

*University of Reading:
Department of Real Estate & Planning
REMF48 Final Project in Real Estate
2019*

Market ANALYSIS

SUBMISSION DATE:	14.00 Monday 2 nd September 2019
Penalties for late submission:	Standard University Penalties
Project Objective:	<i>Integration and application of specialised real estate knowledge</i>
Brief description of teaching and learning methods:	Project based problem with appropriate introductory seminars and optional surgery sessions. You are expected to work individually and, apart from information and guidance provided at the formal sessions, you can seek advice from the staff members involved.
Prerequisites:	International Real Estate Markets
Number of credits:	20 credits, 100% Coursework based, Requirements for a pass: 50%
Word Guide:	5,000 words (or equivalent) excluding all appendices and calculations.
Project Tutor:	Éamonn D'Arcy

Project Brief: Moving up the risk curve: How would you advise investors to proceed in taking on more risk and generating higher return?

Overview

You are working in the research department of CJCH a major international real estate service firm. One of your clients, Global Real Investors, during the financial crisis restructured their portfolio and focused on prime assets in core locations. Their portfolio is now dominated by prime class A offices and dominant shopping centres. Global Real Investors sense now is the time to take on more risks by allocating capital to non-core locations and assets. Their objective is to generate more income and take advantage of emerging dynamic sectors.

This client is seeking your advice on the real estate sectors and locations they should be considering investing in on a global basis in the coming year. They would like to see an in-depth analysis on how risks and opportunities in non-prime markets are now assessed. **They expect recommendations as to the locations and sectors they should be considering increased allocations in.**

Outcomes

Your analysis should focus on two countries of your choice. As a starting point you need to provide a brief analysis of the recent performance of prime assets (office and retail) in core locations in the countries concerned. This will then serve as an important benchmark for your subsequent analysis.

The principal focus of your analysis will be to identify investment opportunities in non-prime assets in core locations, prime assets in secondary locations and in alternative real estate investment sectors. The analysis should include a consideration of the following: - (i) secondary assets (office and retail) in core locations, (ii) good quality assets (office and retail) in two secondary cities in each country and **two** of the following alternative real estate sectors:

1. Leisure – which can include bars, restaurants, cinemas, theme parks, theatres, gyms, bowling alleys, spas and sports facilities.
2. Hotels – from Budget to Luxury.
3. Institutional Grade Residential – including BTR and seniors housing.
4. Student Accommodation
5. Healthcare

N.B. You must choose the same two alternative sectors to analyse in each country.

It is important that you interpret risk and opportunity for your sector recommendations. Your client expects a comprehensive analysis of the fundamentals underlying the prospects of these markets and real estate types. Where possible, support your analysis with price information about the real estate sectors you propose. If your analysis suggests that any of these real estate sectors are not worth taking the risk on in your chosen countries then ensure that you argue the case well since your client is willing to allocate away from core. You should supplement your analysis by highlighting to your client, sectors which have the potential to become mainstream real estate investment sectors in the near future. Your client will particularly appreciate non-conventional recommendations.

The final fully referenced report should be 5,000 words (word guide) excluding appendix and reference material, and with a 1-page executive summary of key findings.

Assessment criteria:

- Evidence of research
- Evidence of understanding market fundamentals and assessment of opportunities and risks
- Comparative analysis
- Clarity of argument – use section summaries – SWOT analysis for comparing investment strategies– tables etc.
- Convincing, well-developed professional recommendations

Seminar Schedule

Monday 17 th June 09.00 – 09.30 G11	Project briefing	Éamonn D'Arcy
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Grading Grid

Topic	Moving Up The Risk Curve: How would you advise investors to proceed in taking on more risk and generating higher return?
Countries Analysed	
Executive Summary	
Information Seeking/Selecting and Evaluating	
Documentation	
Structure – Comparative Analysis	
Analysis of Core Benchmark Performance	
Analysis of Secondary Assets in Core Locations	
Secondary Cities	
Leisure	
Hotels	
Institutional Grade Residential	
Student Accommodation	
Healthcare	
Recommendations to Client	
Rigor of Analysis	
Synthesis	
Appendix Material	
Additional Comments:	