



UNSW Course Outline

FINS5533 Real Estate Finance and Investment - 2024

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General Course Information

Course Code : FINS5533

Year : 2024

Term : Term 3

Teaching Period : T3

Is a multi-term course? : No

Faculty : UNSW Business School

Academic Unit : School of Banking and Finance

Delivery Mode : In Person

Delivery Format : Standard

Delivery Location : Kensington

Campus : Sydney

Study Level : Postgraduate

Units of Credit : 6

Useful Links

[Handbook Class Timetable](#)

Course Details & Outcomes

Course Description

This course exposes students to concepts, theories and the latest industry practice in commercial real estate finance investments. The course material presented is technical yet will strike a balance between theory and practice. This will help students acquire knowledge and

develop the analytical skills for analysing commercial real estate finance investments. It also introduces valuation and appraisal methods used for real estate finance and investment decision making. These skills are of particular use to students who are interested in seeking employment as analysts in sales, leasing, construction and development management, research, consulting and investment banking.

Course Aims

The aim of this course is to introduce students to the latest valuation methods and analysis of commercial real estate investments. There is a focus on real estate markets in both Australia and internationally. Students will also learn to use Microsoft Excel for creating valuation models.

Relationship to Other Courses

This course is designed for students to develop a toolkit necessary to work as an analyst in the commercial real estate industry. This toolkit comprises:

- 1) having an understanding of the Australian commercial real estate market as a whole. There will be a minor focus on the residential real estate market.
- 2) the ability to think critically about the building-specific and economy wide factors that affect the value of real estate.
- 3) understanding and applying key risk and return metrics to analyse the prices and values of different properties.
- 4) keeping abreast of the latest developments in the real estate sector and how these developments facilitate or affect values.

Real estate as an asset class plays a fundamental role as a major investment vehicle in both in Australia and internationally. This course will build upon the more general courses already covered by students and attempt to place real estate investments on the same theoretical footing as fixed-income and equity investments.

Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Distinguish between the different valuation approaches in real estate.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL02 : Problem Solving
CLO2 : Understand and apply generally recognised investment valuation techniques to real estate.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL02 : Problem Solving
CLO3 : Conduct real estate investment analysis and make investment recommendations.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL02 : Problem Solving
CLO4 : Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication • PL04 : Teamwork
CLO5 : Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL02 : Problem Solving • PL03 : Business Communication • PL04 : Teamwork
CLO6 : Work collaboratively to complete a task.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL03 : Business Communication • PL04 : Teamwork • PL05 : Responsible Business Practice • PL07 : Leadership Development
CLO7 : Identify and assess environmental and sustainability considerations in problems in Real Estate.	<ul style="list-style-type: none"> • PL01 : Business Knowledge • PL06 : Global and Cultural Competence • PL07 : Leadership Development

Course Learning Outcomes	Assessment Item
CLO1 : Distinguish between the different valuation approaches in real estate.	<ul style="list-style-type: none"> • Homework Submission • Group Assignment • Quizzes • Final Exam
CLO2 : Understand and apply generally recognised investment valuation techniques to real estate.	<ul style="list-style-type: none"> • Homework Submission • Group Assignment • Quizzes • Final Exam
CLO3 : Conduct real estate investment analysis and make investment recommendations.	<ul style="list-style-type: none"> • Homework Submission • Group Assignment • Quizzes • Final Exam
CLO4 : Construct written work which is logically and professionally presented.	<ul style="list-style-type: none"> • Group Assignment
CLO5 : Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> • Homework Submission • Group Assignment
CLO6 : Work collaboratively to complete a task.	<ul style="list-style-type: none"> • Group Assignment
CLO7 : Identify and assess environmental and sustainability considerations in problems in Real Estate.	<ul style="list-style-type: none"> • Final Exam • Group Assignment

Learning and Teaching Technologies

Moodle - Learning Management System | Zoom

Learning and Teaching in this course

The approach in this course is to introduce students to the practices and issues in the field of commercial real estate finance. Students will then be responsible to discover why such issues arise and what drives particular outcomes both in the economy and to specific real estate assets. To the extent possible, a class discussion is encouraged as well as class questions.

Assessments

Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Homework Submission Assessment Format: Individual	10%	Start Date: See Detailed assessment description Due Date: See Detailed assessment description	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL03 : Business Communication• PL06 : Global and Cultural Competence
Group Assignment Assessment Format: Group	30%	Start Date: See detailed assessment description Due Date: See detailed assessment description	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL03 : Business Communication• PL04 : Teamwork• PL05 : Responsible Business Practice• PL06 : Global and Cultural Competence• PL07 : Leadership Development
Quizzes Assessment Format: Individual	20%	Start Date: See detailed assessment description Due Date: See detailed assessment description	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving
Final Exam Assessment Format: Individual	40%	Start Date: See detailed assessment description Due Date: See detailed assessment description	<ul style="list-style-type: none">• PL01 : Business Knowledge• PL02 : Problem Solving• PL06 : Global and Cultural Competence• PL07 : Leadership Development

Assessment Details

Homework Submission

Assessment Overview

The individual homework submission will feature a set of conceptual and applied questions. It will serve as preparation for the final exam. More details to be provided by the lecturer.

