

# Real estate in the 21<sup>st</sup> century

## Topic

Real estate constitutes a large proportion of wealth. As such, the sector has large impacts on the economy, for instance on household consumption in the case of housing. The last decade has seen rapid price increases both on the residential and commercial markets, with sharp price drops in the last 2–3 years in many countries. The United States commercial real estate markets, for instance, has declined by almost 40% during 2007–2009. So far, the Swiss market has been relatively immune.

The aim of this seminar is to review some fundamental aspects of real estate markets, when possible in light of the current crisis on financial and real estate markets. In particular, we review the various types of real estate and their sensitivity to macro-economic factors. We also discuss the most important valuation methods. Given the impact that leverage has had in the crisis, we show how this affects real estate returns. We present the main investment strategies on real estate markets, in particular for indirect investments. A thorough description of the various ways of gaining exposure to real estate is provided. We also discuss the impacts of adding real estate to a portfolio of financial assets.

## Content

### Major changes on real estate markets

- Commercial and housing markets
- Benchmarks and transparency
- Correlation with financial assets

### Types of real estate & sensitivity to macro economic factors

- Residential; Retail; Office; Logistics; Other
- A comparison with stocks and bonds

### Valuation – A review of methods

- Discounted Cash Flow analysis
- Comparative methods
- Depreciated cost method

### Impacts of leverage

- CDs
- Cap rate vs. bonds
- Leverage sensitivity

### Strategies on real estate markets

- Definition of main strategies (Core, Core plus, Value added, Opportunistic)
- Manager selection
- Correlation with financial assets

### Investment landscape

- Direct investments

- Funds
- Listed real estate
- Private equity real estate
- Derivatives
- Pros and cons

### Real estate in the portfolio

- Return and risk
- Correlations
- Impacts on the frontier

### Who should attend?

- Institutional portfolio managers
- Wealth managers
- Credit specialists
- Relationship managers

### Speakers



**Philippe Gabella** is responsible for indirect real estate investments within Lombard Odier's Private Banking Investment Services department. Prior to joining Lombard Odier in 2008, he worked for BCV Asset Management, the investment management platform for institutional clients of the fifth largest bank in Switzerland. Philippe was, as a strategy investment manager, responsible for the discretionary mandates of listed real estate during four years. Before that, he was a Portfolio Manager for institutional clients and a member of the investment committee for BCV Asset Allocation Funds. Philippe is Certified International Investment Analyst (CIIA), Certified International Wealth Manager (CIWM) and Chartered Alternative Investment Analyst (CAIA).



**Martin Hoesli** is professor of real estate investments at the University of Geneva (Geneva Finance Research Institute and Swiss Finance Institute) and professor of finance at the University of Aberdeen (Business School). He is a former president of the European Real Estate Society (ERES), a Fellow of the Royal Institution of Chartered Surveyors (RICS) and

an academic fellow of the Urban Land Institute (ULI). He has been a visiting professor at several European, U.S. and New Zealand universities. He has published six books and over 80 scholarly articles on real estate. He is a board member of the Swiss Financial Analysts Association (SFAA) and of the AZEK, the Swiss training centre for investment professionals. He is president of the examination commission of SFAA.

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## Language

English

## Time and Venue

09:00 – 12:00 and 13:30 – 16:30

SIX Swiss Exchange, ConventionPoint, Selnaustrasse 30,  
8021 Zürich ([www.conventionpoint.ch](http://www.conventionpoint.ch))

## Seminar fees

SFAA members' attendance is free of charge.

For non SFAA members the fee is CHF 540.– and includes  
documentation and refreshments.

## Registration

Register online ([www.azek.ch/campus](http://www.azek.ch/campus)) or apply with the  
Registration form on the reverse.

## Information

For more information please contact the secretariat of AZEK at:

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# AZEK Campus – Anmeldung

Online Anmeldungen unter [www.azek.ch/campus](http://www.azek.ch/campus)

Ich melde mich für das AZEK Campus Seminar  
«**Real estate in the 21<sup>st</sup> century**» vom 2. Dezember 2010  
in Zürich an

Ich bin nicht SFAA Mitglied; die Seminarteilnahme kostet  
CHF 540.-\*

\* Die Kosten beinhalten die Kursunterlagen sowie die Seminargetränke.

Ich bin SFAA Mitglied\*  
\* SFAA Mitglieder müssen lediglich Name, Vorname und E-Mail angeben.

Ich möchte Mitglied der SFAA werden; bitte kontaktieren  
Sie mich

Frau       Herr

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## Allgemeine Bedingungen

Die Teilnahmegebühren sind von den Teilnehmern, die nicht Mitglied der SFAA sind, unmittelbar nach Erhalt der Rechnung zu entrichten.

Die Seminare finden nur bei ausreichender Teilnehmerzahl statt. Unter bestimmten Umständen kann AZEK ein Seminar spätestens 5 Arbeitstage vor dem Seminartermin absagen.