

Welcome to the LSE REEF newsletter.  
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### REEF news

#### REEF No. 2 Master's Course in Real Estate in the World



A highly respected global ranking organisation has named the LSE's MSc REEF programme as the #1 real estate management programme in Europe and the #2 programme in the world. Eduniversal, a Paris-based ranking and rating agency specialising in higher education, ranks 4,000

master's-level programmes in 30 fields of study in 154 countries worldwide. Our courses miss out on the normal MBA rankings because we do not offer an MBA but an MSc. Eduniversal, however, rank all business oriented courses by subject.

The comprehensive ranking of the top 100 real estate management programmes in the world lists the LSE second only to the top-ranked Wharton School at the University of Pennsylvania's MBA Real Estate. Wharton's fees are \$70,870 a year though, making LSE look extraordinary good value! Other programmes in the top five include EBS Business School's master's in real estate, MIT Sloan School of Management's MSc in real estate development, and The University of Melbourne – Melbourne School of Design's master of construction management. After the LSE, the next-highest listed UK programme was

City University's MSc Real Estate, which was ranked 24th.

According to Eduniversal, the real estate management ranking is very diverse because the postgraduate programmes are located across the world and within a variety of cultures. Further, because each country's view of real estate management differs, students are exposed to a diverse offering of quality programmes.

Both students and companies use the best master's rankings to evaluate the quality of an institution, its programmes and its graduates. Thus, the rankings can serve as a valuable recruitment tool. A hallmark of the survey is student participation, which contributes one-third of a programme's final ranking.

The rankings are determined via a three-pronged approach. This includes (1) the reputation of the programme, based on the opinions of recruiters surveyed and on the level of Palme of Excellence of the school, a measure of the institution's academic standing and reputation, including that of the academic staff involved in the programme; (2) salary of graduates' first jobs (weighted by country and by the average annual salary of its executives); and (3) student satisfaction, as determined by an 11-question survey sent to graduating students. In 2015, students from 2,647 programmes completed Eduniversal's Student Satisfaction Survey.

A programme earns bonus points for having more than seven different nationalities registered and further points if those nationalities come from at least three different zones. Additional points are received if a programme enables at least 20 per cent of students to do an internship or study abroad, if at least five students admitted to the programme

have work experience, and if the programme offers distance learning.

## LSE ranked no.1

The LSE is ranked No. 1 in the field of urban and real estate economics, as of January 2016, based on RePEc data. The LSE's top ranking puts the School ahead of other institutions, such as Harvard University's Department of Economics, the Wharton School at the University of Pennsylvania, the National Bureau of Economic Research (NBER) and the World Bank Group. The Geography and Environment Department was the main contributor to the LSE's overall ranking. Indeed, on its own, the department was ranked sixth, which is tied with the Wharton School of Business. The Wharton School of Business Real Estate Department tied for eighth with the University of Chicago's Department of Economics.

Scores are determined by a weighted sum of all authors affiliated with each institution. Weights for each author are determined by the proportion of all working papers announced in NEP (New Economics Papers) that have also been announced in NEP-URE (Urban & Real Estate Economics). For more information, see [https://ideas.repec.org/top/top\\_ure.html](https://ideas.repec.org/top/top_ure.html).

## News from the 2014/15 cohort

Of the students in the 2014/15 cohort, four earned distinction, 21 earned merit and eight earned a pass for the course overall. Several students in the cohort were recognised with prizes for their work at the end of the year. These include:

**Zhenghao Zong** and **Maurizio Di Caprio** were named joint winners of the HSBC Global Asset

Management Dissertation Prize.

Meanwhile, **Anisha Kutowaroo** was named the winner of the MSc Real Estate Economics and Finance Prize for Best Overall Performance, the MSc Real Estate Economics and Finance Prize for Best Dissertation and the IPF Postgraduate Dissertation Prize.

## Contributions welcome

We encourage our alumni to contribute content and comments for the REEF newsletter. If you are interested in submitting a piece of 500 to 1,000 words describing current issues and hot topics in your local real estate markets, relating the highs and lows of life as a real estate professional, or simply sharing ideas and opinions, suggesting speakers, or giving us your own alumni-news update, please email Meredith Whitten: [m.whitten@lse.ac.uk](mailto:m.whitten@lse.ac.uk)

## Offer REEF students professional experience

You undoubtedly remember your first job in the real estate industry and the excitement you felt at starting your career. Why not help current MSc REEF students get started on the employment ladder by sharing your job opportunities and helping them build their professional networks? To promote a job, placement or internship to our students, please contact [m.whitten@lse.ac.uk](mailto:m.whitten@lse.ac.uk)

## Join the MSc REEF network

Graduates of MSc REEF go on to successful and rewarding careers 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.

