

Module Outline

Module Code : RE4804
Module Title : Real Estate Securitisation
Semester : Semester 1, Academic Year 2022/2023
Faculty : NUS Business School
Department : Real Estate

Instructor(s)

Associate Professor Lum Sau Kim (bizlumsk@nus.edu.sg)

Overview

This module represents the second part of the analysis of real estate capital markets. It covers the real estate debt capital markets. Topics include the economics of mortgage securitisation; the various mortgage-backed securitisation instruments, models and structures; the concepts of pooling and tranching; secondary mortgage institutions and the US experience in real estate debt securitisation; commercial and residential mortgage-backed securities; embedded pre-payment and default options; rating agencies and risk analyses; as well as the policy implications and relevant lessons for markets from the 2007-2009 Financial Crisis.

Learning Outcomes

Students should gain a big picture understanding of real estate debt capital markets, the institutions involved and the securitization products created. They should have an appreciation of the structuring techniques used and develop the proficiency to undertake financial analytics, including cash flow and pricing computations.

Module Prerequisite(s)

RE3701

Module Preclusion(s)

NIL

General Guide & Reading

The main text is Fabozzi, F.J. **Bond Markets: Analysis and Strategies. 9th ed.**, Pearson, 2016. We will also use portions of Geltner, David, Norman G. Miller, Jim Clayton, and Piet Eichholtz. **Commercial Real Estate: Analysis & Investments. 3rd ed.**, Mason, Ohio: Thompson South-Western, 2014. Other readings will be assigned via LumiNUS.

Tentative Schedule & Outline

More details will be uploaded onto LumiNUS in Week 0 of Semester 1.

Lesson/ Week	Date	Topic	Activity (preparation / cases & assignments / follow-up readings & resources)
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1	8 – 12 August	Introduction to RE-backed Debt Securitization	TBA
2	15 – 19 August	Bond Fundamentals & Mathematics	
3	22 – 26 August	The Rationale for RE-backed Debt Securitization	
4	29 August – 2 September	Securitisation in Singapore	
5	5 – 9 September	Mortgage-backed Securities I	
6	12 – 16 September	Mortgage-backed Securities II	
Reading week			
7	26 September – 1 October	Embedded Options I	TBA
8	3 – 7 October	Embedded Options II	
9	10 – 14 October	Collateralised Mortgage Obligations I	
10	17 – 21 October	Collateralised Mortgage Obligations II	
11	24 – 28 October	Commercial Mortgage-backed Securities	
12	31 October – 4 November	Policy Issues	
13	7 – 11 November	Revision	
Reading week			
Examination (2 weeks)			

Assessment

Assessment Components	Weightage
Group Project	20%
Mid-term test	10%
Participation in class	10%
Examination	60%
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

Sau Kim is an Academic Director at the NUS Global Relations Office and a faculty member of the NUS Business School. A former ASEAN scholar, she obtained her B.Sc. (Estate Management) honours degree from NUS on a Public Service Commission scholarship. She then pursued her Masters in Land Economy from University of Aberdeen on a British Council scholarship. After joining NUS as a Senior Tutor, Sau Kim pursued a PhD in Business Administration (Finance and Real Estate) from University of California at Berkeley via the NUS Overseas Graduate Scholarship scheme. Winner of several teaching awards in the university, Sau Kim currently teaches real estate finance and securitization. Her research interests cover the areas of housing and land policy, index construction and green finance. She has also consulted for various organizations in and outside Singapore. She sits on the Valuation Review Board of the Ministry of Finance.