ABSTRACT

Institutional investors (II) are considered as the active monitors of the firm, which align the management decisions towards shareholder wealth maximization. This study was undertaken to gauge the presence and role of institutional investors in the ownership structure and performance of the Singapore property companies between 1990-1999. The results suggest that investors monitor the earnings per share. Concentrated ownership is also linked to better corporate performance. The earnings per share are also influenced by company specific factors, particularly the beta and size of the firm. Share price on the other hand, is driven by macroeconomic variables, in particular the lending rate and property stock index. However, Institutional Investor ownership and concentration do not influence share price changes in any of the market conditions.