

## Subject Description Form

<b>Subject Code</b>	BRE362
<b>Subject Title</b>	Urban Economics and Property Investment
<b>Credit Value</b>	3
<b>Level</b>	3
<b>Pre-requisite</b>	BRE217
<b>Objectives</b>	<ol style="list-style-type: none"> <li>1. Equip students with the financial principles and the appraisal techniques applied to land development and property investment decisions.</li> <li>2. Enable students to understand the economic role of real estate played in the urban economy.</li> </ol>
<b>Intended Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <p><u>Intended Professional Learning Outcomes</u></p> <ol style="list-style-type: none"> <li>a. use relevant economic principles to analyze the relationship between urban economy and the real estate market,</li> <li>b. use investment theories to assess a landed property as an investment asset with regard to its economic value,</li> <li>c. draw upon the implications of financial planning in making decisions on property investment and finance,</li> <li>d. utilize skills to synthesize coherent arguments and policy implications to support decision-making processes in urban real estate development/redevelopment.</li> </ol> <p><u>Intended Generic Learning Outcomes</u></p> <ol style="list-style-type: none"> <li>e. possess skills to identify, analyze and solve problems on contemporary issues,</li> <li>f. communicate effectively in both oral and written reporting.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><u>Economic value of land and real property</u> Nature of land economics and analysis of a real estate market. Theories of urbanization, land use pattern and land rent. Economic value of land and real property and the investment appraisal. A portfolio approach to real estate investment and the availability of real estate finance.</p> <p><u>Real estate market and the urban economy</u> The role of real estate in a wider economy. The competitive structure and efficiency of a real estate market. Justification of government intervention in land and property markets. Cost and benefit analysis of real estate development and redevelopment. Tools and techniques available for real estate analysis.</p>
<b>Teaching/Learning Methodology</b>	<p>The main theory and concepts are delivered through lectures, with application and discussion being covered in seminars and tutorials.</p> <p>The syllabus covers 2 main sections: (i) Economic value of land and real property, and (ii) Real estate market and the urban economy.</p> <p>The fundamental knowledge and relevant theories on the economic value of real estate and its role in the urban economy will be delivered in mass lectures and the key issues to be highlighted. Supplementary learning materials and case studies will also be given to enhance the students' understanding of the topic. Subsequent workshops</p>

and seminars will be organised to give hands-on practice on the alternative investment appraisal techniques and interpretation of the results. Seminar topics go in parallel with that of lectures so that the framework and techniques introduced in the lecturers can be further illustrated, exemplified, and discussed in-depth.

Apart from face-to-face lectures and seminar discussions, teaching materials including the teaching notes and lecture powerpoints will also be uploaded to the electronic teaching platform for students' easy reference.

**Assessment Methods in Alignment with Intended Learning Outcomes**

Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
		a	b	c	d	e	f
1. Presentation and Tutorial Discussions	30%	√	√	√	√	√	√
2. Written Assignment	20%	√	√	√	√	√	√
3. Examination	50%	√	√	√	√		
Total	100 %						

Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:

Coursework

The coursework elements comprise an individual oral presentation and a written group report on contemporary issues.

Presentation and communication skills will be assessed through the individual verbal presentation and participation in discussion in the tutorials which will count for 30% of the total marks. The assessment criteria include their oral communication skills, familiarity with the topic, quality of the visual aids and their performance in the Q&A session.

Their understanding on the contemporary issues will be assessed through the group reports which will count for 20% of the total marks. Assessment criteria of the written report include communication skills, identification of the problem issue, information collection, data analysis and the conclusions drawn.

Examination

Multiple choice and essay questions are contained in the 2-hr exam paper. Students must attempt the multiple choice questions which are used to assess their understanding on the fundamental economic and investment theories, principles and the appraisal techniques. Essay-type questions are used to test whether the students can articulate the relationship covering real estate development and its economic value through discussion and argument.

