

DEREE COLLEGE SYLLABUS FOR: EC 3125 REAL ESTATE ECONOMICSInstruction Hours/lab hours/**US CREDITS: 3/0/3****UK LEVEL (appropriate only for validated courses): 5****UK CREDITS: 15**

(Previously: EC 3225 REAL ESTATE ECONOMICS)

(Updated: Fall 2025)

PREREQUISITES:

EC 1000 Principles of Microeconomics

**CATALOG
DESCRIPTION:**

Real estate in the wider economy. Supply & Demand. Real estate market equilibrium, capital stock adjustment and property market cycles. Bid-rent curves and land-use patterns. Real estate price bubbles. Real estate as an investment; property valuation, the cap rate and its cycle. Property financing.

RATIONALE:

The course enhances the employment opportunities of economics graduates in the real estate sector (e.g., in property investment companies, property mutual funds, real estate brokers, banks, insurance companies, big construction companies), and also prepares them to pursue post-graduate studies in the fields of urban or regional economics or property finance and investment.

LEARNING OUTCOMES:

As a result of taking this course, the student should be able to:

1. Demonstrate knowledge of the RE market fundamentals, the operation of the forces of supply and demand and how the property market equilibrium is achieved.
2. Demonstrate understanding of bid-rent curves and their role in defining the land use patterns.
3. Demonstrate knowledge of the function of RE in the macroeconomic environment and the capital stock adjustment.
4. Explain how the property market cycles operate as well as how the price bubbles are formed.
5. Demonstrate awareness of the basic principles of real estate investments, the main drivers of property investment appraisal and the cap rate. Understand the specifics of the operation of the residential RE market.

**METHOD OF TEACHING AND
LEARNING:**

In congruence with the teaching and learning strategy of the college, the following tools are used:

- Lectures and class discussions.
- Homework assignments.
- Office hours held by the instructor to provide further assistance to students.
- Use of library facilities for further study and preparation for the exams
- Use of the Blackboard course management platform to further support communication, by posting lecture notes, assignment instruction, timely announcements, formative quizzes and online submission of assignments.

ASSESSMENT:	<p>Summative:</p> <table border="1" data-bbox="643 185 1441 474"> <tr> <td>1st assessment: 1st assessment: In-class written examination (One-hour, closed book, problems/essays/multiple choice/true-false combination)</td><td>40%</td></tr> <tr> <td>Final assessment: Final assessment: In-class written examination (Two-hour, closed book, problems/essays/multiple choice/true-false combination)</td><td>60%</td></tr> </table> <p>Formative:</p> <table border="1" data-bbox="643 546 1441 584"> <tr> <td>Formative assignments</td><td>0</td></tr> </table> <p>The formative relevant formative assessment aims to prepare students for the summative assessments.</p> <p>The relevant summative assessment tests Learning Outcomes 1, 2, 3</p> <p>The relevant summative assessment tests Learning Outcomes 4 & 5</p> <p>Students are required to resit failed assessments in this module.</p>	1 st assessment: 1 st assessment: In-class written examination (One-hour, closed book, problems/essays/multiple choice/true-false combination)	40%	Final assessment: Final assessment: In-class written examination (Two-hour, closed book, problems/essays/multiple choice/true-false combination)	60%	Formative assignments	0
1 st assessment: 1 st assessment: In-class written examination (One-hour, closed book, problems/essays/multiple choice/true-false combination)	40%						
Final assessment: Final assessment: In-class written examination (Two-hour, closed book, problems/essays/multiple choice/true-false combination)	60%						
Formative assignments	0						
INDICATIVE READING:	<p>REQUIRED READING:</p> <p>Wilcox J. and Forsyth J., Real Estate: The Basics, First Edition, Routledge. (chapters 2, 3 & 4)</p> <p>Ball M., Lizieri C. and MacGregor B., The Economics of Commercial Property Markets, Latest edition, Routledge. (chapters 2 - 4 & 6 - 8)</p> <p>Shapiro E., Mackmin D. and Sams G., Modern Methods of Valuation, 12th edition, Routledge. (chapters 1 & 2)</p> <p>Hartzell D. and Baum A., Real Estate Investment and Finance: Strategies, Structures, Decisions, Second Edition, Wiley. (chapters 2, 5 & 8)</p> <p>RECOMMENDED READING:</p> <p>Ahir H. and Loungani P. (2016): Global House Prices: Time to Worry Again?, IMF in HYPERLINK "https://www.imf.org/en/Blogs/Articles/2016/12/08/global-house-prices-time-to-worry-again"https://www.imf.org/en/Blogs/Articles/2016/12/08/global-house-prices-time-to-worry-again</p> <p>Baum A., Real Estate Investment: A Strategic Approach, Fourth Edition, Routledge.</p> <p>Ellis, L. (2008): The housing meltdown: Why did it happen in the United States? BIS Working Paper 259, Sept.</p> <p>Fisher, J. D. (1992): "Integrating Research on Markets for Space and Capital", in Journal of the American Real Estate and Urban Economics Association, V. 20, 1, pp. 161-180.</p> <p>Isaac D. and O'Leary J., Property Valuation Principles, Palgrave-</p>						

	<p>MacMillan.</p> <p>Jowsey E. (2014): Real Estate Concepts: A Handbook, Routledge.</p> <p>Levitin A. and Wachter S. (2000): The Great American Housing Bubble: What Went Wrong and How We Can Protect Ourselves in the Future, Harvard University Press.</p> <p>Meen, G. (2005): "On the Economics of the Barker Review of Housing Supply", in Housing Studies, v. 20, n. 6, pp. 949-971.</p> <p>Pirounakis, N. (2013): Real Estate Economics: A point-to-point handbook, Routledge</p> <p>Ronald R. and Arundel R. (2022): Families, Housing and Property Wealth in a Neoliberal World, Routledge</p> <p>Wheaton, W.C. (1999): "Real estate 'cycles': Some fundamentals", in Real Estate Economics, v. 27, n. 2, pp. 209-230.</p> <p>Other sources, including journal and newspapers' articles, research papers etc. recommended by the instructor throughout the semester.</p>
<p>INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)</p>	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>
<p>COMMUNICATION REQUIREMENTS:</p>	<p>Use of appropriate academic conventions as applicable in oral and written communications.</p>
<p>SOFTWARE REQUIREMENTS:</p>	<p>MS Office and Blackboard CMS</p> <p>Enter any additional s/w requirements.</p>
<p>WWW RESOURCES:</p>	<p>Global Property Guide: HYPERLINK "http://www.globalpropertyguide.com/"http://www.globalpropertyguide.com/ UK Property Guide: http://www.ukpropertyguide.co.uk/</p>
<p>INDICATIVE CONTENT:</p>	<ol style="list-style-type: none"> 1. The real estate (RE) market fundamentals <ol style="list-style-type: none"> 1.2 Definition 1.3 Different types of RE assets 1.4 RE vs other investments 2. Microeconomics & RE <ol style="list-style-type: none"> 2.2 The four interlinked markets 2.3 Equilibrium in the RE market 3. Microeconomics: user demand and the land market 4. Microeconomics: the location of commercial property 5. Macroeconomics and RE: property markets and the macroeconomy 6. Macroeconomics and RE: long run supply, stability and efficiency 7. The residential RE market: a primer 8. Macroeconomics: property market cycles and price bubbles

	<ul style="list-style-type: none">9. RE as an investment: property valuation methods10. RE as an investment: investment appraisal and the cap rate11. RE as an investment: property financing
--	---