Welcome to the October issue of NewsREAL. This has been a pivotal year for Asia’s real estate markets, marked by rising house prices and rolling out of numerous house price stabilisation policy measures. As the diverse economies in Asia develop and mature, the field of real estate will continue to command attention and focus.

As we welcome another batch of new students and our final year students venture out into the industry, we take heart that over the decades, we have rigorously designed and evolved our real estate curriculum to give our students a solid foundation from which they launch their new careers and face challenges.

Given the dynamic nature of the real estate industry, we continuously keep pace of industry developments and constantly invigorate our real estate programmes so that our students will always be in demand. At the same time, our faculty actively conducts high impact and relevant research in real estate, ranging from economics, finance and capital markets to planning, policies, environmental and social issues, so that we stay at the forefront of knowledge creation. As issues and challenges become increasingly complex, we take a multi-disciplinary approach to both real estate education and research.

In this way, I have faith that NUS Real Estate programme will continue to be a global leader in real estate education and research, centred in Asia. With a bold new strategic plan to galvanize the NUS Real Estate community, there has never been a better time to support the NUS real estate education and research with generous gifts and donations.

I hope you enjoy this issue of NewsREAL as we share our students’ development, research highlights and success stories with you.

Yongheng Deng
Provost’s Chair and Professor of Real Estate and Finance
Head of the Department of Real Estate

BEMA Bursary Fund
Ong Yen Peng

The annual BEMA Fund-raising Golf tournament held on 10 July 2013 provided an opportunity for about 140 BEMA members and professionals in the building and real estate industries to network and to give back to society. An amount of $100,000 was raised through the golf tournament which has been donated to NUS to set up a new BEMA Bursary Fund to provide financial assistance for deserving needy undergraduates in the Department of Building and the Department of Real Estate, thereby strengthening the social safety net in our community.

Graced by Dr Teo Ho Pin, President of the BEMA, the Fund-raising Golf tournament was followed by an appreciation dinner in the evening. The Heads of both the Real Estate and Building departments received the cheque donation from the President of BEMA.
When interviewed, Professor Deng Yongheng, Head of Real Estate Department, said that although Singapore has developed successfully, there are still talented young people who need a helping hand due to family circumstances. He stated that this extra help will motivate and inspire the students to work harder while giving them the moral and financial support to finish their studies. Associate Professor Willie Tan, Head of Building Department, echoed the same sentiment by expressing his delight that the alumni who have established themselves in society are zealous in assisting the less privileged students.

Both the Department of Building and Department of Real Estate can nominate and recommend up to two deserving students per department for each academic year for financial assistance worth $5,000 per student. The Bursary, which falls under the auspices of the NUS Alumni Bursary Fund, will help to ease the financial burden of the needy undergraduates to allow them to focus their energy on pursuing their degree programmes.

Raffles Quay Asset Management Study Grant

Raffles Quay Asset Management Pte Ltd (RQAM) made a cash gift of $250,000 on 27 August 2013 to each of the four universities: Nanyang Technological University (NTU), National University of Singapore (NUS), Singapore Management University (SMU) and Singapore University of Technology and Design (SUTD). The endowed gift to NUS will be used to establish bursaries for students from the Department of Real Estate.

The bursary is named the “Raffles Quay Asset Management Study Grant” as a memorial to the donor. Each bursary is valued at $7,500 and is intended to help financially needy students who have obtained at least a CAP of 3.5.

Assoc. Prof Joseph Ooi represented NUS to receive the gift. In his speech, he pointed out that RQAM and NUS share a common goal in the business of development. While ROAM focuses on real estate development, NUS is dedicated to the development of human capital. Real Estate students in NUS will learn of ROAM’s act of faith and charity.

We would like to thank RQAM for the generous gift.
Professor Matthew Kahn - Low Tuck Kwong Distinguished Professor

Professor Kahn was jointly appointed the Low Tuck Kwong Distinguished Professor by the Department of Strategy & Policy, NUS business School and Department of Real Estate, School of Design and Environment, from August to September 2013.

Professor Kahn is a Professor at the UCLA Institute of the Environment, the Department of Economics, and the Department of Public Policy. He holds a Ph.D. in Economics from the University of Chicago. He is the author of *Green Cities: Urban Growth and the Environment* (Brookings Institution Press 2006) and the co-author of *Heroes and Cowards: The Social Face of War* (Princeton University Press 2009). His research focuses on environmental, urban, real estate and energy economics.

During the visit, Professor Kahn conducted an executive master class on “Green Real Estate” focusing on Green policies and strategies on 3-6 September 2013.

**APPOINTMENTS**

**Assoc. Prof. Sumit Agarwal**
- Appointed as the Editor of Real Estate Economics with effect from January 2015. Real Estate Economics is the publication of the American Real Estate and Urban Economics Association (AREUEA). The journal is considered the premier journal for real estate related topics. He becomes the first editor from a leading university in Asia in the history of the journal.

**Assoc. Prof. David Ho**
- Nominated as a member to the Valuation Review Board by the Ministry of Finance for a term of three years with effect from 1 May 2013.

