

## Module Outline

**Module Code** : RE3807  
**Module Title** : Corporate Finance for Real Estate  
**Semester** : Semester 1, Academic Year 2022/2023  
**Faculty** : NUS Business School  
**Department** : Real Estate

### Instructor(s)

Professor Liow Kim Hiang ([bizkhl@nus.edu.sg](mailto:bizkhl@nus.edu.sg))

### Overview

This module covers principles and methods in real estate corporate finance for listed real estate development and investment firms. The module addresses key corporate finance issues such as the theory and practice of stock analysis, financial statement analysis, corporate growth analysis and valuation, financial leverage and capital, cost of capital determination, firm valuation, shareholder wealth maximization, dividend policy and signalling, corporate governance and information transparency, corporate control and option pricing. At the end of formal instructions, course participants are expected to work competently on a real estate company project that addresses some real-world issues.

### Learning Outcomes

Through this module, students will be able to:

- Understand the diversity of roles that real estate can play in the operations and strategic management of modern corporations.
- Map traditional financial management principles to the activities of real estate companies.
- Interpret financial statements and construct financial indicators of liquidity, profitability, corporate growth, financial leverage, economic value added and market value added
- Calculate the weighted average cost of capital and implement optimal capital structure decisions.
- Net asset value discount in property company valuation and strategic responses
- Synergy between real estate asset valuation and stock market valuation
- Modern property asset strategies to enhance corporate growth and size
- Mergers, acquisitions and corporate control in property companies

### Module Prerequisite(s)

RE3701

### Module Preclusion(s)

NIL

### General Guide & Reading:

Business news. Main textbook and supplementary journal articles will be announced before the sessions.

### Tentative schedule & Outline

- The schedule and outline given below are subject to last minutes changes if necessary
- A general requirement to follow is weekly workload (lecture: tutorial: reading: practice/project)– 2:1:4:3
- For practical reasons, the 13 tutorial hours are packaged into 4 contact sessions of 2 hours each
- “others” include course reading, skill-set practices, project report writing and miscellaneous learning activities relating to this module
- Students are encouraged to discuss with their teaching Professor of any extra learning experiences which they hope to reap from this course.

Week	Lecture topic	Tutorial and other activities
1	Introduction to the module and components of basic real estate corporate finance	Course preparations start officially from this point onward.
2	Basics of stock market analysis	Others
3	Financial statement analysis 1	Others
4	Financial statement analysis 2	T1 (even week) and others
5	Essence of property company financial statement analysis	T1 (odd week) and others
6	Corporate growth analysis and valuation 1	others
-	One-week recess	
7	Corporate growth analysis and valuation 2	T2 (odd) and others
8	Debt and financial leverage 1	T2(even) and others
9	Debt and financial leverage 2	others
10	Mid-term test /quiz (during lecture hours)	T3(even) and others
11	Corporate cost of capital, estimation and application	T3 (odd) and others
12	EVA and MVA estimation, dividend payout policy, corporate control in property companies	T4 (even- graded project presentation) and others
13	Final exam briefing and preparation	T4 (odd – graded project presentation) and others
<b>Reading Week</b>		
<b>Examination Week (2 weeks)</b>		

### Assessment

Assessment Components	Weightage (%)
Mid-term test/quiz	20
Group real estate company project	30
Individual tutorial attendance and online participation	10
Final exam	40
<b>Total</b>	<b>100</b>

### Academic Honesty & Plagiarism

Academic integrity and honesty are essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is “the practice of taking someone else’s work or ideas and passing them off as one’ own” (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubt, you should consult your instructor.

**Additional guidance is available at:**

- <http://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record#NUSCodeofStudentConduct>
- <http://nus.edu.sg/osa/resources/code-of-student-conduct>

**About me**

Professor Liow Kim Hiang has over 30 years of academic experience with NUS. Graduated with a PhD qualification from Manchester Business School (UK), he specializes and teaches BBA courses in strategic corporate real estate, real estate corporate finance and financial market integration.