**Student Study**

Class contact:

<b>Effort Required</b>	▪ Lectures	26 Hrs.
	▪ Seminars/Tutorials	13 Hrs.
	Other student study effort:	
	▪ Independent study	90 Hrs.
	Total student study effort	129 Hrs.
<b>Reading List and References</b>	<p><u>Recommended</u></p> <p>Choy, Lennon H.T., Ho, Winky K.O. &amp; Mak, Stephen W.K., (2012) “Housing attributes and Hong Kong real estate prices: a quantile regression analysis,” <i>Construction Management</i>.</p> <p>DiPasquale, D. and Wheaton, W. C. (1996) The Markets for Real Estate Asset and Space: A Conceptual Framework, <i>Journal of the American Real Estate and Urban Economics Association</i>, 1992, Vol. 20, pp 181-197.</p> <p>Geltner, Miller, Clayton and EichHortz (2014) <i>Commercial Real Estate: Analysis and Investments</i>, Chapter 2, OnCourse Learning.</p> <p>Bengs, C., &amp; Ronka, K. (1994) Competition restrictions in housing production. <i>Economic Modeling</i>, 11(2), pp. 125-133.</p> <p>Lai, N. and Ko, W. (1999) Land-supply restrictions, developer strategies and housing policies: The case in Hong Kong, <i>International Real Estate Review</i>, Vol. 2, No. 1, pp. 143-159.</p> <p>Landis, J. D. (1986). Land regulation and the price of new housing: Lessons from three California cities. <i>Journal of the American Planning Association</i>, Winter 1986, pp. 9-21.</p> <p>Tse, R. Y. C., Hui, E. C. M., &amp; Chan, C. H. K. (2001). On the competitive land market: evidence from Hong Kong. <i>Review of Urban and Regional Development Studies</i>, 13(1), pp. 46-61.</p> <p>Leung B.; Hui, E. and Seabrooke, B. (2007), Pricing of Presale Properties with Asymmetric Information Problems, <i>Journal of Real Estate Portfolio Management</i>; Apr-Jun 2007; 13, No. 2.</p> <p>Whitehead, C.M.E. (1983) The rationale for government intervention, <i>Urban Land Policy: Issues and Opportunities</i>, p.108 –129.</p> <p>Hui, Eddie C.M.; Leung, Barbara Y.P. and Yu, Ka Hung (2014) The impact of different land-supplying channels on the supply of housing, <i>the Journal of Land Use Policy</i>, Vol. 39, pp. 244-253.</p> <p>Leung, Y.P.B. and Ma, A.S.C. (2013) Exploration of the presale market in China from an institutional perspective, <i>International Journal of Strategic Property Management.</i>, 17(3), pp. 248-262.</p> <p>Zhang, X.L.; Hu, J; Skitmore, M. and Leung, Y.P.B. (2013) Inner-city urban redevelopment in China metropolises and the emergence of gentrification: the case of Yuexiu, Guangzhou, <i>Journal of Urban Planning and Development</i>, 05014004, 13 June 2013.</p> <p>Leung, Y.P.B.; Hui, C.M.E.; Tan, J.H., Chen, L. and Xu, W.B. (2011) SWOT dimensional analysis for strategic planning – The case of overseas real estate developers in Guangzhou, <i>International Journal of Strategic Property Management.</i>, 15(2), pp. 105-122.</p> <p>Leung, Y.P.B.; Hui, C.M.E. and Seabrooke, B. (2007) Pricing of presale properties with asymmetric information problem, <i>Journal of Real Estate</i></p>	

	<p><i>Portfolio Management</i>, 13(2), pp. 139-152.</p> <p>Leung, Y.P.B.; Hui, C.M.E. and Seabrooke, B. (2007) Risks transfer of presale properties and the construction of forward property price index, <i>Pacific Rim Property Research Journal</i>, 13(2).</p> <p>Brealey, R.A. and Myers, S.C. (2004) <i>Principles of Corporate Finance</i>, McGraw Hill.</p> <p>Brown, G.R. and Matysiak, G.A. (2000) <i>Real Estate Investment: A Capital Market Approach</i>, Prentice Hall.</p> <p>Harvey, J. (2000) <i>Urban Land Economics: The Economics of Real Property</i>, London: MacMillan.</p> <p>Hui, C.M., Chan, P.C., Wong, K.W., Wong K.C. &amp; Leung, Y.P. (2000) <i>The Supply of Land for Housing in Hong Kong</i>, Research Monograph, The Hong Kong Polytechnic University</p> <p>O’Sullivan, A. (2009) <i>Urban Economics</i>, 7<sup>th</sup> edition, London: Irwin.</p> <p>Pirounakis, N.G. (2013) <i>Real Estate Economics – A Point-to-point handbook</i>, Routledge, 2013.</p> <p>Lumby, Steve (1994) <i>Investment Appraisal and Financial Decisions</i>, 5th edition, Chapman &amp; Hall.</p>
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