**Dr Malone-Lee Lai Choo**
- Invited jointly by the Leibniz Association and the Institute Ecologie et Environment-Centre National de la Recherche Scientifique (InEE-CNRS) France and the German National Academy of Sciences Leopoldina to deliver a key note speech at the 2nd International Conference on Biodiversity and the UN Millennium Development Goals: “Biodiversity and Health” in Berlin, Germany from 15 April to 19 April 2013.

**Dr Liao Wen-chi**
- Awarded a total research grant of USD 34,000 for two years by the Chiang Ching-kuo Foundation for International Scholarly Exchange, Taiwan, for his research proposal entitled “The Impact of Land Rights on Urban Redevelopment” in June 2013.

**Assoc. Prof. Lim Lan Yuan**
- Received a Merit Award by SPRING Singapore on 10 July 2013 for his contributions to SPRING Standards Committee. He is the Chairman of the Technical Committee on Building and Maintenance Management.

**Assoc. Prof. Joseph Ooi**
- Appointed as an editorial board member of the Journal of Housing Research with effect from April 2013.
- Appointed as the Associate Executive Director of the International Real Estate Society (IRES) with effect from August 2013. The IRES is a federation of seven regional real estate societies with a mission to promote international real estate research and education.

**Assoc. Prof. Zhu Jieming**
- Invited to give a presentation entitled “Coordinated urban-rural development: urban integrity and rural autonomy” at the Shanghai Forum 2013, Fudan University held from 25-27 May 2013.
- Appointed as an editorial board member of Habitat International since July 2013.
- Invited to give a presentation “Justice in urban development” at the 2013 International Conference on Urban Development and Planning, Zuhuai, China, 15-17 July 2013.
- Invited to give a keynote speech “Urban-rural coordinated planning and development” at the symposium of 15 municipal Planning and Design Institutes (China), Guangzhou, 17-19 July 2013.
- Invited to be a Juror to international urban design competition for Sino-Singapore Knowledge City, Guangzhou, held in 24-25 July 2013.
- Appointed as Member of the Scientific Committee, Faculty of Architecture Research Unit (FARU) Research Symposium 2013 organised by the University of Moratuwa. The symposium would be held from 14-15 December 2013 Hamhanthoca, Sri Lanka.

**Assoc. Prof. Yu Shi Ming**
- Appointed as member of the RICS Asia Education Standards Board on 18 June 2013.

**American Real Estate Society (ARES) Best Paper Awards 2013**
- Assoc. Prof Joseph Ooi’s paper entitled “Construction Quality and House Prices” with Le Thi Thanh Thao (NUS) and Dr Lee Nai Jia (NUS) won the best paper award in the category Real Estate Valuation at the 2013 American Real Estate Society (ARES) Meeting. The meeting was held on 9-13 April 2013, Hawaii.
**Introduction**

Since the introduction of the Green Mark Scheme in Singapore in January 2005, more than 650 projects have been awarded the Green Mark Award. In fact, from 2008, all new buildings must achieve the mandatory standard of a certified green building. However, the challenge is how to convert the existing stock of buildings in order for them to achieve the green mark standard.

This study is motivated by the large number of existing non-green commercial properties and the need to convince owners and occupiers the benefits of green retrofitting. It examines the costs and benefits of retrofitting existing commercial buildings and analyzes their implications for owners and occupiers.

**Scope and Objectives**

The main objective of this study is to analyze the costs and benefits of green retrofitting of commercial buildings in Singapore. The capital cost of retrofitting is compared with the savings in energy consumption to provide an understanding of the average payback period for the different types of commercial properties. A valuation framework for green commercial properties is then proposed to take into account how the energy savings is translated into reduction of the operating expenses of the commercial property and the impact on the net income for the owner and ultimately, the capital value of the property. Other aspects of rental increase and the mitigation of the risk of rising energy costs are also discussed. The study focuses on commercial buildings in Singapore where owners are willing to release information on their green retrofitting projects. These commercial buildings include office, retail, hotel and mixed use.

**Data**

This study comprises 40 commercial properties categorized into office, retail and a mix of these three uses. Table 1 presents the descriptive statistics of the key variable of the green retrofitting of the 40 commercial properties. Each commercial property is provided with the general description of the property including tenure, use, location, Gross Floor Area, Net Lettable Area, age, number of stories, building details such as number of lifts & escalators, number of tenants/users, green mark award & year awarded. While it is hoped that detailed rental information and occupancy rates are obtainable, these have remained difficult to obtain due to their proprietary nature. We do however have the average rents for the office and retail buildings over the last four years.

**Main Findings**

From the total sample of 40 retrofitted green commercial buildings, the cost of retrofitting existing green commercial properties to achieve green mark certification is found to be relatively insignificant when compared to the cost of new build or as a percentage of their capital values. The benefits are mainly achieved through the reduction in energy consumption and hence the savings in utility. This is then translated into savings in operating expenses and higher net income. The detailed findings are presented below.