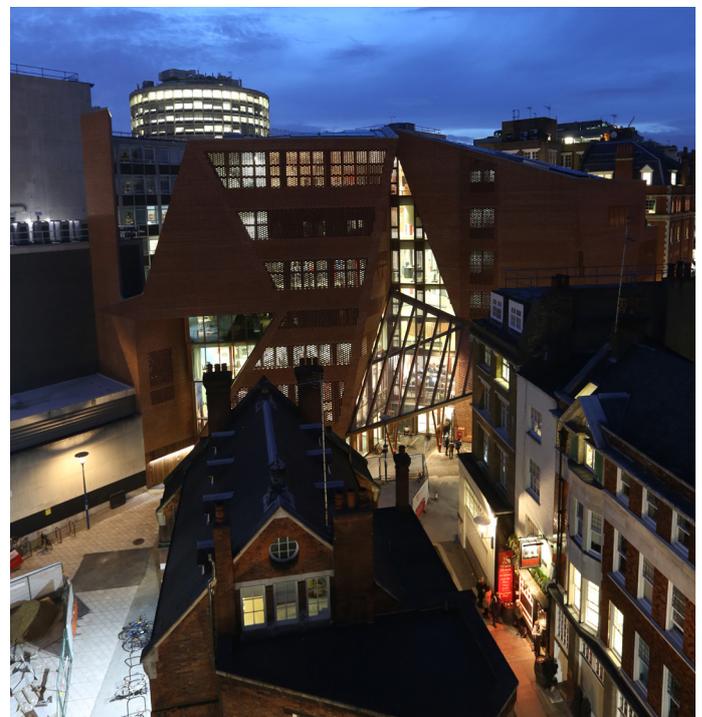
### Mentor a REEF student

The REEF mentoring scheme is now in its third year and a record number of mentors and mentees participated. Inspired by Francis Salway, the Chair of the REEF Advisory Board and recently retired CEO of Land Securities, the scheme offers REEF students the opportunity to have a one-to-one relationship with a REEF alumnus, with meetings – either face-to-face or via electronic means – taking place at least once a term, intended to offer our students a source of advice about the job market and the chance to gain insights on developing a career in real estate, finance markets or the wider job market. Yahya Abdulla, the current president of the LSE Global Real Estate Group, serves as a mentor and offers this perspective:

“I decided to serve as a mentor because I am keen to continue the relationship I started with the LSE more than 14 years ago and see if I can add value to students who are pursuing a career in real estate. As president of the LSE Global Real Estate Group, I feel it is important for alumni to share experiences and guide current students through the initial stages

of their professional lives.”

The Department would like to extend a hearty thank you to all our REEF alumni and associates who took time from their busy professional schedules to mentor a REEF student during the 2014-15 academic year. Feedback from students suggests the scheme provided them with valuable insights into career possibilities after they finish the course. The scheme also helps maintain a valuable network of current and future REEF alumni. If you are interested in becoming a mentor in the future, please contact Harriett Johnson: [H.Johnson4@lse.ac.uk](mailto:H.Johnson4@lse.ac.uk).



## Appointments

**Gabriel Ahfeldt** was appointed as an affiliate by the Centre for Economic Policy Research (CEPR), a network that promotes world-class research and helps get the policy-relevant results into the hands of public- and private-sector decision-makers.

**Christian Hilber** has been named a Fellow of the Weimer School of Advanced Studies in Real Estate and Land Economics (class of 2016). This honour is awarded “to a limited number of outstanding academicians and other leaders who have made significant contributions to the development and dissemination of knowledge in the field of real estate and related disciplines.” Previous Weimer School fellows at the LSE are Christine Whitehead, Paul Cheshire and Henry Overman. Christian’s inaugural presentation at the Weimer School will be on the consequences of regulating the second (investment) home market.

Christian has been appointed as Associate Editor of the *Journal of Regional Science* (since January 2016) and as a member of the Editorial Board of the *Journal of Housing Economics* (since 2015).

