



Welcome to the latest LSE REEF newsletter.
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REEF News

Two founding members of the REEF Advisory Board – Chair Francis Salway and Guy Morrell – have recently been welcomed to academic positions within LSE’s Geography & Environment Department and will now be actively involved in training MSc REEF students. While REEF remains academically oriented and motivated, the appointments of Visiting Professor Francis Salway, recently retired CEO of Britain’s largest real estate company Land Securities, and Senior Visiting Fellow Dr Guy Morrell, Head of Multimanager, HSBC Global Asset Management



represent a major coup for the Geography & Environment Department. They bring impeccable real estate market knowledge and know-how to the Department and further strengthen the links between the REEF course and the real estate industry.



How to Contribute

We always like to receive content and comments from our alumni for the REEF newsletter. In particular this coming year we hope to revive the series of pieces from REEF alumni describing current

issues and hot topics in their local real estate markets, or describing the highs and lows of life as a real estate professional. If you would like to contribute a piece of 500 to 1000 words, or to share ideas and opinions, suggest speakers, or give us your own alumni news update, please email Joe Meegan: j.d.meegan@lse.ac.uk

Offer job placements to REEF students

Getting your first foot on the employment ladder remains tricky, and finding the right person for the job is never an easy task. We hope you’ll agree that sharing your job opportunities with current MSc REEF students will be mutually beneficial. If you would like to promote a job, placement or internship to our students, please contact j.d.meegan@lse.ac.uk.

Join the MSc REEF network

Graduates of MSc REEF go on to successful and rewarding careers in a varied number of roles in real estate and finance markets all over the globe. Are you an MSc REEF alumnus hoping to connect with former friends and classmates or looking to keep abreast of cutting-edge real estate research? LSE’s Geography and Environment Department manages and maintains an MSc REEF network to provide exclusive services to our alumni students and staff. Our network aims to maximise the “value added” of the MSc REEF by maintaining and developing contacts between MSc REEF alumni, by keeping alumni up to date with the latest REEF news and events, and by facilitating the sharing of ideas, advice, and opportunities across our membership. The LSE MSc Real Estate Economics & Finance LinkedIn group is the official page for our network. It is open to MSc REEF students, alumni and faculty, or those who took core MSc REEF modules during their degrees at the LSE.



... and the IPF

The IPF is a leading UK industry body that seeks to improve the understanding and efficiency of property investment. The IPF's Management Board recently agreed to allow free membership for MSc and PhD students during the period of their study at the LSE. In addition REEF alumni can apply for fast-track membership simply by writing down "MSc Real Estate Economics and Finance from LSE" in the "Proposers & Seconders" part of the application form. This will then allow students to apply for membership with only 2 years' experience instead of the usual 5. Membership provides a range of benefits including access to the full results of the IPF's research programme; a comprehensive programme of free lectures, seminars and workshops; access to topical publications, such as Investment Property Focus; and the opportunity to engage and network with influential professionals operating in the property investment market.

Fund a new REEF prize

At the moment we have one sponsored prize for outstanding work by a REEF student – the HSBC Global Asset Management Dissertation prize. We are seeking funding for additional prizes to be awarded annually to outstanding MSc REEF students. Prizes may be provided by a firm or an individual, and, if preferred, may be awarded in an area of particular interest to you. This can be an excellent way to support and nurture talent in the field. For more information, please contact j.d.meegan@lse.ac.uk.

Staff News

Nigh on the full complement of REEF academics attended the 7th meeting of the Urban Economics Association held recently in Ottawa to discuss some

of the key issues in urban and regional economics with the top academics in the field. REEF academics presented papers on a range of issues reflecting their diverse research interests, and made a significant contribution to the overall conference program. All REEF academics are also regular contributors to the Spatial Economics Research Centre (SERC) where details of their latest research can be found.

