



From the Dean's Desk

New Research, Part 2: Finance, Real Estate, and Supply Chains

As described in our last “From the Dean’s Desk” newsletter [[view link](#)], Sy Syms faculty are not only having a major impact on Knowledge Dissemination (through the classroom) but also on Knowledge Creation (through their research).

The last newsletter focused on new faculty research in Artificial Intelligence and Decision Making. In this newsletter, we profile six new papers that enrich our knowledge of finance, real estate and supply chains.

Kudos to all of these faculty for their contributions of both “Chiddushim” (new insights) and “Chinuch” (teaching)!

Noam Wasserman
Dean



Dr. S. Abraham (Avri) Ravid (Finance)



Dr. Gabriela Coiculescu (Finance)

Corporate Finance and Innovation: "Innovation under Ambiguity and Risk," Dr. Avri Ravid (Sy Syms), Dr. Gabriela Coiculescu (Sy Syms) and Dr. Yehuda Izhakian

(Baruch College)

Venue: *Journal of Financial and Quantitative Analysis*

We consider the effect of ambiguity (uncertainty about probabilities) on innovation – specifically, the impact of ambiguity on R&D investment and on patenting. We find that greater ambiguity leads to lower investment in innovation, while risk (uncertainty about outcomes) increases R&D investment but lowers patenting.

[Innovation Under Ambiguity and Risk | Journal of Financial and Quantitative Analysis | Cambridge Core](#)



Dr. Andreas Christopoulos (Finance)

Real Estate: “Synthetic Cap Rate Indices: 1991-Covid Era,” Dr. Andreas Christopoulos (Sy Syms), with Joshua Barratt (Barratt Consulting) and Dr. Daniel Ilut (Cornell)

Venue: *Global Finance Journal*

This paper introduces a new way to assess the risk of commercial real estate (CRE) loans. By using advanced mathematics to analyze economic data, we've developed indices that offer better insights into the likelihood of loan defaults than traditional methods. These indices also provide a built-in one-year forecast for property values, helping investors make more informed decisions.

<https://www.sciencedirect.com/science/article/abs/pii/S1044028324000334>

Real Estate: “Liquidity Risk and CMBX Microstructure,” Dr. Andreas Christopoulos (Sy Syms), with Joshua Barratt (Barratt Consulting)

Venue: *Review of Financial Economics*

This paper introduces a new method to assess daily risks related to commercial mortgage-backed securities (CMBX). By analyzing various risk factors, the

research reveals that liquidity risk significantly impacts price spreads in the market. This method, the first of its kind, provides valuable insights into CMBX price formation and can predict market behavior up to twenty days in advance.

<https://onlinelibrary.wiley.com/doi/abs/10.1002/rfe.1193>

Real Estate: "15 seconds to alpha: Higher frequency risk pricing for commercial real estate securities," Dr. Andreas Christopoulos (Sy Syms) with Joshua Barratt (Barratt Consulting)

Venue: 2nd Annual Issues in Financial Markets and Banking conference hosted by Nottingham Business School – Best Paper Award

This is the first paper to estimate the pricing of default, interest rate, liquidity and excess liquidity risks at intraday frequencies for securitized commercial real estate securities. In fifteen second intervals over 572 days during the Covid pandemic and the recovery period, we reveal stark patterns in the price formation of risks for CMBX. These results are echoed across the entire sample period, suggesting skill at the portfolio selection level.

[15 seconds to alpha: Higher frequency risk pricing for commercial real estate securities by Andreas Christopoulos, Joshua Barratt: SSRN](#)



Dr. Avri Ravid (Finance)

Entertainment Economics and Innovation: "Technology Adoption and Career Concerns: Evidence from the Adoption of Digital Technology in Motion Pictures," Dr. Avri Ravid (Sy Syms) with Dr. Filippo Mezzanotti (Northwestern) and Grant Goering (Boston University)

Venue: Meeting of the European Finance Association (August)

This paper studies the impact of career concerns on technological change by analyzing the adoption of digital cinematography in the US motion picture

industry. We find that early career directors played a leading role in the adoption of digital technology and that this effect appears to be explained by career concerns, rather than alternative motives we consider and analyze. Technological savviness also plays a role.

[career_concerns.pdf \(northwestern.edu\)](#)



Dr. Avi Giloni (Information and Decision Sciences)

Supply Chain Management: “Information Design and Sharing in Supply Chains,” Dr. Avi Giloni (Sy Syms) with Dr. Rene Caldentey (University of Chicago), Dr. Clifford Hurvich (New York University), Dr. Yichen Zhang (Purdue University).

Venue: *Mathematics of Operations Research* journal

We study the interplay between inventory replenishment policies and information sharing in the context of a two-tier supply chain with a single supplier and a single retailer. We derive a number of important practical takeaways about when there is value in information sharing and that the value of information sharing can grow unboundedly when the cumulative supply chain costs are dominated by the supplier's inventory costs.

[Information Design and Sharing in Supply Chains by Rene Caldentey, Avi H. Giloni, Clifford Hurvich, Yichen Zhang: SSRN](#)

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