

**City University of Hong Kong  
Course Syllabus**

**offered by Department of Economics and Finance  
with effect from Semester A 2017/18**

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**Part I Course Overview**

**Course Title:** Real Estate Economics and Finance

**Course Code:** EF4491

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** B4

**Proposed Area:**  Arts and Humanities  
*(for GE courses only)*  Study of Societies, Social and Business Organisations  
 Science and Technology

**Medium of Instruction:** English

**Medium of Assessment:** English

**Prerequisites:** CB2402 Macroeconomics or FB2401 Economics II or EF2401 Economics II  
*(Course Code and Title)*

**Precursors:** EF4490 Urban Economics  
*(Course Code and Title)*

**Equivalent Courses:** Nil  
*(Course Code and Title)*

**Exclusive Courses:** Nil  
*(Course Code and Title)*

## Part II Course Details

### 1. Abstract

This course aims to

- provides students with an overview of fundamental real estate principles
- prepare students for a successful career in real estate development, investment, marketing, appraisal, and mortgage lending fields.

This course is designed to familiarize students with the structure of real estate markets, the context within which they operate, and issues that affect them. The real estate market has always had a major influence on Hong Kong and many other Asian economies. With the development of real estate finance, this influence will continue to increase.

This course focuses on developing an understanding of the economic factors that shape and influence the real estate market. Theories of real estate markets and location choice will be introduced to the students. The course will strengthen students' discovery skills when they examine issues related to transportation, demographic trends, changing economic activities, and local government behavior as they affect the real estate markets.

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

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs <sup>#</sup>	Weighting* (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Apply variants of the Wheaton model under different government policies and economic environment; interpret and compare the underlying economic concepts in different areas in Hong Kong and different cities; analyse the location choices of real estate developers.	25%	√	√	√
2.	Apply variants of the Stein model under different government policies and credit market environment;	25%	√	√	√
3.	Apply variants of the Titman model under different government policies and real estate development situations. Students should be able to integrate the theoretical model and the current property market to implement and examine the impact of government policies and the timing of real estate development decisions.	25%	√	√	√
4.	Design the optimal portfolio which include different types of real estate investment;	25%	√	√	√
* If weighting is assigned to CILOs, they should add up to 100%.		100%			

# Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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 self-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.*

### 3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
1	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.	√	√	√	√	3 hours per week
2	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 Hong Kong and other economies.	√	√	√	√	
3	Group Project This part demands the applications of concepts and models discussed in class, as well as the team spirit formation, the organization, both oral and 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 lecturer. Students' ability and accomplishments are reflected through team work on a case analysis.	√	√	√	√	

TLA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
4	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.	√	√	√	√	

#### 4. Assessment Tasks/Activities (ATs)

*(ATs are designed to assess how well the students achieve the CILOs.)*

Assessment Tasks/Activities	CILO No.				Weighting*	Remarks
	1	2	3	4		
Continuous Assessment: 50%						
Coursework (group project; final written report submission; project presentation; seminar review report)	√	√	√	√	50%	
Examination: 50% (duration: 2.5 hours, if applicable)						
Final Examination	√	√	√	√	50%	
					100%	

\* The weightings should add up to 100%.

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.

## 5. Assessment Rubrics

*(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)*

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Coursework (group project; final written report submission; project presentation; seminar review report)	Demonstrate a good understanding of the subject, not only materials discussed in class but also theories that may be relevant yet not discussed in details, as well as grasp of the key features of the reality.	Strong evidence of original thinking; good organization in writing, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.
2. Final Examination	Demonstrate a good understanding of the models discussed in class and how they can be applied to hypothetical and real life situations.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with models discussed in class.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of the models discussed in class.

**Part III Other Information** (more details can be provided separately in the teaching plan)

**1. Keyword Syllabus**

Introduction to Real Estate Markets  
Land Market in Hong Kong  
Housing Decisions and Residential Property Market  
Firm Location Decisions and Office Property Market  
Retail Location and Commercial Property Market  
Real Estate Finance and Mortgage Instruments  
Property Market Cycles  
Role of Government in Property Markets  
Property Investment Analysis

**2. Reading List**

**2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

(for Real Estate Economics)	
1.	DiPasquale, Denise and William C. Wheaton, <i>Urban Economics and Real Estate Markets</i> , Prentice Hall, current edition.
2.	John F. McDonald and Daniel P. McMillen, <i>Urban Economics and Real Estate: Theory and Policy</i> , John Wiley & Sons, Inc., 2011, second edition.
(for Real Estate Finance)	
3.	William Brueggeman and Jeffrey Fisher, <i>Real Estate Finance and Investment</i> , Chicago: IRWIN (different editions).
4.	Terrence Clauretie and G. Stacy Sirmans, <i>Real Estate Finance: Theory and Practice</i> , New Jersey: Prentice Hall (different editions).

**2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

<b>Online Resources</b>	
1.	Econlit: This is the official database of the American Economic Association, available from the University Library.
2.	NBER Working Paper: This working paper series is very famous and influential, also subscribed by the University Library, <a href="http://www.nber.org/">http://www.nber.org/</a> .
3.	IDEAS: This website is linked to many working papers and journals. <a href="http://ideas.repec.org/">http://ideas.repec.org/</a> .
4.	In addition, some economists maintain very good websites of their research, such as: Edward Glaeser (Harvard) <a href="http://www.economics.harvard.edu/faculty/glaeser/papers_glaeser">http://www.economics.harvard.edu/faculty/glaeser/papers_glaeser</a> . John Quigley (UC Berkeley) <a href="http://elsa.berkeley.edu/~quigley/">http://elsa.berkeley.edu/~quigley/</a> .