PL01, PL02, PL03, PL06.

Course Learning Outcomes

- CL01 : Distinguish between the different valuation approaches in real estate.
- CL02 : Understand and apply generally recognised investment valuation techniques to real estate.

- CLO3 : Conduct real estate investment analysis and make investment recommendations.
- CLO5 : Communicate ideas in a succinct and clear manner.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
10%	Homework	Week 10

The individual homework submission will feature a set of conceptual and applied questions. It will serve as preparation for the final exam. More details to be provided by the Lecturer in Charge.

Assessment Length

N/A

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students can see Turnitin similarity reports.

Generative AI Permission Level

No Assistance

This assessment is designed for you to complete without the use of any generative AI. You are not permitted to use any generative AI tools, software or service to search for or generate information or answers.

For more information on Generative AI and permitted use please see [here](#).

Group Assignment

Assessment Overview

Students will form groups of 3-4 to complete this assignment. The group assignment will require students to write an investment proposition which includes conducting their own valuation of an investment-grade commercial real estate building within the Sydney commercial real estate market.

Students will be expected to conduct their own research and potentially contact practitioners (leasing agents, sales agents, analysts etc) within industry and collect information for the valuation. This assignment replicates the process of current industry practice in relation to real estate valuation.

The group assignment will serve as preparation for the final exam.

PL01, PL02, PL03, PL04, PL05, PL06, PL07

Course Learning Outcomes

- CL01 : Distinguish between the different valuation approaches in real estate.
- CL02 : Understand and apply generally recognised investment valuation techniques to real estate.
- CL03 : Conduct real estate investment analysis and make investment recommendations.
- CL04 : Construct written work which is logically and professionally presented.
- CL05 : Communicate ideas in a succinct and clear manner.
- CL06 : Work collaboratively to complete a task.
- CL07 : Identify and assess environmental and sustainability considerations in problems in Real Estate.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
30%	Group Assignment	Week 10

Students will form groups of 3-4 to complete this assignment. The group assignment will require students to write an investment proposition which includes conducting their own valuation of an investment-grade commercial real estate building within the Sydney commercial real estate market.

Students will be expected to conduct their own research and contact practitioners (leasing agents, sales agents, analysts etc) within industry and collect information to the valuation. This assignment replicates the process of current industry practice in relation to real estate valuation. More details to be provided by the lecturer. The group assignment will serve as preparation for the final exam.

Assessment Length

N/A

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students do not see Turnitin similarity reports.

Generative AI Permission Level

No Assistance

This assessment is designed for you to complete without the use of any generative AI. You are not permitted to use any generative AI tools, software or service to search for or generate information or answers.

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Quizzes

Assessment Overview

This is a mid-term quiz designed to test students' understanding of the first part of the course. Students can expect any combination of calculation, written and Microsoft Excel based questions.

PL01, PL02

Course Learning Outcomes

- CL01 : Distinguish between the different valuation approaches in real estate.
- CL02 : Understand and apply generally recognised investment valuation techniques to real estate.
- CL03 : Conduct real estate investment analysis and make investment recommendations.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
20%	Mid-Term Quiz	Week 5 (Saturday)

The mid-term quiz will comprise short answers and calculation questions. The quiz will test the student's understanding of the themes and ideas presented in the course from Week 1 to Week 4 (inclusive). Students are expected to draw upon their skills and knowledge in providing justifications and judgement given certain contexts. The quiz will be held on the Saturday of Week 5.

Assessment Length

2 hours

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students do not see Turnitin similarity reports.

Generative AI Permission Level

No Assistance

This assessment is designed for you to complete without the use of any generative AI. You are not permitted to use any generative AI tools, software or service to search for or generate information or answers.

For more information on Generative AI and permitted use please see [here](#).

Final Exam

Assessment Overview

Students will need to demonstrate their understanding of the key concepts presented in the course throughout the term.

PL01, PL02, PL06, PL07.

Course Learning Outcomes

- CL01 : Distinguish between the different valuation approaches in real estate.
- CL02 : Understand and apply generally recognised investment valuation techniques to real estate.
- CL03 : Conduct real estate investment analysis and make investment recommendations.
- CL07 : Identify and assess environmental and sustainability considerations in problems in Real Estate.

Detailed Assessment Description

Weight	Assessment Name	Assessment Due Date / Timing
40%	Final Exam	Final Exam Period

The final exam will comprise short answers and calculation questions. The exam will test the student's understanding of the themes and ideas presented in the course. The final exam is comprehensive (all topics are covered). Students are expected to draw upon their skills and knowledge in providing justifications and judgement given certain contexts.

Assessment Length

2 hours

Assignment submission Turnitin type

This assignment is submitted through Turnitin and students do not see Turnitin similarity reports.