**Low Initial Capital Cost to Green Retrofit**

Retrofitting to achieve green mark certification need not be costly nor incur large capital expenditure. From Table 1, the average retrofit cost of the 40 commercial properties is about $3,066,604; if this is spread across the average Gross Floor Area, it works out to be about $ 70.1 per square meter. In contrast, the current construction cost for commercial buildings (standard office and retail) is about $2,035 per square meter (Davis Langdon and Seah, 2011). The retrofitting cost is therefore only about 3.4% of new build. Besides, if the retrofit cost is expressed as a percentage of the current market value of the Green Mark property (see Table 2), it is even smaller – about 0.8% for office and about 0.46% for retail.
Lower Operations and Maintenance Costs for the Total Building and Common Areas

The average savings in terms of energy consumption for retrofitted buildings are significant. The utility bill savings will have a direct impact on the operating expenses incurred by the owners which in turn will affect their income return from their property investment. As can be seen in Table 1, in terms of benefits, the average energy consumption savings after retrofitting for entire building is about 16.7%.

For the common areas for which the landlord is responsible, the average saving is even higher at almost 25.4%, given that the energy usage in the common areas will tend to be higher than the internal space that is leased out to tenants.

Shorter Payback Period with Rising Fuel Prices

In times of rising fuel prices, these savings become even more significant. Translated into financial terms, the average annual saving based on a tariff of $0.25/kWh is about $562,560. This will mean a straight line payback period of 5.42 years for the retrofitting cost. If energy cost increases to $0.30/kWh, then the payback period is significantly shortened to about 4.52 years.

Retrofit Effect Across Different Uses

From the breakdown by type of use, the percentage of energy savings after retrofit for the total building is highest in Hotel (25.2%). For office and retail the savings are with 17.1% and 11.6% respectively. This is likely due to the different consumption patterns in the different uses. For hotels, the longer and continuous operating hours likely translate into greater savings with a more efficient air-conditioning system. The corollary to this is, however, that it would be difficult for hotels to undergo retrofit given their 24/7 operations. This is an important consideration for the kind of incentives and promotions to encourage commercial property owners to retrofit.

Increase in Property Values

Based on the energy savings we analyze the impact on the valuation of the retrofitted green office buildings. Table 2 shows the key parameters of the income approach for the valuation of the office properties in the sample. Reflecting the monetary savings from the lower energy consumption, the annual operating expenses (OE) will be very much reduced.

For office properties, the ratio of Energy Saving Expenses on the total Operating Expenses ranges from 7-34%. Assuming a saving of 16% in operating expense, this will translate into a 3.25% increase in capital value.

Table 1 Descriptive Statistics for Commercial Buildings

<table>
<thead>
<tr>
<th>Building Information</th>
<th>GFA (m²)</th>
<th>%</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before retrofit</td>
<td>Consumption for entire building (before normalisation) (kWh)</td>
<td>1,428,789</td>
<td>1,373,689</td>
<td>15,959,227</td>
</tr>
<tr>
<td>Landlord consumption only (before normalisation) (kWh)</td>
<td>35,134,097</td>
<td>22,795,999</td>
<td>9,799,619</td>
<td></td>
</tr>
<tr>
<td>After retrofit</td>
<td>Consumption for entire building (before normalisation) (kWh)</td>
<td>2,476,701</td>
<td>38,580,605</td>
<td>13,717,904</td>
</tr>
<tr>
<td>Landlord consumption only (before normalisation) (kWh)</td>
<td>35,844,607</td>
<td>16,542,528</td>
<td>7,365,140</td>
<td></td>
</tr>
<tr>
<td>% of Energy saving after retrofitting</td>
<td>Overall building consumption (kw-h)</td>
<td>8.2%</td>
<td>29.9%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Total landlord consumption only (kw-h saved)</td>
<td>35</td>
<td>15.7%</td>
<td>52.9%</td>
<td>21.8%</td>
</tr>
<tr>
<td>Overall Retrofit Cost ($)</td>
<td>Overall Retrofit Cost per m² ($)</td>
<td>840,500</td>
<td>14,522,644</td>
<td>3,986,644</td>
</tr>
<tr>
<td>Overall Savings (kWh)</td>
<td>840,490</td>
<td>7,932,644</td>
<td>3,200,244</td>
<td></td>
</tr>
<tr>
<td>Yearly cost saving (Tariff $0.25/kWh)</td>
<td>332,523</td>
<td>1,756,656</td>
<td>590,984</td>
<td></td>
</tr>
<tr>
<td>Yearly cost saving (Tariff $0.30/kWh)</td>
<td>147,427</td>
<td>2,195,191</td>
<td>472,572</td>
<td></td>
</tr>
<tr>
<td>Overall Payback Years (Tariff $0.25/kWh)</td>
<td>2.00</td>
<td>9.48</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Overall Payback Years (Tariff $0.30/kWh)</td>
<td>2.47</td>
<td>8.38</td>
<td>4.92</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Gross Annual Rent = Ave Rate (the last month) × 12 × Net Lettable Area.
2. Operating Expenses = 15% x Gross Annual Rent
3. Property Tax = 10% Gross Annual Rent
4. Net Incomes = Gross Annual Rent - Operating Expenses_Before Retrofit - Property Tax
5. Capital Value = Net Income / 5%
6. Capital Expenditure = Overall Retrofit Cost
7. Overall Energy Saving Expenses for Landlord Consumption (yearly) = (Landlord Consumption before Retrofit - Landlord Consumption after Retrofit) × 0.25$kWh
8. Investment Return = Net Income_After Retrofit / (Capital Value_Before Retrofit)
9. The value of new construction = Capital Value (CV)_After Retrofit

