cases.

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Basic

Failure

(F) Not even reaching marginal levels

Assessment Task

Final Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Demonstrate familiarity with the various theories and models of urban and real estate economics.

Excellent

(A+, A, A-) High

Good

(B+, B) Significant

Marginal

(B-, C+, C) Basic

Failure

(F) Not even reaching marginal levels

Part III Other Information**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

Reading List**Compulsory Readings**

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

Additional Readings

Title	
1	Ben-Shahar, Danny; Charles Ka Yui Leung and Seow Eng Ong ed. (2008), Mortgage Market Worldwide, Oxford: Blackwell Publishing.
2	Brakman, Steven; Harry Garretsen and Charles van Marrewijk (2001), An Introduction to Geographical Economics: Trade, Location and Growth, Cambridge: Cambridge University Press.
3	Brueggeman, William and Jeffrey Fisher (1997), Real Estate Finance and Investment, Chicago: IRWIN (10th edition).
4	Chan, Su Han; John Erickson and Ko Wang (2003), Real Estate Investment Trusts: Structure, Performance, and Investment Opportunities, Oxford: Oxford University Press.
5	Fujita, Masahisa (1989), Urban Economic Theory, Cambridge: Cambridge University Press.
6	Fujita, Masahisa; Paul Krugman and Anthony Venables (2001), The Spatial Economy: Cities, Regions and International Trade, Cambridge: MIT Press.
7	Fujita, Masahisa and Jacques-Francois Thisse (2002), Economies of Agglomeration: Cities, Industrial Location, and Regional Growth, Cambridge: Cambridge University Press.
8	Henderson, J. Vernon and Jacques-Francois Thisse (2004), Handbook of Regional and Urban Economics, Vol. 4, Cities and Geography, New York: Elsevier.
9	Online Resources
10	National Bureau of Economic Research website http://www.nber.org
11	IDEAS: Economics and Finance Research website http://ideas.repec.org/