

**City University of Hong Kong**

**Information on a Course  
offered by Department of Public Policy  
with effect from Semester A 2013/14**

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**Part I**

<b>Course Title:</b>	International Housing Finance and Economics
<b>Course Code:</b>	POL5702
<b>Course Duration:</b>	1 semester
<b>Credit Units:</b>	3
<b>Level:</b>	P5
<b>Medium of Instruction:</b>	English
<b>Prerequisites:</b>	Nil
<b>Precursors:</b>	Nil
<b>Equivalent Courses:</b>	Nil
<b>Exclusive Courses:</b>	Nil

**Part II**

**1. Course Aims**

To provide students, whether they already have a background in economics or not, with the capacity to use economic and finance concepts to analyze housing issues.

At the end of this course student should have: a good understanding of the basic determinants of the demand for and supply of housing services, and relevant factors that influence tenure choice; a good understanding of the principles of housing finance, and the nature and role of mortgage instruments in the financing of home ownership; the reasons for government intervention; the forms of intervention; the principles of financing. Students will discover their ability and accomplishments to apply the economic theories to the current issues in housing and find out solutions to housing problems through attending the class exercises during the tutorials and discussion.

## 2. Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

No.	CILOs	Weighting (if applicable)
1.	Apply basic economic principles to analyse the supply and demand of housing and the operation of the housing market, the reason for government intervention.	
2.	Apply the housing economic theory as advanced by the Fisher-Dispasque-Wheaton (FDW) two sector model in analysing the local property market	
3.	Apply the principles of housing finance to analyse the different modes of financing for the public and the private sector	
4.	Evaluate housing policy development in terms of renting and owner-occupation, both locally and internationally	

## 3. Teaching and Learning Activities (TLAs)

*(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)*

ILO No	TLAs	Hours/week (if applicable)
All	<b>Readings:</b> Students have to read one journal article or book chapter preferably before, if not, after each lecture; and the essential readings before each tutorial.	<b>3</b>
All	<b>Lectures:</b> Students will <ul style="list-style-type: none"> <li>acquire knowledge of the concepts, values, and development of housing economics and finance.</li> <li>develop their analytical and critical capabilities to discuss issues in housing economics and finance.</li> <li>apply the theoretical knowledge to analyse empirical cases.</li> </ul>	<b>2</b>
All	<b>Blackboard:</b> On-line availability of lecture materials, questions, response, debate, and discussion on readings, lectures materials, and contemporary issues related to housing economics and finance.	<b>0.5</b>
All	<b>Tutorials:</b> Students will <ul style="list-style-type: none"> <li>analyse and debate on key issues and concerns in the field of housing economics and finance.</li> <li>apply the economic theories to analyse issues in the Hong Kong context.</li> <li>generate new ideas on selected topics in which they will conduct research and analysis.</li> </ul>	<b>1</b>
All	<b>A combination of group work; problem-based investigation, group discussion and team learning:</b> <ul style="list-style-type: none"> <li>students will be divided into groups give a presentation of a topic related to housing economics or housing finance.</li> <li>To promote problem-based and team learning, apart from a presentation, students will be assigned to prepare a commentary and critic notes on others' presentation and present on tutorial class.</li> <li>Students will comment on each other's performance and appraise their classmates' participation in tutorials, presentation skills, and research analysis.</li> </ul>	<b>2</b>
All	<b>Essay-writing:</b> Students have to compose a group paper with 2,500-3,000 words, based on students' presentation and others' comment.	<b>1.5</b>

#### 4. Assessment Tasks/Activities

*(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)*

Students are required to pass BOTH the coursework assessment AND the examination before they can be awarded an overall passing grade of the course.

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
all	Group Presentation	10%	
all	Commentary and Participation	10%	
all	Term paper: 2,500 – 3,000 words	30%	
all	Examination: 2 hours	50%	

#### 5. Grading of Student Achievement: Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

Grade	Characteristics of Grades Awarded to students
A+/A/A-	Excellent knowledge of the economic and financial variables, concepts and theories that influence the operation of the housing market; Strong ability to identify key challenges; Excellent research, writing and communication skills to organize and generate new perspectives present ideas orally and in written papers; Highly innovative ideas and critical attitude in analyzing housing issues
B+/B/ B-	Satisfactory performance in applying the knowledge of the economic and financial variables, concepts and theories that influence the operation of the housing market; Fair ability to identify key challenges; Good research, writing and communication skills with some potential to develop critical, and independent analysis; fairly innovative and new ideas and critical attitude in analyzing housing issues.
C+/C/ C-	Only basic and limited knowledge on economic and financial theories on the operation of housing market; Superficial analysis of the basic materials; Generally acceptable standard of research, writing and communication skills with some limitations; Very little innovative ideas and critical attitude in analysing housing issues
D	Very limited understanding of basic knowledge on housing economics and finance demonstrated; Occasionally irrelevant materials and theories presented with some inappropriate examples; Marginal standard of research, writing and communication skill with a number of limitations; very limited and almost no innovative ideas and critical attitude in analysing housing problems and issues
F	Almost no knowledge of housing economics and finance; Almost no ability to identify key challenges; Inadequate research, writing and communication skills; no innovative ideas and critical attitude in analysing housing problems and issues

## Part III

### Keyword Syllabus

Demand for housing; Supply of housing; Financial Intermediation and the Markets for Finance, including Mortgage Finance; The Economics of Tenure Choice in The Private Sector; The Financing of Home Ownership; Financial Evaluation of Housing Development Projects; Housing Subsidies; Principles of Funding Public Housing in Hong Kong; International and Regional Housing Finance

### Recommended Reading

#### Text(s)

Renaud, B, Pretorius, F and Pasadilla, B 1997 *Markets at Work: Dynamics of the Residential Real Estate Market in Hong Kong*. Hong Kong: Hong Kong University Press.

O'Sullivan, A., & Gibb, K. (Eds.). (2002). *Housing Economics and Public Policy*. Oxford: Blackwell Science.

Garnett, D. (2000) *Housing Finance*. Coventry: Chartered Institute of Housing

Carr, P. 1994 *Accounting: Basic Reports*. Melbourne: Nelson.

DiPasquale, D 1996 *Urban Economics and Real Estate Markets*. Englewood Cliffs, NJ: Prentice Hall.

Garnett, D. 1991 *Housing Finance*. London: Longman.

Pozdena, R J 1988 *The Modern Economics of Housing: A Guide to Theory and Policy*. New York: Quorum Books.

Hills, John. (1991) *Unraveling Housing Finance*. Oxford: Clarendon

John M. Quigley.(2001) '[Real Estate and the Asian Crisis.](#)'

*Journal of Housing Economics*, 10(2), 2001: 129-161.