CONCLUSION

This study is an initial exploration of the costs and benefits of retrofitting existing commercial properties to achieve green mark certification. While the analysis provides a clear business case for owners to consider green retrofitting, the challenge of achieving the target of having all buildings green mark certified by 2030 remains daunting. To this end, the BCA has announced new policies and measures to persuade owners to undertake green retrofitting of their existing commercial properties sooner rather than later. One of these is the mandatory submission of utility consumption by building owners. Another is that buildings which will be undergoing upgrading of their air-conditioning plant will be required to achieve green mark certification. These policies would certainly compel owners to seriously consider having their properties undergo green retrofitting. From the research perspective, energy consumption data of all the commercial properties will certainly present a rich case for undertaking a more substantive analysis of the operating costs of commercial buildings which would have a significant impact on rentals, values and investment returns.
STUDENT LIFE

Student Achievements

Ersi Young Scholar 2013

Real Estate student, Mr Delon Leonard, has been awarded the Ersi Young Scholar 2013 for Singapore. This award is highly competitive as there is only one student award recipient chosen each year from each country in recognition of the individual’s research in GIS. Delon won this award with his project titled “Characterizing the pedestrian environment in Singapore” under Dr Diao Mi’s supervision.

The award was given out at the ESRI International User Conference in San Diego. The award serves to inspire students in their respective region. It provides an opportunity for Young Scholars to exhibit their work and meet other scholars from around the world.

RERI Student Stipend Travel Award - A Report

Deng Xiaoying, PhD student

I attended the annual Real Estate Research Institute (RERI) Research Conference at the DePaul University, Chicago, Illinois held on 1-2 May 2013, as the winner of RERI Student Stipend Travel Award. The award is aimed at helping recipients to attend the conference so as to be exposed to research ideas and networking opportunities that may be helpful in the selection of a research topic for their thesis.

This international real estate conference brings together a diverse group of scholars in real estate investment strategies, asset pricing, corporate finance related to real estate, securitized real estate and real estate market microstructure. During the conference at which ten papers were presented, I met practitioners and researchers from industry and universities. We discussed and exchanged ideas on the latest developments in the field of commercial real estate.

I am grateful to be given the opportunity to attend the annual RERI Research Conference. It was a memorable experience. The exposure to this conference has enlightened me a lot in research contents as well as professional practices, which will definitely serve me in my pursuit of an academic career.

Other achievements by DRE students:

<table>
<thead>
<tr>
<th>Award</th>
<th>Name of Winner</th>
</tr>
</thead>
<tbody>
<tr>
<td>7th National Taekwondo Poomsae Championships Champion, Yuk Jung Individual Male (Division F)</td>
<td>LOH JUN HONG</td>
</tr>
<tr>
<td>Institute-Varsity-Polytechnic Games Track &amp; Field Championships 2013</td>
<td>KOH THONG EN</td>
</tr>
<tr>
<td>Language Immersion Award</td>
<td>LIU TE</td>
</tr>
</tbody>
</table>

Student Awards 2013

The Department would like to congratulate the winners of the Commencement 2013 medals/prizes and scholarship for their achievements:

