

Module Outline

Module Code : RE4803
Module Title : REIT and Business Trust Management
Semester : Semester 1, Academic Year 2022/2023
Faculty : NUS Business School
Department : Real Estate

Instructor(s)

Professor Ong Seow Eng (bizongse@nus.edu.sg)
 Mr Christopher Gee (Christopher.gee@nus.edu.sg)

Overview

The emergence and rapid expansion of REIT and Business Trust (BTs) markets globally and in Asia have been an important development in real estate and infrastructure capital market. This module is designed to cover topics on REIT and BT concepts and models; REIT experience in the US and other Asia markets; asset characteristics and types of REIT; tax efficient model; growth and acquisition strategies; financing and dividend policies of REITs and BTs; crossborder REITs and BTs, stapled REITs and UPREIT; and institutional investment in REITs and BTs.

Learning Outcomes

This module is designed to cover topics on REIT concepts and models; REIT experience in the US and other Asia markets; asset characteristics and types of REIT; tax efficient model; growth and acquisition strategies; financing and dividend policies of REITs; crossborder REITs, stapled REITs and UPREIT; Business Trust models; and institutional investment in REITs.

Module Prerequisite(s)

RE3701

Module Preclusion(s)

NIL

General Guide & Reading

NIL

Tentative Schedule & Outline

Week starting	Lecture	Tutorial	Assignment #/ Due Dates	Learning Outcomes
ORIENTATION WEEK 1 – 6 AUGUST 2022				
1 Aug 8, 2022 <i>National day</i> Aug 9	Introduction to REITs; salient features, CIS, taxation and financing issues (OSE)			Appreciate key features of REITs and institutional landscape

2 Aug 15	Financial analysis of REITS – DPU, REIT valuation model (CG)			Calculate key REIT financial metrics
3 Aug 22	Listing a REIT; listing requirements, issues in IPO (OSE) (Flipped class)	Tutorial 1: Group project consultation by appointment		Understand listing requirements, IPO issues and challenges
4 Aug 29	REIT Valuation, Cost of Capital and Performance (CG) (Mini-tutorial with worked examples in class)	Tutorial 1: Group project consultation by appointment		Examine acquisition growth strategy, key principles, issues and concerns
5 Sep 5	REIT growth strategies – Acquisition & deal making (OSE) (Flipped class)	Tutorial 2: Group project consultation by appointment		Examine organic asset management growth strategy, key principles, issues and concerns
6 Sep 12	REIT growth strategies – Asset management (OSE) (Flipped class)	Tutorial 2: Group project consultation by appointment		Examine organic AEI and development growth strategy, key principles, issues and concerns
RECESS WEEK 17 – 25 SEPTEMBER 2022				
7 Sep 26	REIT growth strategies – Development and AEI (OSE) (Flipped class) E-quiz (OSE)	Tutorial 3: Group project consultation by appointment	Individual Project Due	Identify key funding sources and understand underpinning capital structure theory
8 Oct 3	Governance of REITs, REIT Managers (CG) (Flipped class)	Tutorial 3: Group project consultation by appointment		Identify governance risk factors; explain importance of governance in REIT management
9 Oct 10	REIT business models and management fees (CG)(Flipped class)	Tutorial 4: Group project consultation by appointment		Compare and contrast the business models of the major stake-holders in the REIT ecosystem and their incentive structures
10 Oct 17	REIT Funding and Capital Structure (OSE) (Flipped Class)	Tutorial 4: Group project consultation		Evaluate the financial ratios of a selection of REITs and explain the links to the return-risk profiles of different REITs and their cost of capital

		by appointment		
11 Oct 24 <i>Deepavali (Oct 24, TBC)</i>	Issues in REIT M & A (Flipped class based on Case study, CG)	Tutorial 5: Group Project presentations (OSE/CG)		Explain the implications of governance risks, REIT return-risk profiles and relative costs of capital in an M&A context
12 Oct 31	REIT overseas investments and Specialised REITS (CG) (Mini-tutorial with worked examples in class)	Tutorial 5: Group Project presentations (OSE/CG)		Explain the impact of overseas investments and specialisation on REIT return-risk profiles and their cost of capital
13 Nov 7	Review (OSE and CG)		Group Project Due	
READING PERIOD 12 – 18 NOVEMBER 2022				
EXAMINATION 19 NOVEMBER – 3 DECEMBER 2022				

Assessment

Assessment Components	Weightage
Group Project	50%
Quiz	10%
Participation	10%
Examination	30%
Total	100%

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’s 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

Ong Seow Eng

Professor ONG Seow Eng (SE) holds a PhD in Finance and Master in Business from Indiana University. His research interests include securitised real estate, Real Estate Investment Trusts, real estate derivatives, mortgage repayment, default and delinquency, price discovery and housing finance issues and real estate innovations.

SE is a fellow at the [Weimer School of Advanced Studies](#) in Real Estate and Land Economics, Florida, USA. He was the 2002-3 president of the [Asian Real Estate Society](#) and the 2006-7 president of the [International Real Estate Society](#). SE was elected to the board of the [American Real Estate and Urban Economics Association](#) (AREUEA) from 2008 – 2010. He was the co-director of the NUS-JTC Industrial Infrastructure Innovation ([NUS-JTC I³](#)) Centre.

He was the recipient of the 2005 International Real Estate Society achievement award for outstanding research, education and practise at the international level. In addition, his research papers won the [American Real Estate Society](#) 2005 best manuscript paper award for Real Estate Valuation, and the 2004 best manuscript paper award for Innovative Thinking – Thinking Out-of-the-Box.

A [Chartered Financial Analyst](#) charterholder, SE has substantial work experience in investment and portfolio management, derivative analysis and property valuation. He was also the Vice Chairman for Education, [Urban Land Institute](#) South Asia council, member of the academic circle of the [Asian Public Real Estate Association](#) (APREA), and an independent director of Cambridge Industrial Trust (renamed as [ESR-REIT](#)). SE is currently an independent non-executive director of Capitaland China Trust.

SE sits on the editorial board of nine international real estate journals such as the [Journal of Real Estate Finance & Economics](#), [Journal of Property Research](#) and [Journal of Housing Research](#), and serves as ad-hoc reviewer for Real Estate Economics, Journal of Housing Economics, Financial Management and Urban Studies.

SE has consulted for various real estate organizations and government agencies. He has been invited to speak at conferences and seminars locally as well as in USA, Canada, Germany, United Kingdom, Sweden, Ireland, Australia, New Zealand, China, Japan, South Korea, Hong Kong, Macau, Sri Lanka, South Africa, Turkey, Bahrain and UAE.

Mr Christopher Gee Kok Aun

Mr Christopher GEE is Senior Research Fellow at the Institute of Policy Studies where he leads the Governance and Economy Department. Chris has published several papers on retirement financing, strengthening old-age income support and managing healthcare costs for an ageing population.

Christopher was previously in investment banking, leading equity research teams covering Singapore and Malaysia, and the Asian real estate sector. He was a Managing Director and Head of Asia-Pacific Real Estate Equities Research for J.P. Morgan, managing a team of equities analysts covering listed real estate equities across the Asia Pacific region. He had specific coverage of the Singapore REIT sector, and was the lead analyst in several high-profile initial public offerings of REITs and real estate companies such as CapitaLand Retail China Trust in 2006, CapitaMalls Asia in 2009 and Global Logistics Properties in 2010.

Between January 2014 to April 2022, he was an independent non-executive director of CapitaLand China Trust, the largest China-focused real estate investment trust listed on the Singapore stock exchange. He has a BA (Law) from the University of Nottingham and holds the CFA charter.