

Subject Description Form

Subject Code	BRE319
Subject Title	Property Investment and Finance
Credit Value	3
Level	3
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: BRE216
Objectives	<ol style="list-style-type: none"> 1. Enable students to understand key financial theories and the analytical techniques related to investment decisions. 2. Foster students' awareness and understanding of property finance and the use of real-estate related financial instruments in today's context.
Intended Learning Outcomes	<p>Upon completion of the subject, students should be able to:</p> <ol style="list-style-type: none"> a. use financial theories to assess a landed property as an investment asset with regard to its risk and return, b. draw upon the implications of financial planning on property investment decisions, c. appraise alternative investments within the context of Hong Kong, including both direct and indirect real estate investments and other financial instruments, d. interpret and evaluate the financial strength of real estate companies, e. possess skills to identify, analyze and solve problems on contemporary issues in the Hong Kong real estate and financial markets.
Subject Synopsis/ Indicative Syllabus	<p><u>Property Finance</u> An overview of capital markets, the different financial systems and different financing tools available. An introduction of financial accounting including principal accounting concepts, financial statement composition and interpretation, and financial ratio analysis. Capital structure, implication of gearing and tax advantage.</p> <p><u>Property Investment</u> Investment concepts and principles; investment vehicles; comparison between property investment and financial investment vehicles (including both direct and indirect property investments). Investment appraisal techniques. Portfolio analysis, diversification and capital market theory, risk and return in property and financial investments.</p>
Teaching/Learning Methodology	<p>The methods of teaching comprise:</p> <ol style="list-style-type: none"> 1. Formal lectures for explaining the principles of property finance and investment from which students can get an understanding of the financial theories and their applications to the landed property in Hong Kong. Each lecture is at 1.5 hrs per week for a period of 14 weeks. 2. Seminars and tutorials for students to present and discuss the key financial concepts and their applications contained in selected Journal papers and articles, and on contemporary issues of Hong Kong property and financial markets. Case studies are also conducted to discuss various topical issues with real examples in the seminars. Each seminar/tutorial is at 1.5 hrs per week in small groups for a total period of 14 weeks.

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	e
	1. Presentation / Group Report	50%	√	√	√	√	√
	2. Examination	50%	√	√	√	√	
	Total	100 %					
<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Individual presentation in seminars and tutorials and group reports (50%) can help create an environment that encourages active learning among students, consolidate their understanding on the topics and enable application of theories in key and contemporary issues through discussion and argument, so that the Intended Learning Outcomes from a. to e. can be achieved by going through the learning process.</p> <p>Assessment criteria for individual presentation include: oral presentation skill, familiarity with the topic, quality of visuals and responses to questions during discussion. Assessment criteria for group reports include: written communication skills, data/information collection, data interpretation and analysis, identification of problem/issue and conclusion.</p> <p>Examination (50%) is used to test whether the students have acquired the financial techniques and analytical skills for performing investment appraisals, including the ability for performing the tasks stated in the Intended Learning Outcomes from a. to d.</p>							
Student Study Effort Expected	Class contact:						
	▪ Lectures		21 Hrs.				
	▪ Seminars / tutorials		21 Hrs.				
	Other student study effort:						
	▪ Independent study		120 Hrs.				
	Total student study effort		162 Hrs.				
Reading List and References	Reading List:						
	Brown, G.R. and Matysiak, G.A. (2000). <i>Real Estate Investment: A Capital Market Approach</i> , Prentice Hall.						
	Brealey, R.A. and Myers, S.C. (2004). <i>Principles of Corporate Finance</i> , McGraw Hill.						
	Mott, Graham (1999). <i>Accounting for Non-Accountants – A Manual for Managers and Students</i> , Kogan Page.						
	Wild, J.J.; Subramanyam, K.R. and Halsey, R.F. (2003). <i>Financial Statement Analysis</i> , 8 th Edition, McGraw-Hill.						

Brueggeman, W.B. and J.D. Fisher. (1993), *Real Estate Finance and Investments*, Boston: Irwin, 9th Edition.

Brett, M. (1992). *Property and Money*, Estates Gazette.

Dubben, N. and Sayce, S. (1991). *Property Portfolio Management: An Introduction*, Routledge, New York.

Ho, Y.K. (Ed), (1991). *The Hong Kong Financial System*, Oxford University Press.

Lumby, Steve, (1994). *Investment Appraisal and Financial Decisions (5th edition)*, Chapman & Hall.

Millington, A.F. (1994). *An Introduction to Property Valuation (4th Edition)*, Estates Gazette.

Norfolk, W. (1981). *Accounting for the Building Trade*, Hutchinson Educational Ltd.

Supplementary:

Clauretje, T.M. and Sirmans, C.S. (1996). *Real Estate Finance: Theory and Practice*, New Jersey: Prentice-Hall.

Fraser, W.D. (1993). *Principles of Property Investment & Pricing (2nd edition)*, Macmillan, Great Britain.

Calatchi, R.F. and Rosenberg, S.B. (Eds) (1992). *Property Finance: An International Perspective*, London: Euromoney Books.

Scott, R.H. (Ed), (1986). *Hong Kong's Financial Institutions and Markets*, Oxford University Press.

Sin, S.F. (1987). *Building Project Finance in Hong Kong: Law and Practice*, Butterworth.

Upson, A., (1987). *Financial Management for Contractors*, BSP.

Weston, J.F., (1986). *Managerial Finance*, Dryen Press.