

Module Outline

Module Code : RE1901
Module Title : Real Estate Wealth Management
Semester : Semester 2, Academic Year 2022/2023
Faculty : A/Prof Lum Sau Kim
Department : Real Estate
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Overview

Real estate assets form the largest component of household wealth (and debt) in our nation. While the media tends to focus on the wealth created through real estate investment (speculation), there is much less discussion of the real estate wealth management (REWM) process. This module aims to provide a general understanding of the REWM. Impact of economic, social and policy factors on household property wealth including a review of general economic principles such as market supply and demand, the impact of government financial and regulatory policies as well as demographic considerations such as an ageing population will be discussed.

Learning Outcomes

Through this module, student will be able to:

- Understand various types of RE classes, their characteristics and value as an asset.
- Apply all the relevant factors in evaluating the first RE investment or the first home to buy.
- Understand combinations of RE financing packages; the power and risk of leveraging in maximising ROI.
- Able to optimise use of CPF for RE investment, factoring in alternative investment options available and Retirement Needs.
- Able to evaluate various options in expanding one's RE portfolio.
- Understand investment options available beyond physical real assets (REITs, ETFs etc), and their relative pros and cons.
- Fully aware of the possible risks associated with RE investment, and the mitigating options available.
- Know the relevant policies regulating the RE sector, rationale behind and the impact of policy changes.
- Understand the macro-economic forces at work and how they determine the demand and value of RE wealth.
- Understand how socio-demographic changes affect the demand, utilization efficiency and value of RE.
- Get an overview of the various business models (development, investment, fund management, REITs etc) within the RE industry and how each complements the other to drive a vibrant RE industry.
- Learn basic skills of valuing listed RE Developers, REITs, RE Agencies, RE Holding Companies etc.

Module Prerequisite(s)

Nil

Module Preclusion(s)

Nil

General Guide & Reading

- **Policy Innovations for Affordable Housing in Singapore: From Colony to Global City** by Phang, Sock-Yong; 2018, Cham: Springer International Publishing.

- **Singapore's Real Estate, 50 years of Transformation** by Seek Ngee Huat, Sing Tien Foo & Yu Shi Meng, World Scientific Publishing.
- **Real Estate Market Size 2019: Annual Update on the Size of the Professionally Managed Global Real Estate Investment Market**, Bert Teuben, Razia Neshat, MSCI, June 2020

Tentative Schedule & Outline

Lesson/ Week	Date	Topic	Activity (preparation / cases & assignments / follow-up readings & resources)
1	Jan 9 - 13	Intro to Real Estate Wealth Management; RE Types, Value Creation & Drivers.	
2	Jan 16 - 20	Your First RE Investment: Financing & Affordability, New vs Resale, HDB or Private, Key factors in Decision Making.	Group Project Briefing
3	Jan 23 - 27 *CNY Holiday 22-24 Jan (Mon/Tue)	Mortgage Financing, Leveraged Investment and Maximising ROI	Tutorial 1; Project handout
4	Jan 30 - Feb 3	CPF for Investment in RE, Retirement Needs and Other Alternatives. Operate within the Policy and Regulations.	Tutorial 1
5	Feb 6 - 10	Upgrading, A&A, Second property; Overseas Assets, Commercial Assets	Tutorial 2
6	Feb 13 - 17	Cashing out, REITs, ETFs & Alternative Investments	Tutorial 2
Recess Week 18 Feb to 26 Feb 2023			
7	Feb 27 - Mar 3	Managing the Risk; Protecting the downside	Tutorial 3; Mid Term Test
8	Mar 6 - 10	Government Policy and Regulations affecting RE Wealth Management	Tutorial 3
9	Mar 13 - 17	Economic Factors on RE market; economic growth, employment, credit availability, interest rate, FDI, national policy etc.	Tutorial 4
10	Mar 20 - 24	Socio-Demographic Trend and Effect on RE Wealth; Post Covid-19 De-Urbanisation and Space use Productivity.	Tutorial 4
11	Mar 27 - 31	The RE Business Chain, Eco-System and Related Services; Attractiveness, Risk and Uniqueness.	Group Project Submission
12	Apr 3 - 7 *Good Friday 7 Apr (Fri)	Valuing Indirect RE Investments; Creating a Balanced Personal RE Portfolio at various life stages.	
13	Apr 10 - 14	Revision	
Reading Week 15 Apr to 21 Apr 2023			
Examination Weeks 22 Apr to 6 May 2023			

Assessment

Assessment Components	Weightage (%)
Group Project	30
Mid Term Test	10
Participation in Tutorials	10
Closed Book E-Examination	50
Total	100

Academic Honesty & Plagiarism

Academic integrity and honesty is 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

I serve as an Academic Director at the NUS Global Relations Office and a faculty member of the Department of Real Estate at NUS Business School. A former ASEAN scholar, I obtained my B.Sc. (Estate Management) honours degree from NUS and Masters in Land Economy from University of Aberdeen. After joining NUS as a Senior Tutor, I pursued a PhD in Business Administration (Finance and Real Estate) from University of California at Berkeley. I have won several teaching awards. My research interests cover the areas of housing and land policy, index construction and green finance. I developed the official suite of indices for the Singapore housing sector and have consulted for various organizations including Citibank, GIC, Housing & Development Board, Ministry of Housing of the Kingdom of Saudi Arabia, Ministry of Law of Singapore, Singapore Land Authority and Urban Redevelopment Authority. I sit on the Valuation Review Board of the Ministry of Finance.