EF5055: REAL ESTATE FINANCE AND INVESTMENT

Effective Term

Semester B 2024/25

Part I Course Overview

Course Title

Real Estate Finance and Investment

Subject Code

EF - Economics and Finance

Course Number

5055

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

EF5042 Corporate Finance and EF5052 Investments

Equivalent Courses

Nil

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims at providing students with the understanding of:

- how to apply economic and finance theories in different types of real estate investment;
- how to assess the risk and return in different types of real estate investment;
- how to select different methods of financing in different types of real estate investment;
- how to improve the risk-adjusted return of the overall portfolio with appropriately select different types of real estate investment;
- how securitization affect both the investment strategy of individual and the operation of the whole financial system.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Demonstrate their understanding of basic economic and finance theory.	10	x	x	
2	Demonstrate their understanding of risk and return calculation.	10	x	x	
3	Demonstrate their understanding of different methods of financing in real estate investment.	10	x	x	
4	Demonstrate their understanding of Real Estate Investment Trust.	10	x	x	
5	Demonstrate their understanding of Mortgage-Backed Securities.	10	x	x	
6	Apply their theoretical knowledge in some real-world real estate investment situation.	50	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	Lecture, exercises	-	1, 2, 3, 4, 5, 6	-
2	Literature search; data-collection; group discussion (for the term project)	-	6	-

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Term project, exercises, etc.	1, 2, 3, 4, 5, 6	100	

Continuous Assessment (%)

100

Examination (%)

0

Assessment Rubrics (AR)

Assessment Task

Term project, exercises, etc. (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Demonstrate the capability of applying the theories of economics and finance to a real-life situation in real estate investment.

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

Term project, exercises, etc. (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Demonstrate the capability of applying the theories of economics and finance to a real-life situation in real estate investment.

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

Direct versus indirect Real estate investment; financing; REIT; MBS; securitization; portfolio

Reading List

Compulsory Readings

	Title
1	Brueggeman and Fisher, Real Estate Finance and Investment, McGrawHill, current edition.

Additional Readings

	Title
1	Brown G.R. and G. A. Matysiak (1995): Using Commercial Property Indices for Measuring Portfolio Performance, Journal of Property Finance 6, 27-38.
2	Hartzell D. J., H. M. Stivers, K.L. Ludgin, and T.J. Pire (1995): Combining Publicly Traded Real Estate Securities with Privately Held Portfolios, Real Estate Finance 12, 26-40.
3	Quan D. C. and S. Titman (1997): Commercial Real Estate Prices and Stock Market Returns: An International Analysis, Financial Analysts Journal , May-June, 21-34.
4	Liu C. H. and J. Mei (1998): The Predictability of International Real Estate Markets, Exchange Rate Risks and Diversification Consequences, Real Estate Economics 26, 3-39.
5	Hartzell D. J., H. M. Stivers, K.L. Ludgin, and T.J. Pire (1999): An Updated Look at Constructing a Public and Private Real Estate Portfolio, Real Estate Finance 9, 49-57.
6	Eichholtz T. M.A., M. Hoesli, B.D. MacGregor and N. Nanthakumaran (1995): Real Estate Portfolio Diversification by Property Type and Region, Journal of Property Finance 6, 39-59.
7	Ziering B. and R. Hess (1995): A Further Note on Economic versus Geographic Diversification, Real Estate Finance 12, 53-60.
8	Giliberto M. and A. Mengden (1996): REITs and Real Estate: two Markets Reexamined, Real Estate Finance 13, 56-60.
9	Eichholtz P. M.A. (1996): Does International Diversification Work Better for Real Estate than for Stocks and Bonds ?, Financial Analysts Journal , Jan-Feb, 56-62.
10	Eichholtz P., R. Huisman, K. Koedjik, and L. Schuin (1998): Continental Factors in International Real Estate Returns, Real Estate Economics 26, 493-509.