<table>
<thead>
<tr>
<th>Award</th>
<th>Name of Winner</th>
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<tbody>
<tr>
<td>Lee Kuan Yew Gold Medal</td>
<td>CHAI HUOY CHING</td>
</tr>
<tr>
<td>SISV Gold Medal</td>
<td>NGUYEN TRUC PHUONG</td>
</tr>
<tr>
<td>Sally Meyer Medal</td>
<td>GOH JUN HAN</td>
</tr>
<tr>
<td>Amos Koh Medal</td>
<td>HO CHEE MUN</td>
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<tr>
<td>Keppel Land Medal and Prize</td>
<td>LE NGOC TRAN</td>
</tr>
<tr>
<td>SLA Medal and Prize</td>
<td>WONG JEE WAI TERRY</td>
</tr>
<tr>
<td>BEMA Gold Medal</td>
<td>LEONG DEYANG</td>
</tr>
<tr>
<td>World Valuation Congress Medal</td>
<td>CHEN QING MEI JEAN</td>
</tr>
<tr>
<td>Ascendas Medal and Prize</td>
<td>CHAD MICHAEL MCLAUGHLIN</td>
</tr>
<tr>
<td>Colliers Medal and Prize</td>
<td>CHUNG PEI ZHEN JULIANA</td>
</tr>
<tr>
<td>Knight Frank Medal and Prize</td>
<td>ZHAN QIJIE ROYCE</td>
</tr>
<tr>
<td>CB Richard Ellis Medal and Prize</td>
<td>ALPHONSO LIM YI KAI</td>
</tr>
<tr>
<td>Huttons Marketing Medal and Prize</td>
<td>MUHAMMAD NOOR DANIAL B N</td>
</tr>
<tr>
<td>Fission Medal and Prize</td>
<td>WANG MINGYANG</td>
</tr>
<tr>
<td>REDAS Gold Medal</td>
<td>MUHAMMAD NOOR DANIAL B N</td>
</tr>
<tr>
<td>Fission Scholarship</td>
<td>CHEN QING MEI JEAN</td>
</tr>
<tr>
<td>BCA-Keppel Land Built Environment Undergraduate Scholarship</td>
<td>CHAU MICHAEL MCLAUGHLIN</td>
</tr>
<tr>
<td>First Data Corporation Scholarship</td>
<td>DENISE NG MIN</td>
</tr>
<tr>
<td>K H Tan Scholarship</td>
<td>LEE WEE HIN</td>
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<td></td>
<td>ONG ZHEN HAO</td>
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Graduation Dinner 2013
Mathan Sugumaran, Year Representative (Class of 2013)

The Class of 2013 Graduation Dinner took place on the 12th of April 2013 at the Exhibition Hall in SDE. About 80 of the Class of 2013 and faculty, including former Head of Department, Assoc. Prof Yu Shi Ming, Assoc. Prof Sing Tien Foo, Assoc. Prof Sim Loo Lee, Mr Cheng Fook Jam and Dr Lee Kwan Ok attended the event. It was a very pleasant and laid back evening, with a very casual ambience accompanying the event.

Assoc. Prof Yu Shi Ming congratulated those who had secured jobs at that point in time and encouraged those who had not found a job to persist in their job hunting. He also advised us on the challenges that lie ahead in the real estate industry.

The Group Representatives next engaged everyone at their respective tables in a round of games. During the course of the game, a special segment for an unsuspecting Assoc. Prof Sim sprung up in honour of her retirement at the end of the semester after admirably serving the department for many years, including her tenure as Head of Department.

Looking back with nostalgia, it might not have been an evening that had sparks flying, but it was an evening that was gratifying and memorable for all involved. Everybody left with a smile on his/her face, knowing that it was not a night which marked the end of school and where we bid farewell, but rather the start of a new journey ahead.

On behalf of the Class of 2013, thank you so much to the professors who have guided us through the four years of our education in NUS, for without your patience and guidance, we would not have had the opportunity to learn to plant our seeds, and enjoy the fruits that have grown from our labour in the manner that most of us have gotten to embrace them.

Summer Programme in South Korea
Choey Ching How, Year 4 Real Estate

I have always wanted to go on a Student Exchange Programme (SEP) since I entered NUS. When I was finally in Year 3, I was dejected after I attended the SEP briefing only to learn that I needed to have a sizable sum of money in order to survive the whole semester overseas. As a result, I signed up for the Summer Programme module as an alternative for a short overseas experience.

I was overjoyed when I heard that this year’s summer programme was to be conducted in South Korea – the land of K-pop, pretty Korean girls and awesome barbecued meat. Two weeks before we set off, Professor Ong Seow Eng and Dr Lee Kwan Ok gave us a few lectures and assignments to prepare us for the field trip. At first, we did not understand why we had to have the week-long preparation sessions. However, we eventually got to know the intentions. With some background knowledge of, and information on South Korea, such as the country’s planning policies, we appreciated and understood some of the things that were shared with us by the wonderful corporations and people that hosted us when we were there.

For the five-day programme, we visited a couple of places. We had an overview of Incheon airport and the major development of the surrounding regions. Seoul National University gave us a briefing on Seoul housing policies and challenges over the past decades. In addition, we had a tour at the Signature Towers Seoul, and we were given insights on office development and management. We visited a mega underground shopping mall. This was followed by a visit to the Raemen Housing Gallery where we saw a model of a future high-end residential development by Samsung.

At the Seoul City Planning Office, the senior officials gave us an account of the vision for Seoul City while CBRE gave us a comprehensive market overview of office and logistic properties. Rounding off the trip was a visit to GIC Real Estate, where we were given insights into GIC investment policies in Korea.

Another wonderful take-away from this module was “learning-made-fun” and fostering bonding with peers and professors over a few cups of soju or Korean barbecued meat.

I learned a lot from this summer programme, both about the real estate market in Korea and the soft skills that I picked up. Coupled with the fact that Korea is such an awesome country with nice people and really good food, this summer trip will forever be etched in my mind. I am really glad that I took this module, and grateful to our professors who made the effort to plan the module during their summer holidays.
Student Exchange

Lee Li Fang, Year 4 Real Estate

Going to Switzerland (finally!) was like a dream come true. Armed with three years’ worth of plans and dreams, I was determined to enjoy every single moment of my exchange life at the Swiss Federal Institute of Technology in Lusanne (EPFL). Today, I share with you some of the greatest things I have experienced.

