

Investment Appraisal and Portfolio Management

Module Descriptor

Module Code: INV6IAP

Version: 7.00

Status: Final

Date: 25/04/2023

Summary Module Details

Module details

Module Title: Investment Appraisal and Portfolio Management

Module Leader: Viswajit Srinivasan

Module Mode: Supported online learning

Semester: Autumn (UK) & Spring (UK)

Level: 6

Credits: 20

Learning Hours: 200

Contact and Study Hours:

Directed Study Time: 90hrs (45%)

Self-Directed Study Time: 50hrs (25%)

Assessment Study Time: 60hrs (30%)

Assessment Type:

Coursework: 100%

Computer Marked Assessment: 0%

Self-directed Research Project: 0%

Portfolio: 0%

Module Summary

This module aims to develop the student's ability to understand and analyse investments. It will allow them to recognise property as an investment asset within the overall spectrum of other investment categories. Principles of investment, risk, investment appraisal and portfolio management will be considered to ensure the development of practical skills that enable informed investment decisions for clients.

Taken on which Programmes

BSc (Hons) Real Estate Management (C)

Core (C) or Elective (E)

Module Aims

This module aims to:

- Explore the investment markets with a particular focus on property investment;
- Develop students' understanding of the concepts of investment strategy, diversification and performance measurement and their application to property markets;
- Develop students' understanding of the principles and practice of diversification; and
- Introduce the concept of socially responsible investment (sustainable investment) and keep students aware of the continual changes in the investment market.

Module Learning Outcomes

- LO1. Demonstrate a systematic understanding of the key aspects of investment and the ability to apply coherent detailed knowledge to real estate markets.
- LO2. Demonstrate knowledge and critical understanding of property investment markets and deploy established techniques of analysis and enquiry to evaluate assumptions; concepts and data; devise and sustain arguments; make judgements; and identify a range of solutions.
- LO3. Identify and evaluate investment methods and appraisal techniques to apply modern portfolio theory and diversification in strategic property investment, and to evaluate new market theories, including sustainable investment.
- LO4. Research and evaluate information to aid investment decision-making; critically evaluate arguments, assumptions, concepts and data; and make reasoned judgements in complex situations.
- LO5. Communicate information, ideas, problems, options and solutions effectively to specialists and non-specialists.

Indicative Module Content

Module topics

- **Property Investment Market**

Characteristics of property investment, direct and indirect investment in property, property cycles, globalisation of the property market, market efficiency, leased and lease structures, economic and market analysis, the impact of sustainability on the property market.

- **Investment Markets**

The stock market, the bond market, commodities, mutual funds and other investment companies.

- **Property Investors and investments in property**

Types of investors, individual, and corporate investors, overseas investors, property companies, financial institutions, investment trusts and unit trusts, types of property investment, design and implication of cost, retail investment, office investment, industrial investments, residential investment, other investments in property.

Investment Appraisal and Portfolio Management

- **The rationale of investment and the investment decision**

Principles of investment, the investment problem, the investor and market makers, The investment decision-making process, objectives, goals and decision criteria, the rate of return, the measurement of earnings and profitability.

- **Investment Risk**

Individual risk, types of risks, risk and uncertainty, the measurement of risk, the methodology of risk analysis, the property market approach to risk analysis, management of risk, theory of risk.

- **Securitisation**

The history of securitisation, problems in the development of securitisation, the vehicles, issues in securitisation, liquidity and securitisation, Real Estate Investment Trusts.

- **Investment Appraisal**

Investment appraisal vs. valuation, traditional methods of appraisal, discounting methods of appraisal, aspects of risk and uncertainty, the selection of investment projects, defining criteria and targets, a pragmatic approach to project selection, project selection using the methods of portfolio theory.

- **Investment performance**

The purpose and objectives of performance appraisal, modes of performance appraisal, measures and indicators of performance, stages of portfolio performance appraisal, approaches to performance appraisal, attribution analysis, pragmatic approach to performance appraisal, problems in performance appraisal, portfolio performance analysis systems.

- **Investment strategy and objectives**

The establishment of objectives, security of capital, security of income, marketability and liquidity, taxation, professional investment management, limits on the investment budget, limit of risk bearing, minimum acceptable rate of return, term of investment, statutory control, timing of investment activity, the portfolio problem.

- **Creation of Portfolios**

Portfolio theory, the outline of modern portfolio theory, capital market theories, portfolio and project selection using the methods of portfolio theory.

- **Pragmatic approaches to the creation and management of portfolios**

Outline of the selection process, portfolio building, property portfolio management process, pragmatic approach to the creation and management of portfolios.

- **Responsible (sustainable) Investment**

Definition and application of socially responsible investment, evolution of responsible investment, UN principles of responsible investment, Stakeholder analysis, Islamic property finance, Responsible investment and the global financial crisis.

This content will be reviewed and updated regularly to reflect the legal, moral and financial changes in professional standards and practice.

Overview of Summative Assessment

Module learning outcomes	Assessment	Word count or equivalent	Weighting
LO1, LO2, LO4, LO5	Assessment 1 Coursework	2,000	40%
LO1, LO2, LO3, LO4, LO5	Assessment 2 Coursework	3,000	60%

Module Pass Mark (as a weighted average of all assessments): 40%

Key Module Learning Resources

Core Sources and Texts

The core reading resources within each module will be provided via the specific Virtual Learning Environment (VLE) module pages and within the e-Library. Additional reference material and supplementary resources to support your studies are available through the UCEM e-Library.

Module tools

Students will have access to study materials, dedicated academic support, student forums, and learning activities via an online learning platform (VLE).

The module page on the VLE is broken down into structured study weeks to help students plan their time, with each week containing a mixture of reading, case studies, videos/recordings and interactive activities to go through. Online webinars/seminars led by the Module Leader can be attended in real time and provide opportunities to consolidate knowledge, ask questions, discuss topics and work through learning activities together. These sessions are recorded to support students who cannot attend and to enable students to recap the session and work through it at their own pace. Module forums on the VLE provide further opportunities to discuss topics with other students, complete collaborative work and get extra help from the module team.

Professional online resources

The e-Library provides access to trusted, quality online resources, selected by subject specialists, to support students' study. This includes journals, industry publications, magazines, academic books and a dissertation/work-based library. For a list of the key industry specific and education resources available please visit [the VLE e-Library](#).

Other relevant resources

Access is also provided to further information sources that include the British Library and Open University UK catalogues, as well as providing a monthly current awareness service entitled, **Knowledge Foundations** - a compendium of news, research and resources relating to the educational sector and the Built Environment.

Investment Appraisal and Portfolio Management

The module resource list is available on the module website and is updated regularly to ensure materials are relevant and current.