

**Real Estate Finance (B8331)
Fall 2022**

Tomasz Piskorski

Edward S. Gordon Professor of Real Estate

Contact information

Email: tp2252@gsb.columbia.edu

Section 001, 8.30 - 10:00AM; Section 002, 10:20 - 11:50AM, Geffen 640

Monday/Wednesday, **First class:** Wednesday, September 7th, 2022

Office Hours: By appointment

Course Overview: Real estate accounts for more than half of the capital assets around the world. You simply cannot ignore it in as an investor or in any business, whether the business is called real estate or not! This course provides students with a comprehensive understanding of real estate valuation, cycles, markets, investments, and decision-making, using modern finance and economics tools. The bulk of the course covers income-producing (commercial) property, although we will discuss residential housing as well. This course uses a unified finance-based framework to answer real estate investment decision-making problems encountered in the real world. Doing so requires a good understanding of the institutional features that differentiate real estate from other asset classes and markets as well as modern finance and economics tools.

The learning in this course will utilize and extend concepts covered in the following core courses:

Core Course	Connection with Core
Corporate Finance	<ol style="list-style-type: none"> 1. Time value of money 2. Risk 3. CAPM 4. Modigliani Miller Theorem 5. Arbitrage pricing and the law of one price 6. Efficient Markets 7. Frictions
Managerial Economics	<ol style="list-style-type: none"> 1. Maximization and thinking on the margin 2. Analyzing complex decision-making under uncertainty 3. Understanding market competition and equilibrium thinking
Managerial Statistics	<ol style="list-style-type: none"> 1. Statistics data analysis 2. Probability intro 3. Conditional probability 4. Modeling uncertainty
Global Economic Environment I	<ol style="list-style-type: none"> 1. What causes inflation 2. What drives employment 3. What are the causes of business cycle 4. What are the effects of monetary policy 5. What is the role of financial markets in the economy

Students will be expected to have mastered these concepts and be able to apply them in the course.