

Course Title	:	Real Estate and Its Social Value in Asian Societies
Course code	:	CLE9022
Recommended Study Year	:	Any
No. of Credits/Term	:	3
Mode of Tuition	:	Sectional Approach
Teaching Hours	:	3 hours per week
Category in Major Programme	:	Free Elective Core Curriculum (Values, Cultures and Societies Cluster)
Prerequisite	:	Nil

Brief Course Description

This course is designed to introduce the nature, practice and social value of real estate development, including the importance of real estate to society, the economic value of real estate, government policies on real estate development, and discussions on how culture and traditional concepts influence the real estate markets in Hong Kong. Comparisons will be made among real estate investments in Hong Kong and other Asian cities. The course involves non-technical introductory content and practical tools for real estate investments from the perspective of ordinary investors.

Aims

This course aims to provide students with practical knowledge of real estate markets and housing policies with due consideration given to local traditions, values and culture as well as to the relations between government housing policies and the economic cycle. The course will also compare and contrast the real estate markets among different cities.

Intended Learning Outcomes (LOs)

On completion of this course, students are expected to be able to:

1. analyze and explain the cultural and societal value of real estate investment;
2. analyze and explain how cultural factors and government policy affect the real estate markets;
3. analyze and evaluate the basic features and development of real estate markets in Hong Kong;
4. compare and contrast the development of the HK real estate market to those in other countries.

Indicative Contents

To achieve the objectives, the course covers the following topics:

1. The social value of real estate
 - 1.1 Basic features of the development of the Hong Kong property market.
 - 1.2 The traditional view of real estate investment in our society.
 - 1.3 Cultural factors affecting real estate values, investment styles and property sale processes in Hong Kong.
 - 1.4 Lessons from property market crises in Hong Kong and elsewhere.
 - 1.5 Comparisons between real estate investment and other types of investments.
 - 1.6 Highlighting the similarities and differences of how societal values affect real estate markets among different Asian cities, and between Asian and western countries.
2. The role of government in the property market
 - 2.1 Government policies on real estate planning and their impacts on society at large.
 - 2.2 How governments balance the social benefits and costs of real estate ownership.
3. The social value of land development
 - 3.1 The importance of land development in Hong Kong and other Asian societies.
 - 3.2 Land valuation and auctions in Hong Kong as compared with other locations in Asia.
 - 3.3 Land policies in other Asian cities.

Teaching Methods/Class Activities

Class activities will include lectures on concepts and theories, class exercises, case discussions, and student group presentations in accordance with the covered materials. Students will also investigate real-life cases composed of local residential and commercial properties for investment analysis and decisions.

Measurement of Learning Outcomes

1. Questions, in-class exercises, and discussions will test individual students' understanding of the basic subject knowledge and approaches. (GO3 and LOE2)
2. Midterm test will provide a holistic assessment on the basic knowledge of real estate market operation and the role of the government. (for GO2, GO3, and LOE2)
3. Open-ended exam questions and in-class discussions will assess an individual student's ability to critically analyze the effects of various factors on real estate markets in Hong Kong, to compare government housing policies across different cities, and to articulate concepts and apply basic approaches and skills to real estate market analysis. The students' written skills are also assessed. (GO1, GO5, and LOE1)

4. Students, in teams of 3-4 members, will undertake a group project, in which they will evaluate a local residential and/or commercial property. Both a written report and an oral presentation are required to assess students' understanding of Hong Kong's real estate markets, and their ability to apply basic analysis and report-writing and presentation skills. (GO3, and LOE2)

Learning outcome	Class discussion	Midterm test	Group project	Individual take home examination
1. analyze and explain the cultural and societal value of real estate investment	×	×	×	
2. analyze and explain how cultural factors and government policy affect the real estate markets	×	×	×	×
3. analyze and evaluate the basic features and development of real estate markets in Hong Kong	×			×
4. compare the development of the HK real estate market to those in other countries	×		×	

Assessment

Participation and class discussion 20%

Assesses students' ability to analyze, evaluate and discuss investment cases. Marks will be granted to students based on their participation and explanations of the issues.

Midterm test 20%

Assesses students' ability to articulate concepts and apply basic approaches and skills to real estate market analysis and to compare government housing policies across different cities.

Group project on the analysis of real estate issues and policies 30%

The class will be divided into teams of three to four students. Students are required to analyze one of the real estate issues given by the lecturer.

Assesses students'

- *ability to apply basic approaches and skills to the analysis of real estate;*
- *ability to make a critical analysis of the property they selected for analysis;*
- *ability to analyze and interpret relevant market information and news;*
- *ability to cooperate with teammates;*
- *oral presentation skills;*
- *writing and communication skills.*

Individual take home examination 30%

Assesses students'

- ability to apply basic approaches and skills to explain the social value of real estate and analyzing the investment cultures;
- ability to describe the relevant features of real estate markets;
- report-writing skills.

Total **100%**

Required/Essential Reading

David C. Ling & Wayne R. Archer, *Real Estate Principles: A Value Approach*, latest edition, McGraw Hill.

Note: Given that the subject area is developing quickly, no single textbook covers all of the topics. The lecture notes will draw upon different sources and will not rigidly follow any single textbook.

Recommended/Supplementary Readings

Nissim Roger, *Land Administration and Practice in Hong Kong*, 4th edition, Hong Kong University Press, 2016.

Brueggeman, William B., and Fisher Jeffery D., *Real Estate Finance and Investments*, 15th Ed., McGraw-Hill, 2015.

Lynn, David J., and Tim Wang, *Emerging Market Real Estate Investment: Investing in China, India and Brazil*, John Wiley & Sons, Inc., 2010.

Bardhan, Ashok, Robert H. Edelstein, and Cynthia A. Kroll, *Global Housing Markets: Crises, Policies, and Institution*, 1st Ed., John Wiley & Sons, Inc., 2012.

The Hong Kong Planning Standards and Guidelines (HKPSG), Planning Department, the Government of HKSAR.

Building (Planning) Regulations, the Buildings Department, the Government of HKSAR.

Reports of the Urban Renewal Authority, the Government of HKSAR, and real estate consultancy firms.

PricewaterhouseCoopers and the Urban Land Institute, *Emerging Trends in Real Estate Asia Pacific 2017*, Washington, D.C.:PwC and Urban Land Institute, 2016.

Eldred, Gary W., *Investing in Real Estate*, 7th ed, John Wiley & Sons, Inc., 2012.

Baum, Andrew and David Hartzell, *Global Property Investment: Strategies, Structures, Decisions*, John Wiley & Sons, Inc., 2012.

Important Notes

- (1) Students are expected to spend a total of 5 hours (i.e. 3 hours of class contact and 2 hours of personal study) per week to achieve the course learning outcomes.
- (2) Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is “the presentation of another person’s work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student’s own work”. Students are required to strictly follow university regulations governing academic integrity and honesty.
- (3) Students are required to submit writing assignment(s) using Turnitin.
- (4) To enhance students’ understanding of plagiarism, a mini-course “Online Tutorial on Plagiarism Awareness” is available on <https://pla.ln.edu.hk/>.