It has taken a long time to recover but **Paul Cheshire** is back in long haul again for the first time since he had the bad accident in April 2009. He went to the Homer Hoyt Institute's conference in Florida in January 2012 followed by giving a paper at a small memorial workshop at Washington University, St Louis in March in honour of Charles Leven, who died in 2011. In October he was involved in a Seminar on Green Cities organised by the Lincoln Institute of Land Policy in Cambridge MA. He also presented two joint papers at the Urban Economics Associations meetings within NARSC in Ottawa – one jointly authored with REEF graduate, now PhD student, Gerard Derricks III, on rent seeking and the value of 'trophy architects' in the tightly regulated London office market. In December he is visiting and lecturing in New Zealand. Paul continues as a member of the International Scientific Review Committee of the Nicis Institute (Netherlands Institute for City Innovation Studies) and of the Société du Grand Paris. He gave plenary lectures to the Urban Land Institute's 2011 Urban Investment Network Summit in Amsterdam, the Society of Location Analysts and to the RTP/ESPON conference on Planning for Growth and at various other conferences around Europe. He has also just started working as a consultant for the OECD on its



Green Asian Cities project.

Christian Hilber had his sabbatical this year. He spent it flying around the globe and presenting his latest work and starting-up some new research projects. His conference and seminar destinations include places such as Helsinki (VATT; twice), Barcelona (IEB; twice), Boston (Lincoln Institute), and Ottawa (NARSC-UEA conference). His latest work asks questions such as: Does the mortgage interest deduction increase homeownership attainment? (The answer is: no on aggregate and in some places the effect is negative.) Does land use planning in the UK – and in particular the Town Centre First policy – reduce productivity in the retail sector? (The answer is: yes, big time.) Does the UK stamp duty land tax reduce household mobility? (The answer is: yes but only housing and short distance related mobility) If you want to know more about this research visit Christian's personal home page or download the working paper versions from the SERC website.



Christian also did some 'outreach' to the real estate community by participating in a plenary session on 'reimagining the British high street' at a Financial Times Conference in London in October 2012. (The video of the session can be accessed [here](#). Registration on the Financial Times website is necessary but free of charge).

On the publication front, his research paper on the 'Origins of land use regulations: theory and evidence from US metro areas' (joint with Frederic Robert-Nicoud) has (finally) been accepted for publication in the Journal of Urban Economics. The latest version of the paper can be found [here](#). Some of Christian's and Paul's work was also featured

in the Economist's "Free Exchange", making their abstract views and paper download counts go 'through the roof' for a while.

Paul and Christian continue their joint work on the economic impacts of land use regulation against a background of significant planning reform in the UK. Following the publication of an initial paper on the impact of land use planning on retail productivity, they are now kicking-off a project - jointly with the Grantham Institute - on how planning policies may impact the carbon footprint of the sector. They have also obtained a small STICERD grant to conduct research on what determines the level of housing vacancies.

Steve Gibbons' research on the housing market that values school quality using admissions boundary discontinuities in housing prices has been accepted for publication in Journal of Urban Economics. This study shows that both school 'value-added' and



student prior achievement – linked to the background of children in schools – affect households' demand for education. His work with Susana Mourato on valuing England's natural amenities through capitalisation in housing values, which formed

part of the UK National Ecosystem Assessment, is forthcoming in Environmental and Resource Economics and reveals substantial amenity value attached to a number of habitats, designations, private gardens and local environmental amenities. Recently Steve and other researchers in the Spatial Economics Research Centre have completed a major ESRC project on the impacts of road transport infrastructure on the spatial economy, and the two key outputs can be found in the SERC discussion paper series [here](#) and [here](#). Going forward, Steve

is embarking on a new project investigating the impacts of UK wind farm visibility on housing prices (a hot topic for environmentalists and those with real estate interests), by combining data on the timing of wind farm developments and housing transaction prices, with Geographical Information Systems analysis of land cover and digital elevation models to determine visibility.

Another of our exceptionally busy academic staff is **Gabriel Ahlfeldt**. Gabriel has several forthcoming publications covering a diverse range of issues from the impact of new sports stadia and transport infrastructure on property prices, the external productivity effects of new airports to the role of agglomeration in shaping Berlin in the early 20th Century. In addition, he is shortly due to publish a paper with a former REEF student, Alexandra Mastro, on the house price value of living within view of the iconic designs of Frank Lloyd Wright – research actually based on Alexandra’s MSc REEF dissertation. Looking ahead, Gabriel is being funded by STICERD to continue his recent joint research on the effects of conservation areas on house values commissioned and published by English Heritage, and he will also be working on a project funded by the Lincoln Institute entitled “One hundred years



of land values in Chicago”, with Dan McMillen of the University of Illinois.



