

CERF Project Update September 2015

I would like to thank CERF for their continued sponsorship since March 2015 and share a summary of my work below. The most significant events this quarter were the start of a research project with the Centre for Endowment Asset Management at the Judge Business School and the presentation of my work at three international academic and industry conferences.

New research projects

This quarter I have begun to work on a research project with Dr David Chambers, Judge Business School and Centre for Endowment Asset Management, on the long-run performance of property. We have also won a CERF research grant to support the work on this project and look forward to sharing our results as soon as possible.

Abstract: Property is a fundamental component of investment portfolios of financial institutions, pension providers and endowment funds. Investors allocate capital to property on the basis of the assumption that the asset class represents a reliable store of value in the long run. However, in contrast to stocks, bonds, and even non-traditional assets such as collectibles, there is little empirical evidence on the long-run performance of property. The main purpose of the project is to investigate the long-run performance of property in the UK, by gathering primary data on the holdings of the Cambridge College Endowments and other large, long-standing institutional investors such as the Oxford Colleges, the Church Commissioners, the Crown Estate and the investment portfolios of traditional insurance firms. We are currently piloting the data collection in the largest and oldest of the Cambridge Colleges and hope to expand the data collection as the project progresses.

Conference and seminar participation

My research has been presented at a number of international conferences:

- (i) I have presented the findings of my sponsored research project entitled “Fundamental drivers of dependence in real estate returns,” joint work with Jamie Alcock, at the Real Estate Research Institute annual conference, which took place at DePaul University, Chicago, in April [[Download](#)].
- (ii) I have presented a revised version of my working paper “Capital structure and REIT firm value”, with Tim Riddiough, at the AREUEA National Conference in Washington DC in May [[Link](#)]. We hope to submit the final version of this paper for publication in the course of 2015.
- (iii) A revised version of my working paper “REIT financing choices: Preparation matters”, with Andrey Pavlov and Susan Wachter, has been presented by my co-authors at the NAREIT Research Conference in New York in June [[Download](#)]. This paper is currently under review.
- (iv) I have given an invited research seminar at Penn State University, US, on my research paper “Capital structure and REIT firm value”. Prof Ambrose, one of the leading researchers in real estate economics, who will visit Cambridge in autumn (visit generously funded by CERF), invited me to give this talk. [[Link](#)]

Other academic activities

Real estate & CERF

As a Cambridge Endowment for Research in Finance ([CERF](#)) Fellow, I have presented my research at an internal conference in May [\[Link\]](#). This conference has given me the opportunity to present my work to the wider Finance Group at the University and obtain valuable feedback.

Policy interaction

The Cambridge Centre for Science and Policy [[CSaP](#)] has invited me to contribute to the fellowship programme for Seth Thomas, Senior Policy Adviser, Bank of England, on financial stability. On this occasion, Seth Thomas and I have discussed the important recommendations from the “Vision for Real Estate Finance in the UK” designed by the IPF working group. [\[Link\]](#)

Outreach

I have given an interview on the subject discipline of Land Economy for the Eagle, the annual alumni magazine for St John’s College. This publication is an important forum for fostering Land Economy in the context of the wider research and teaching activities around the University. That is because the readership of the Eagle includes some of the most generous donors and supporters of Land Economy at St John’s. In the interview, I have been eager to point out the tremendous value that the CERF network offers to me, as evidenced by the new research project with a fellow CERF researcher, Dr David Chambers, which is also generously supported by CERF. The interview will be printed in the next version of the Eagle, to appear later this year.