

Course Outline

Course Code : RE1901
Course Title : Real Estate Wealth Management
Semester : Semester 2, Academic Year 2024/2025
Faculty : Adjunct A/P Tay Kah Poh
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Overview

Real estate assets form the largest component of household wealth (and debt) in our nation and arguably, many other parts of the world. While the media tends to focus on the wealth created through real estate investment and speculation, there is much less discussion of the real estate wealth management (REWM) process – how it is created, preserved enhanced or diminished. This course aims to provide a general understanding of REWM, principally via HDB flats (public housing), but also of private housing, the two most common forms of real estate wealth in Singapore.

Public housing remains a crucial plank of Singapore’s social policy since independence. It has been lauded internationally as a resounding success in solving the housing crisis that plagues so many other countries. But HDB policy has also been criticized as being unsustainable and creating internal contradictions that will be increasingly difficult to unravel in the years to come. Consequently, the impact of economic, social and policy factors on household property wealth will be discussed, including a review of general economic principles such as supply and demand, the role of government’s financial and regulatory policies, as well as demographic considerations such as immigration policy and an ageing population.

Learning Outcomes

Through this course, student will be able to:

- Understand various types of RE classes, their characteristics and value drivers as an asset.
- Apply all the relevant factors in evaluating the first RE investment or the first home to buy.
- Understand RE financing packages; the power and risk of leverage in maximising Return On Investment (ROI).
- Able to optimise use of CPF for RE investment, factoring in alternative investment options available and retirement needs.
- Become aware of the possible risks associated with RE investment, and the options to mitigate them.
- Know the relevant policies regulating the RE sector, the 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.
- Gain a critical appreciation of public and private housing policy and the challenges that they pose to wealth creation
- Understand how socio-demographic changes affect the demand, utilization and value of RE.
- Gain 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.

Course Prerequisite(s)

Nil

Course Preclusion(s)

Nil

General Guide & Reading

- **Enhancing Liveability, Fostering Communities: Estate Management for Singapore’s Public Housing** by Elly Chu & Katyana Melic, Singapore: Centre for Liveable Cities, 2020.
- **Housing: Turning Squatters into Stakeholders** by Singapore: Centre for Liveable Cities & Housing & Development Board, 2013.
- **Public Subsidy, Private Accumulation Market: The Political Economy of Singapore’s Public Housing** by Chua Beng Huat, Singapore: NUS Press, 2024.
- **Public Housing in Singapore: Four Principles for Deliberation** by Christopher Gee & Gabriel Lim, IPS Working Papers No. 53, 2024.
- Various press reports, online articles, videos and additional readings as posted on Canvas

Tentative Schedule & Outline

Week	Date	Topic	In-class Activity
1	13 – 17 Jan	What’s special about real estate? What determines real estate’s worth? How real estate fits in with wealth management.	What drives real estate’s worth? Intro to Group Project
2	20 – 24 Jan	Starting out on your real estate wealth journey: “first home” economics. Rent or buy? BTO, MOP, EIP & other acronyms. Paying for your first home. Household income, expense & Balance Sheet.	Group project assigned Class debate: rent vs own Constructing household balance sheet & income statement
3	27 Jan – 31 Jan <i>CNY: 29 – 30 Jan.</i>	Home economics: Basics of mortgage financing: LTV, TDSR, MSR, SORA & more acronyms. Downpayment.	Basic home financing & mortgage calculations
4	3 – 7 Feb	More home economics: CPF and home buying. Upgrading and the Singapore Dream: still alive?	Home financing calculations with CPF
5	10 – 14 Feb	Life cycle and the real estate wealth journey. “Right-sizing” & monetising real estate assets for retirement.	Class debate: HDB lease decay issue & state intervention
6	17 – 21 Feb	Site visit to HDB Centre or new town (TBC)	
	22 Feb – 2 Mar	RECESS WEEK	
7	3 - 8 Mar	Acquiring second property: investment concepts. Asset management. Real estate in a wealth portfolio.	Basic investment calculations
8	10 – 14 Mar	Taxation and impact on real estate wealth – property tax, income tax, stamp duty.	Tax calculations
9	17 – 21 Mar	Looking further afield – commercial real estate, securitization and going international.	Case study on risks of offshore real estate investing
10	24 – 28 Mar	Players in real estate wealth management. Real estate “tendrils” into the economy –	Critique of “asset progression strategy”

		users & occupiers. Creation, destruction, preservation & enhancement of RE wealth	
11	31 Mar – 4 Apr <i>31 Mar: Hari Raya Puasa</i>	National real estate wealth management. Government action & impact on real estate	Class debate: today's real estate is over-priced and therefore a poor investment
12	7 – 11 Apr	Guest speaker(s) on REWM (TBC)	
13	14 – 18 Apr <i>18 Apr: Good Friday</i>	Course wrap up	
	19 – 25 Apr	READING WEEK	
	26 Apr – 10 May <i>1 May: Labour Day</i>	EXAMINATION (2 WEEKS)	

Assessment

Assessment Components	Weightage (%)
• Group Project	40
• Class Attendance & Participation	20
• E-Exam Final (Open Book)	40
Total	100

There will be no mid-term exam.

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

Adjunct Associate Prof Tay has over 30 years of real estate experience in a variety of roles – as a valuer, educator, fund manager, consultant, and broker. He has held positions with developers, private equity real estate firms, and property consultancies, and previously served as an independent director with a number of listed and non-listed real estate and construction companies.