Generative AI Permission Level

No Assistance

This assessment is designed for you to complete without the use of any generative AI. You are not permitted to use any generative AI tools, software or service to search for or generate information or answers.

For more information on Generative AI and permitted use please see [here](#).

General Assessment Information

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Grading Basis

Standard

Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 9 September - 15 September	Lecture	<ul style="list-style-type: none"> - Overview of commercial real estate markets in Australia - Introducing key concepts in commercial real estate - The three-markets model
Week 2 : 16 September - 22 September	Lecture	<ul style="list-style-type: none"> - Return Metrics in Commercial Real Estate - Exploring Sales Analyses - Capital Value Decomposition
Week 3 : 23 September - 29 September	Lecture	<ul style="list-style-type: none"> - Real Estate Investment/Capital Budgeting - Approaches to Commercial Real Estate Valuations (DCF, Capitalisation Rate, Direct Comparison/Sales Evidence) - Development sites/Residual Valuation Method - Land Values
Week 4 : 30 September - 6 October	Lecture	Case Study: Infinity Limited Tower We will apply the three approaches of commercial property valuation to a hypothetical building.
Week 5 : 7 October - 13 October	Lecture	<ul style="list-style-type: none"> - Investments Decisions (Financing and Holding Period) - Leasing or Buying Real Estate - Commercial Tenant Leasing Decisions
	Lecture	Mid-session Quiz (20%) Testing material from Week 1-4 inclusive. The quiz will be held on the Saturday of Week 5.
Week 6 : 14 October - 20 October	Lecture	<ul style="list-style-type: none"> - Guest Lecturers from industry - Presentation on Office Investments
Week 7 : 21 October - 27 October	Lecture	<ul style="list-style-type: none"> - Real Options in Real Estate - Fair Value - Real Estate Investment Structures (Partnerships, Joint Ventures)
Week 8 : 28 October - 3 November	Lecture	<ul style="list-style-type: none"> - Game Theory in Real Estate - Investment Strategies in Real Estate - Real Estate Investment Trusts (REITS)
Week 9 : 4 November - 10 November	Lecture	<ul style="list-style-type: none"> - Latest developments in the whole real estate sector. - Residential Real Estate. - Mortgage Valuation.
Week 10 : 11 November - 17 November	Lecture	<ul style="list-style-type: none"> - Residential Real Estate Market Models - Course Review.

Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

General Schedule Information

Note: for more information on the UNSW academic calendar and key dates including study period, exam, supplementary exam and result release, please visit: <https://student.unsw.edu.au/new-calendar-dates>

Course Resources

Prescribed Resources

The website for this course is on Moodle. There is no prescribed textbook(s) for this course. All reading material will be uploaded online for students. However, some useful textbooks that students can consult are:

- Brueggeman, William B. and Jeffrey D. Fisher, 2011, Real Estate Finance and Investments (16th ed.), McGraw-Hill, ISBN: 978-1-260-09194-6
- Geltner and Miller, Commercial Real Estate Analysis and Investments, OnCourse learning, ISBN: 978-1133108825

Additional resources:

- [NY Times](#)
- [ASX](#)
- [Property Council of Australia](#)
- [Reserve Bank of Australia](#)
- AFR (accessible online via student portals)
- Secondary mortgage market articles
 - "The Role of Securitization in Mortgage Lending," by Richard J. Rosen, Chicago Fed Letter, No. 24, November 2007.
 - "The Economics of Asset Securitization," by Ronel Elul, Business Review

Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Convenor	Mohamad Mo urad		UNSW Business School	N/A	TBA	Yes	Yes

Other Useful Information

Academic Information

COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [Policies and Guidelines](#) page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [Policies and Guidelines](#) page. For PG Research PLOs, including MPDBS, please refer to [UNSW HDR learning outcomes](#).

Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Code of Conduct](#) with respect to academic integrity, the University may take disciplinary action. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for

assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Code of Conduct, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Submission of Assessment Tasks

SHORT EXTENSIONS

Short Extension is a new process that allows you to apply for an extended deadline on your assessment without the need to provide supporting documentation, offering immediate approval during brief, life-disrupting events. Requests are automatically approved once submitted.

Short extensions are ONLY available for some assessments. Check your course outline or Moodle to see if this is offered for your assessments. Where a short extension exists, all students enrolled in that course in that term are eligible to apply. Further details are available the UNSW [Current Students](#) page.

SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable.

Applications can only be made online and will NOT be accepted by teaching staff. Applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application. The majority of applications will be processed within 3-5 working days.

For further information, and to apply, see Special Consideration on the UNSW [Current Students](#) page.

LATE SUBMISSION PENALTIES

LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. In the case of an approved Equitable Learning Plan (ELP) provision, special consideration or short extension, the late penalty applies from the date of approved time extension. After five days from the extended deadline, the assessment cannot be submitted.

An assessment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the 'wrong' assessment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

Faculty-specific Information

PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer

to [this page](#).

COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

QUALITY ASSURANCE

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

TEACHING TIMES AND LOCATIONS

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.