## Staff news

**Gabriel Ahfeldt** published several papers in 2015. These include research on the economics of density, with evidence from the Berlin Wall, in *Econometrica*, one of the leading academic journals in economics. Gabriel’s work was also published in the *Journal of Urban Economics*, the *Journal of Economic Geography*, *Environment and Planning* and the *Journal of Economics and Statistics*. In addition to academic journals, Gabriel’s research was covered by a number of media outlets, including the *Independent*, *Handelsblatt* and *Die Welt*. He also presented at several academic workshops, seminars and conferences in 2015.

Gabriel’s current research topics include the impact of high-speed broadband, architectural design, and various place-based policies on real estate prices; the relationship between skyscraper height and land prices; the effects of transport infrastructures on urban and regional economies; and the determinants of “prime locations”.

In 2015, **Paul Cheshire** published a number of articles, discussion papers and reports, including “Land Use Regulation and Productivity - Land Matters: Evidence from a UK supermarket chain,” in the *Journal of Economic Geography* (with C. Hilber and I Kaplanis), “Regulating Housing Vacancies Away? The Paradoxical Effects of Mismatch,” with C. Hilber and H. Koster, in *SERC Discussion Papers*, No.181, and “The Green



Belt: A Place for Londoners?" for *London First*.

Additionally, Paul traversed the globe to give plenary lectures. This included a lecture on "What Urban Economics can tell us about Urban Policy" at the general meeting of RYM at Helsinki University in November; and "National Urban Development Policy: An Urban Economist's critique" at a seminar on the national urban development policy organized by Cámara Chilena de la Construcción in Santiago in May.

His research has been featured in the mainstream media, including the *Financial Times*, *The Times* and *The Economist*, as well as ITN and the BBC's "Inside Out" programme.

Currently, Paul is continuing his research on the use of Trophy Architects to acquire rents and the costs of this; the value of design in office buildings; the relationship between planning restrictiveness and housing vacancies and the wider implications of mismatch in the housing market; the impact of Town Centre First Policy on retail productivity, the pattern of shopping trips and the carbon footprint of the retail sector; the economics of land markets; and the long-run determinants of urban change in Western Europe.

Paul remains a member of the UK Executive Committee of the Urban Land Institute and of the Department of Communities and Local Government's Planning Sounding Board. He also worked as an international expert advisor for the New Zealand government's Productivity Commission for their inquiry into the supply and development capacity of land for housing in New Zealand cities.

Paul gave written and oral evidence to the House of Lords Select Committee on Economic Affairs for

their United Kingdom housing market inquiry ([www.parliament.uk/economics-uk-housing-market/](http://www.parliament.uk/economics-uk-housing-market/)). In July, he presented papers at the German Speaking Regional Science Association's annual meeting in Kiel and, in August, at the European Congress meeting in Lisbon. During the summer, Paul lectured at a summer school organised jointly by the European Regional Science Association and the European Real Estate Society, while in December he presented a seminar at Sciences Po in Paris.

**Professor Steve Gibbons** is Director of the Spatial Economics Research Centre (SERC) and Urban



Programme of the Centre for Economic Performance (CEP) at LSE. SERC aims to provide a rigorous understanding of the nature, extent, causes and consequences of disparities in economic prosperity at global, regional and local scales and to identify appropriate policy

responses. Part of SERC's research focuses on the UK and other developed economies. SERC also has programmes examining the patterns, causes, consequences and policy implications of the spatial development of cities in developing countries, particularly sub-Saharan Africa.

Steve's recent work on housing markets includes a journal article on the effect of local wind farms on house prices and he has work in progress on the way prices respond to exploration for shale gas and potential 'fracking' in England and Wales. He works extensively on education, with recent publications on the influence of school peer groups on student achievement and the effect of student satisfaction ratings on applications for university courses in Britain. Steve is an expert on quantitative methods

for spatial analysis and is an author on a recent chapter on Spatial Methods in the *Handbook of Urban and Regional Economics Volume 5*. He also has an interest in the economic impacts of transport infrastructure and is currently working on the impacts of airports on economic development in China and on the historical impacts of the removal of a large part of the railway network in Britain in the 1960s and 1970s (the 'Beeching axe').



After more than 12 years of being in charge of the MSc REEF, **Christian Hilber** handed over the programme to Gabriel Ahfeldt, although Christian is currently serving again as programme director on an interim basis while Gabriel is away from the LSE.

REEF alumni will be interested in two videos Christian recently completed. One is on "UK Property Crisis Scuppering Aspiration" for the *Financial Times* and can be accessed at <http://video.ft.com/4277390381001/UK-property-crisis-scuppering-aspiration/world>. The other, a CEP election analysis video on "UK Housing and Planning" can be accessed at <https://www.youtube.com/watch?v=UEJlc8aZ-EI>.