Taking classes in French

Taking classes in a foreign language that you have only learnt 2.5 years ago was no easy feat. Lessons in French demanded intense concentration, assignments took thrice as long to complete and the oral and written exams, though worthwhile experiences, were things over which one sighed with relief after their completion. However, I never regretted my choice to take the road very much less travelled, for it allowed me opportunities to learn things the “authentic way”. Yes, some courses in EPFL are conducted in English, but subjects specifically related to the Swiss laws and how things worked in the country were (logically and naturally) conducted in French.

Capitalising on my exchange experience, I also participated in two external seminars organised by the region’s extremely developed “Association écoquartier” (Sustainable Communities Association). I had the opportunity to learn about eco-communities, the values of Swiss equality and governance and the spirit and practicality with which they approach sustainability issues at the seminars. With Swiss residents as their target audience, these pertinent topics were naturally always conducted in French.

After mastering French, I could immerse myself in these classes and seminars with relative ease. I was eternally grateful for any initial zest towards learning French. Although globalisation has connected the world with unprecedented force, the fact remains that language still poses a large barrier that only time and dedication to understanding one another can resolve.

Survival skill #1: Cooking

Like everything else, food is expensive in Switzerland. A meal at a cosy café can easily set you back by CHF20 (SGD27). Even the meals in the canteens of my university cost at least CHF8 (SGD11). This was definitely not a viable way to live for six months. Therefore braving my odd fear of touching meat, I saw myself magically transformed from someone who does not even know how to cook Maggie Mee into a master chef of my household’s favourite cuisines. Cooking was a peculiar newfound delight. Triggered by the new environment, I found inexplicable pleasure in doing my own grocery shopping, freedom in being able to buy anything I liked to cook anything I wanted. Cooking also alleviated my sense of missing home, because now, I could simply (google and) cook the dishes that I missed back in Singapore.

During my exchange and travels, the Swiss, French and Swedish friends that I had made back in Singapore warmly welcomed me into their families and treated me to their culinary delights. Some of them even showed me step-by-step how some of their dishes were made, including cheese fondue, raclette, bread-making from scratch, plum and chocolate clafouti etc. In exchange for their warm hospitality, I offered to cook a simple meal from “where I came from”. I remember one of my friends’ parents commenting in French, “Ça, je le trouve curieux, je ne l’ai jamais mangé. Mais c’est délicieux!” which means “I find this dish curious, I have never eaten this before, but it’s delicious!”
InduCity Summer School

Whilst on my SEP, I was accepted into a summer school organised by the ETHZ architecture department. It was a 10-day intensive design summer school for a mix of EPFL and ETHZ students (from undergraduate to PhD) with an objective to transform the urban physical landscape of an actual industrial site in Zug, Switzerland, within a time frame of 50 years.

The summer school carved a quintessential facet in my learning journey. Not only did we work on a real site where there is a high likelihood that our concepts are accepted and executed by the client, I also worked with a group of people (architects and architecture students) trained completely differently from me. Being trained as a Real Estate student, I quickly realised that I had to tweak my medium of communication to get my ideas across. No chunk of words could compete with a single drawing to facilitate my teammates’ understanding.

Throughout the project, I found myself repeatedly considering the financial aspects, such as the balance between demand and supply, land requirements, its feasibility and the investment rate of return. I repeatedly rushed to remind them to consider these vital financial constraints. Astonishingly however, what all my architecturally trained friends simply did was smile unanimously at me with amusement and continue discussing design ideas, not at all bothered by this... One of them later shared his fundamental value and reasons with me: “If you keep thinking about money, you would never think of new ideas. Don’t limit yourself, and you can find new solutions.” It was as if I saw the light.

Our project turned out to be very well received by the critics. Themed as the “Urban Condensator”, the idea was to slowly transform the scene from the current single industrial land use into a melting pot of diversified land uses and stakeholders. This would additionally be supported by an entirely self-sustaining onsite energy source. With specially designed policies, we will slowly but surely transform the site from a terribly private and enclosed site to one that is vibrant and full of community life.

There were many concepts and tools used in the process of urban design that I became acquainted with during the summer school. Of these, the most profound experience was the rare opportunity to engage with a bunch of talented architects to design and create an impressively outstanding project in the span of 10 days.

Cliché as this paragraph may sounds, I still have to say it because it rings strong and true. The best part about the student exchange, as compared to any other programmes, is that you have both time and freedom to choose what you really want to do. Away from the scrutiny of your parents, the heavy responsibilities of your school work, and the safe cocoon of home. Your newfound freedom would give you the opportunity to ascertain what kind of devil or angel you are, without too many complications. Take it, like I have and travel all the roads less travelled whenever you can! Bonne chance, bon voyage et bon courage!