Henry Overman continues a busy life too as Director of SERC. A notable REEF-related honour received by Henry this year was that at the Homer

Hoyt meeting in January 2012 he presented his work and at the January 2013 meeting is likely to be honoured with a Homer Hoyt Fellowship.

REEF Advisory Board

The Real Estate Economics and Finance Advisory Board met on 8th October 2012. Francis Salway, recently of Land Securities, and now Visiting Professor at LSE was in the Chair. Other board members attending were Richard Barkham, Grosvenor, Guy Morrell, HSBC and Visiting Senior Fellow, Burak Kaplanoglu, Starchitect, with Paul Cheshire and Christian Hilber from LSE. Aya Ahmad, as MSc REEF student representative, will attend the next advisory board meeting, along with the newly-elected board member, Linus Forsberg, former MSc REEF student and now at Trinova Real Estate. The agenda covered a range of items from REEF programme matters to current research projects of the programme’s academic staff. Ted Pinchbeck, who got a distinction on the REEF MSc in 2012 and is currently an Economic Geography PhD student, will be liaising with Joe Meegan, the Department’s Events and Communications Officer, to enhance and develop the REEF web pages and newsletter. Eric Linden has kindly agreed to organise the very popular meeting, where Advisory Board members from the industry field questions from the current MSc REEF students. This will be on 14th March and Aya Ahmad will be sending out details. In the past, Board members have been impressed by the quality of questions asked by students at this event. Another interesting development in the pipeline is the formation of a mentor system which would link REEF students with mentors from the Real Estate Industry. This is still in the development stage and will only be set up if enough high quality mentors can be found. There was a free flowing discussion on current and future research by the real estate group in



the department, with suggestions, advice and comment from the various industry board members. Determinants of housing vacancy, internet shopping, carbon footprint of retailers and internal office space use were some of the areas covered. As always, the problem of getting access to suitable datasets was aired.

The next REEF Advisory Board meeting will take place on 15 March 2013.

Alumni News: where are they now?

We are currently reviewing the range and depth of our activities with REEF alumni to see how we can all get the most out of our REEF alumni network. As ever we welcome your insights and opinions, so please contact us with views or ideas on how we might progress this, as well as to tell us what you've been up to.

The latest alumni updates are:

Mohnish Advani, who got an MSc in Accounting, Organisations & Institutions from LSE in 2010, is working in the Real Estate Investment space with M3 Capital Partners, a PE Fund.

Wen (Heather) Bai is temporarily working in the Beijing office of "Oriental Patron" but will soon move to the Hong Kong office. She has joined a team of 6 people responsible for global direct investment. Wen has also been invited to join CFA China, which is authorized by the CFA Institute to provide services to its members in China via this platform.

Yi Bi joined HSBC's management associate programme in China in 2009, worked as Assistant Vice President in HSBC's Trade Service department.

Doing the national rotation across the country, been working in Shanghai, Qingdao, Taiyuan offices, and soon will move to Beijing office and look after corporate clients over there.

Peter Gyergyay is an Associate Investment Officer at the International Finance Corporation (IFC) covering Africa.

Paul Nearchou has joined Patron Capital, a real estate private equity firm concentrating on healthcare investments. He previously gained experience in the Corporate Real Estate team at Goldman Sachs.

Xintong Wang is currently working in the Investment Advisory Services (IAS) team of CBRE China, based in Shanghai. IAS was established in 2008 and provides services including: investment due diligence for acquisitions/disposals; project financial modelling and advice; value-added strategies to enhance returns; rent roll analysis; risk analysis; formulation of investment strategy; advising with PPM / IPO preparation; portfolio modelling and monitoring; portfolio and risk analytics; and fund and manager reviews.

Focus on the class of 11/12

REEF graduates go on to successful and rewarding careers in real estate and finance markets all over the world. In this newsletter, we are pleased to highlight the first steps on this journey for a selection of students who took core REEF modules in 2011/12. Of course, we wish them all the best!

