

Property Finance: An International Approach

By Giacomo Morri and Antonio Mazza

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As I get older, I am definitely getting more intransigent and less charitable to the plethora of the new books that are being published for the real estate shelves. I am not sure if it is a case of knowing more myself or that textbooks are becoming less rigorous but, generally, I find that most texts published in the last few years are quite poor. The pressure on publishers to fill quotas means that I have personally pre-reviewed five or six texts that I have referred back to the publishers as “publish at your peril” and a year later they have all appeared to a spurious fanfare of “a new textbook for practitioners and academics alike”. And, in each case, they have been far away from that accolade. I have a simple philosophy in my world which is a new book must be better than the books already available. Most times, this is not true.

However, I mention this to place this new text *Property Finance: An International Approach* in context. This is a book that I like and that adds to the literature. The last good book on this topic was *Real Estate Finance* edited by Stephen Barter back in 1989. All subsequent texts have been poor relations and some of them, I will not mention by name, have been an embarrassment to the real estate profession. I learnt very early on in my career that to really understand real estate, you need to understand Finance. I was one of a select group of Chartered Surveyors who was teaching corporate finance back in the 1990s and I clearly remember being told, by a prominent academic, that students did not need to know that sort of thing.

Well, they do. And the introduction of Property Finance degrees at the undergraduate and postgraduate level from the late 1990s onwards, both in the UK and abroad, is testimony to the synergy that exists between real estate markets and the capital markets.

And, in this regard, *Property Finance: An International Approach* is a welcome addition to the libraries of students, faculty and practitioners alike. The book is well structured and split into two sections. Part 1 is the standard textbook that goes through the fundamentals of property financing and the nature of loans and leverage. This could be a standalone text without Part 2. Part 2 is country specific looking at the selected jurisdictions of China, England and Wales, France, Germany, India, Italy and Spain. I am not quite sure why these countries were chosen but I do feel that, given the failings of the markets in America that the USA should have been part of this list as well. But that is a comment on an omission not on the content as presented. Overall, this is a good text and it covers the topics in sufficient depth to provide insight and, yet, sufficiently well written to provide an overview too.

The text covers the following topics:

Part 1.

- Chapter 1. Introduction to property financing
- Chapter 2. Structured real estate financing
- Chapter 3. Loan agreement
- Chapter 4. Loan repayment, interest, and renegotiation
- Chapter 5. Effects of financial leverage on real estate investments
- Chapter 6. Structured real estate financing case studies
- Chapter 7. Hybrid forms of financing
- Chapter 8. Basel accords and effects on real estate financing

Part 2. Outline of the most relevant legal issues in selected jurisdictions

- Chapter 9. China
- Chapter 10. England and Wales
- Chapter 11. France
- Chapter 12. Germany
- Chapter 13. India
- Chapter 14. Italy
- Chapter 15. Spain

All these sections are clear and easy to follow albeit, as a valuer, I did find that the sections on “Property valuation and appraisal” in Chapter 2 used old terminology and, whilst not wrong, presented a slightly different view of property valuation to the one with which I am familiar. But that said, the intent of this book is not valuation and the section does place value and finance in context.

This is a book that will help the student and practitioner alike. I recommend it highly.

Nick French
*School of the Built Environment, Oxford Brookes University,
Oxford, UK*