* To read more about my adventures in Switzerland, visit: http://swissvoyage.wordpress.com/
A warm welcome to the freshmen of Academic Year 2013/14 as you embark on a new chapter of your academic life. SDE is a wonderful place to experience valuable lessons in life and gain wonderful memories. With that, I hope you are ready to begin this exhilarating journey in NUS and allow DE Club to add colours to this exciting journey.

Over the past academic year, I hope all students enjoyed the new initiative – Monthly Welfare Giveaway – to provide tangible welfare on a monthly basis. Besides the usual Exam Welfare Pack, DE Club also provided giveaways during non-exam periods. The giveaways done in January (T-shirts), February (Roses and Subway cookies) and March (Page markers) had garnered great response, which has indeed served as a great encouragement to the 23rd Management Committee (MC). Moving from there, the 23rd MC would be issuing DE Scheduler as our last gift to all students before the handover to the 24th MC. I sincerely hope all students have benefited from the efforts of the 23rd MC in one way or another.

DE Club has been organizing several Freshman Orientation Projects (FOP) which inaugurate the freshmen into SDE and the university and to provide opportunities for them to foster new friendships. The success stories of great friendships and bond built from the Freshman Orientation Camp (FOC), Orientation Week (DE-O) and Rag and Flag, further amplifies the significance and achievement of the FOP. Our Rag and Flag team has also done us proud this year by clinching the Gold Award! Kudos to all Rag Committee, Dancers, Costumes and Float team for all the hard work.

Building on the success of the FOP, I would like to highlight the upcoming events for the semester which the 24th MC has prepared:

1. DE Movie Day
2. Halloween 2013
3. Monthly Giveaways
4. DE Club Welfare Pack Giveaway in mid-November
5. DE Games
6. Many more welfare initiatives

Lastly, I would like to end off by emphasising DE Club’s role in SDE. We exist for the welfare and well-being of the students in the area of academic concern. You can always approach us when you encounter problems related to the curriculum and student welfare, or when you simply need a listening ear. Do look out for the publicity of these events in the coming weeks.

I wish all students the best in your projects, mid-term tests and finals for this semester.

In this issue, our recent graduate of the MSc (Real Estate) programme, Ms Wanwiwa Tuwawit, shares her experience in the course:

The M.Sc. (Real Estate) programme is an intensive course which focuses on real estate development and management in both global and local context.

**Real world experiences**

This course broadened my horizon on real estate management and development. The modules I took consisted of useful individual and group projects, which made me understand the nature of the real estate industry and understand how things are done in the real world. For example, we learnt the use of valuation methods to evaluate the price of a building.

**Teamwork experiences**

There were several group projects in the course. Two most challenging projects were the feasibility studies of project developments of underground space in Orchard Road and the development site in Paya Lebar. My team members with different backgrounds (including a financial analyst, an architect, a marketer and a government officer) came together and worked on the projects. It was a great way to learn in the process.
Building and Estate Management Society (BEMS)

Andre Pang, President, 44th Management Committee

Dear Students,

The academic year of 2012/13 has been a challenging but yet fruitful year for BEMS. BEMS has always been an integral part of campus vibrancy for the undergraduates since its establishment in 1970s. However, with the sophisticated and ever fast-changing profiles of the students in recent years, several significant undergraduate events such as the annual dinner and dance, has come to a hiatus. With a wider variety of CCAs for the undergraduates to choose from today, BEMS needs to constantly reinvent itself to stay relevant.

In AY2012/13, the 44th Management Committee saw a crucial need for a major overhaul. In its progress, every aspect of the society’s functions has been thoroughly relooked. Notably, the committee placed most emphasis on the Society’s mission to provide opportunity for networking. The mission today, which was given a new life, goes beyond traditional student-industry interaction. The Society now hopes to see more interactions between the students, the industry, the government, the faculty and the alumni. Hence, the committee organized several events with the participation, involvement and support of these parties, notably the Building and Estate Management Alumni (BEMA), the Department of Real Estate, Building and Construction Authority (BCA), the Housing Development Board (HDB), amongst others.

BEMS is also exploring ways to create a more closely knitted undergraduate population. To drive a stronger sense of belonging, the BEMS Induction Camp was renamed the PF RE Camp to recognize the change in the course titles. The sale of Sentosa Spooktacular tickets was also aimed at providing an avenue for students to enjoy their mid-term break and spend time together as a clique.

Although the 44th Management Committee has been relentless in its mission, BEMS is still far from achieving it. AY 2012/13 was a great start, but it still needs the unwavering commitment of the successors in working hard to achieve the mission of the Society. With that, we would like to thank everyone for their support and involvement to make the 44th Management Committee a joyful experience for all of us. We would also like to congratulate the 45th Management Committee and wish them all the best in their efforts to bring BEMS to a higher level, and more importantly, doing their best for the undergraduates.

Things to look out for in AY2013/14:
- A brand new website, Facebook page and notice board
- More exciting social events and industry networking sessions
- More surprises in BEMS Exam Welfare Pack(s)

In conclusion, the programme is comprehensive and provides insight into real estate business. The group projects challenged our critical thinking and creative faculties to solve real life real estate problems.