H Y Kim, MSc REEF

Hayoung is now working at the Asset Management Department, Samsung Fire & Marine Insurance in Korea. His main role is to provide credit analysis for real estate investment decision-making. Although



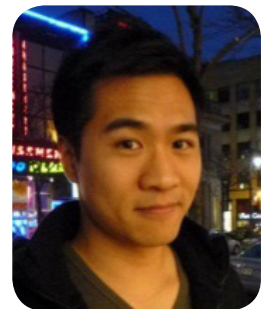
already an experienced real estate professional, Hayoung feels the knowledge learned from REEF has helped him to better understand micro- and macro-economic dynamics of real estate markets and bridge the gap between practice and theory.



literature on local economic development and West Ham United F.C.

Jonathan Jaw, MSc REEF

Jonathan has joined HVS Global Hospitality Services team in Shanghai as a Consulting & Valuation Associate after the completion of the REEF program. With HVS, Jonathan performs financial and market feasibility research as well



as hotel valuation for investors interested in China and Asia Pacific's hotel, restaurant, shared ownership, gaming, and leisure industries. After the completion of the program at LSE, Jonathan feels that not only has the program helped him to grasp the fundamental theories behind the supply and demand interactions of the real estate market but he was also able to vastly broaden his network within the global real estate industries via the opportunities that LSE has to offer.



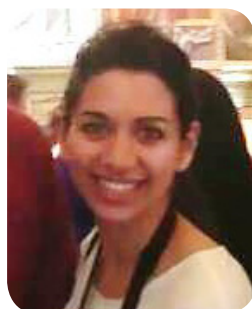
Brock Lacy, MSc REEF

Brock is now working as an analyst for Gardner Development in Salt Lake City, Utah, USA. His currently responsibilities include valuation, marketing, and market research. He has specialized into mix use

projects. He also has been asked to negotiate with local taxing entities regarding tax increment financing arrangements. He has enjoyed putting his research and REEF training from the LSE into practice.

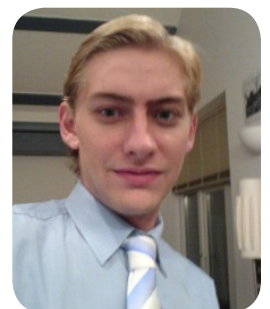
Rebecca Mann, MPA

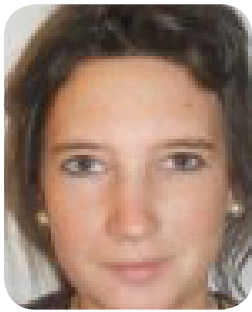
In mid-November, Rebecca will commence as a Strategy, Measurement and Evaluation Officer at the Bill & Melinda Gates Foundation in Seattle, US where she hopes to apply skills from Applied Urban & Regional Economics to problems in the Global Health and Global Development programs. Rebecca has completed short consultancy projects with the Asian Development Bank and the World Bank Institute, in both cases using spatial analysis and concepts from economic geography, and maintains an interest in urban transport and public health issues, the



Ted Pinchbeck, MSc REEF

Ted is now a PhD candidate in Economic Geography at LSE, jointly supervised by two REEF academics, Christian Hilber and Steve Gibbons. While it's early days, he hopes to pursue research interests developed during REEF - the economic impacts of the planning system in the UK, the links between healthcare and urban markets, and economic issues associated with UK leasehold and freehold. In his spare time Ted dabbles in property development with a shop conversion project he took on in 2012 recently being entered into a number of competitions, including 'Best small project' for the Architect's Journal.





Ruth Thompson, MSc REEF (part-time)

Ruth has completed her first year of REEF and continues to work part-time at Rowan Asset Management. Ruth runs the investment acquisitions at Rowan and has recently been promoted to run one of the

Rowan UK commercial property funds. Inspired by one of the 'hot topics' at the most recent London Property Summit, Ruth is beginning to draft her research project. The project aims to explore the impact of politics and political uncertainty on investment levels in UK commercial property.



LSE Old Building entrance on Houghton Street in the 1950s, and today

To share your own news, or to contact us with other newsletter content and enquiries, please email Joe: j.d.meegan@lse.ac.uk



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on **Facebook**. The REEF website is at www2.lse.ac.uk/REEF.