Christian, jointly with Paul Cheshire, will guest edit a special issue for the *Journal of Housing Economics*. The topic is "Housing markets in Europe: Issues of supply, affordability and tenure." The issue is likely to appear during 2017 or 2018.

Christian has several forthcoming papers, including "The Economic Implications of House Price Capitalization: A Synthesis" in *Real Estate*

*Economics* and a paper on lessons learned from housing policies in the UK, Switzerland the US in *Housing Policies for Emerging Asia*. Christian also has a paper, "The Impact of Supply Constraints on House Prices in England", with Wouter Vermeulen, forthcoming in *Economic Journal*. This paper has been quoted in the *Financial Times*, the *Telegraph*, the *Wall Street Journal* and other news outlets, as well as featured in *The Economist's* "Free exchange Economics: The weekly papers." Further, "Land Use Regulation and Productivity – Land Matters: Evidence from a UK supermarket chain," authored with Paul Cheshire and Ioannis Kaplanis, was published in the *Journal of Economic Geography* and also featured in *The Economist's* "Free exchange Economics: The weekly papers".

In 2015, Christian was nominated and shortlisted for the LSE Student Union's Teaching Excellence Award. He has recently been awarded an LSE Teaching Prize for outstanding teaching performance.



**Henry Overman** has been advising the UK Department for Transport on improving the way they appraise new schemes to take into account wider impacts including additional employment, new land use and regeneration. He has also been advising the Howard Davies airport commission on the local economic impacts of airport expansion.

Henry has been busy with the **What Works Centre for Local Economic Growth** (WWG), which was established in October 2013 as part of the What Works Network to analyse which policies are most effective in supporting and increasing local

economic growth.

WWG recently published its final evidence review looking at the impact of enterprise zones and EU programmes: [www.whatworksgrowth.org/policy-reviews/area-based-initiatives/](http://www.whatworksgrowth.org/policy-reviews/area-based-initiatives/). The review concluded that EU support has a positive impact on regional GDP per capita in slightly less than half of evaluations that consider GDP effects, and that half of the studies that look at employment effects demonstrate a positive effect of EU support on employment. However, the evidence on a range of other outcomes is mixed (with only one study per outcome).

In July 2015, WWG published findings from a systematic review of evaluations of the local economic impact of transport: [www.whatworksgrowth.org/policy-reviews/transport/](http://www.whatworksgrowth.org/policy-reviews/transport/). The review found that transport can have a positive impact on the local economy, although the role of transport in stimulating growth is not as clear-cut as assumed by many decision makers.

In the past year, Henry's work has often taken him beyond the UK. He was in Tokyo in April for an academic conference, then again in September to talk at one of the major banks about challenges in urban policy. In November, Henry went to Brussels to discuss evaluation of urban policy with the EU. He also discussed evaluation of urban policy with the Central Bank in Rome in December. Also in December, Henry met with the World Bank in Washington, D.C., to talk about city competitiveness and their work on cities.

Henry authored the Centre for Economic Performance's (CEP) election analysis on "The Economic Performance of UK Cities: Can Urban and Regional Policy Make a Difference to the North-

South Divide." He worked with the Bank of England on urban and regional policy at a policy lunch, and met with the chief secretary to the treasury to talk about our evidence reviews from the What Works Centre as part of the Spending Review.



**Olmo Silva** published papers in the *Journal of Urban Economics* on school quality and house prices (2013) and self-employment and entrepreneurship in

the UK (2014); the *Journal of Human Capital* on remedial education in the UK (2014); and *Economic Journal* on neighbourhood effects (2013). His work on neighbourhoods was featured in the CEP magazine *Centre Piece* and in the ESRC *Britain in 2014*. His latest article on agglomeration economies and the co-location of economic activities in the UK is forthcoming in the *Review of Economics and Statistics*.

His current research includes a joint paper with Christian Hilber and Philippe Bracke (former SERC research economist and GTA for GY462, who is now at the Bank of England) on the effects of housing leverage on entrepreneurship; and some work on the impact of neighbourhood turnover on students' attainments in England. The latter is under revision for the *Journal of the European Economic Association*.