International field study experiences

The International Field Study is one of the core modules in the MSc (Real Estate) programme. It exposed us to the unique institutional features, market trends and investment opportunities in another country.

This year, the field study was held in Taipei and Kaohsiung, Taiwan. We had the opportunity to explore several luxurious projects including residential properties and on-ground as well as underground shopping malls. We learnt the differences between Singapore and Taipei such as the purpose of underground malls, different policies for housing development and market conditions.

In conclusion, the programme is comprehensive and provides insight into real estate business. The group projects challenged our critical thinking and creative faculties to solve real life real estate problems.
Asian Pacific Real Estate Research Symposium 2013

The Asian Pacific Real Estate Research Symposium (APRERS) is an annual event for researchers to exchange research ideas on real estate markets in the Asia Pacific rim. The symposium is co-organized by the National University of Singapore, Tsinghua University, and the University of Hong Kong. The Department of Real Estate, NUS, hosted the APRERS in the Gallery Hotel of Singapore from 15th to 16th July 2013.

A total of seven papers were selected for presentation this year. Each paper had one/two discussant(s). The topics were varied, ranging from asset pricing, securitized real estate, corporate governance for real estate firms, development risks, and housing policies. Two of the seven papers were from young researchers of the Department of Real Estate of NUS.

The participants came from Florida International University, Lancaster University, National University of Singapore, Tsinghua University, University of Adelaide, University of Hong Kong and University of Reading.

Highlights of Selected Papers

The paper, “The Housing Market Effects of a Local Home Purchase Restrictions: Evidence from Beijing” by Zheng Siqi (Tsinghua), Sun Weizheng (Tsinghua), David Geltner (MIT) and Wang Rui (UCLA) examines the impact of the home purchasing restrictions (HPR) in the real estate market of China. This is a very timely research topic that calls attention to one of the most stringent market intervention in the history of China. The HPR is found to actively lower housing price without hurting renters. After the implementation of HPR, the market saw a 22-30% decline in resale price, a 12-17% fall in new home price, and about one quarter of the median value decrease in the price-to-rent ratio. Transaction volume of the for-sale market also dropped as a result of HPR. HPR is also found to generate a spillover effect that caused an increase in transaction volumes in cities closer to Beijing, and price appreciation in cities similar to Beijing in size and economic development.

The paper “Real Estate Development Risk and the Idiosyncratic Risk of Indirect Real Estate: Empirical Evidence from Hong Kong” by K.W.Chau (University of Hong Kong) and Ervi Liusman (University of Hong Kong) examines the effects of changes in real estate development risk on the prices of indirect real estate. Motivated by the impact of government policies on land supply for real estate development, the authors use empirical data from Hong Kong to investigate the relationship between the risk of real estate development and the idiosyncratic risk in the indirect real estate market. They find that a general increase in the risk of real estate development results in an increase in idiosyncratic risk of the indirect real estate market, and the magnitude varies across individual real estate companies. The increase in idiosyncratic risk is also correlated with the degree of the company’s involvement in real estate development. Overall, the findings suggest changes in idiosyncratic risk of indirect real estate can be used as a quick initial test for evaluating policies that impact on real estate development risk.

RERSC Gathering

Kang Mo Koo, PhD Student

The Real Estate Research Student Club (RERSC) which was formed in 2012 aims to promote interaction, exchange of ideas and building network for research students in the Department of Real Estate. A gathering was held on 30 August 2013 at the Ridge Bar with faculty members from both the Department of Real Estate and Department of Finance. They were Assoc. Prof Tu Yong, Assoc. Prof Sing Tien Foo, Assoc. Prof Sumit Agarwal, Assoc. Prof Fu Yuming (from Real Estate) and Prof David M. Reeb, Assoc. Prof Robert L. Kimmel, Dr Qian Wenlan and Dr Qian Wenlan (from Finance).

It was a good opportunity to discuss research ideas and get to know one another in an informal setting. Five new students enrolled in the real estate Ph.D. programme attended the event and were introduced to the professors and seniors. The gathering also served as a send-off for Assoc. Prof Sumit Agarwal who has been appointed a visiting faculty at the Georgetown University from September to December 2013.

The Club is looking forward to organize more events in the near future.

Upcoming Event:
Institutions of Land Rights and Sustainable Asian Urbanization Symposium

Department of Real Estate and Global Asia Institute in National University of Singapore, and Ronald Coase Center for Property Rights Research, Hong Kong University will jointly organize the Symposium of Institutions of Land Rights and Sustainable Asian Urbanization (ILRSAU) on November 18 – 19, 2013, at the Department of Real Estate, School of Design & Environment, NUS.

ILRSAU aims to provide a platform for researchers to debate and discuss how Asian urbanization is impacted by its diverse institutions of land rights. A strong network will be developed via the symposium between researchers from Asia and other parts of the world.

For more information, please visit http://www.gai.nus.edu.sg/re-ac-events.html