During the past year, he presented at a number of seminars, including the annual meeting of the Urban Economics Association (in Portland, Oregon), Helsinki University and Warwick University. In July 2015 he organised a conference on the economics



of entrepreneurship, held in Venice and sponsored by the prestigious CESifo Network (Munich). Recently, Olmo has started a number of projects on the impact of academy schools in England and on the co-agglomeration of service industries. He has won a Leverhulme Trust Grant to carry out an investigation of the impact of business incubator programmes on technology start-ups. Olmo continues to strengthen the links between MSc REEF and the real estate world, for example, by hosting three practitioner-led sessions in the GY462 Real Estate Finance module. He also continues his leadership roles beyond MSc REEF – he was reappointed to the LSE Finance Committee as Nominated Faculty Member and was selected as the Department’s Director of Graduate and Postgraduate studies.

### REEF advisory board

The Board met on 5 November 2015.

The board discussed the 2015-16 class of students for the MSc. The programme hit its target of 37 and an improved spread of ethnicities within the student pool this year was noted. REEF advertises the course, in part, through the ‘Where are they now?’ section on the Department’s website. Currently, there are two REEF PhD students, a number the programme would like to see increase in part to ensure a pipeline of young academics. Concern was expressed about the timing of application deadlines, which fall at the end of the Michaelmas term, as most students have not yet decided what they want to research or have not developed the skills or interest needed.

The mentoring scheme, which is now in its third year, was discussed. All students who wanted a mentor received one. Board members found the

scheme worthwhile, but felt students needed more guidance on how they could benefit from participation in the scheme, e.g. to learn the market dynamics, what profession in real estate they are interested in, and discuss dissertation ideas, especially sources of data.

Board members also talked about updating the name and focus of the careers evening to emphasise that the event is relevant to all students, not just those looking for a job.

A broad-based discussion of current and future research followed. Topics covered ranged from decomposing the volatility in real estate markets and examining the vacancy rates in US commercial real estate to the apparent evolution of a third generation of office buildings and what this could do to the value of those built 15 years ago. Board members also discussed how design had become about the interaction people experience at street level and this is reflected in offices, as well as the issue of the affordability of housing and how the government policy was not helping the supply required.

### Alumni news: where are they now?

**Andrew Burych** (2008) has moved to the New York office of Brookfield Asset Management, from the London office, and continues to work on corporate real estate acquisitions as a Vice President.

**Kaitlin M. Arduino’s** (2009) company, Murphy Development, is currently finishing construction on a 121,970 square foot speculative industrial building in San Diego, California. The Southern California

industrial market is the strongest it's ever been. Kaitlin and her company look forward to getting it leased in the next few months, and then will start on the next speculative building for 79,050 square feet. Kaitlin is an Executive VP and Partner at Murphy Dev, and is project managing the building construction.

**Nga Phuong Do** (2011) is now working at Bruton Realty, a niche Residential Investment Advisory firm offering professional advice on institutional private rented sector. The firm advises developers and institutional investors on funding options and potential routes to markets, including developer/capital joint ventures, forward funding, capital raising and M&A investment sales.

**Adrien Noel** (2015) is working at a property development company named Landmass as an analyst.

**Tommy Lin**, a graduate from REEF's first-ever cohort, has assumed the President of the LSE Alumni Association of Taiwan. Dr. Tsai Ing Wen, who was recently elected president of Taiwan from May 2016, is the first president of the LSE Alumni Association of Taiwan, and our board just gave her the honorary lifetime chairman of the Alumni Association.

**Dinesh Gautam** (2015) works in the real estate arm within investment bank BNP Paribas. Dinesh formulates financing methods such as sale and leaseback and Securitization. Further work includes a constructive analysis of cash flows to offer bespoke real estate strategies, detailed financial option appraisal, including the impact on NPV, OPEX/CAPEX and IRR.

**Eddy Sandorffy** (2002) is president of TKB Capital, a

commercial and residential real estate investment manager and advisor with offices in London and Los Angeles. The firm advises clients on real estate investment in the UK, Western Europe and the US.

### Finally...

Please feel free to send your articles, pictures, updates and any other contributions to Meredith Whitten ([m.whitten@lse.ac.uk](mailto:m.whitten@lse.ac.uk)) for inclusion in the next newsletter.

Find our group on **LinkedIn**: 'LSE MSc Real Estate Economics & Finance', or follow the Department: **@LSEGeography** on **Twitter**, or 'LSE Geography & Environment' on **Facebook**. The REEF website is at [www.lse.ac.uk/REEF](http://www.lse.ac.uk/REEF).

