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TITLE OF DIPLOMA THESIS:

Assessment & Behavior of property prices

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ABSTRACT

The current status of the property market may be daunting because of the global recession, but this is just another good reason to study the value of property over time. Questions are rising for us to be answered: How did similar financial events affect prices in the past? Is investing in property similar to other forms of investment? Published data of banking institution showed a constant increase in price, not always consistent with the economic and the living standards of a country.

Analyzing data of the proposed research, remarkable conclusions can be drawn regarding the characteristics of "property market" by type and region in line to the prevailing trends. In addition, several comments can be made concerning the variations in extrema, inflection points, maximum or minimum of functions, positive or negative slopes, etc.

So how come anyone through so many factors determining the value of a property and how will be able to estimate and propose a final price for any sale of property without making mistakes?

It is a question which deserves to be deal with, before one starts the process of selling or renting. The same concern also will have the prospective buyer - renter to consider before making any investment property, because there is always the risk of paying more than deserves that particular moment. Investment property should be recognized as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured.

The aim of research is therefore to isolate the factors in their entirety and to consider their importance.

The next stage of the study concerns the relationship that governs the use of land with the value of property. The notional value of property is the result from the sum of the different services that are offered from factors, such as the land, labour, capital and entrepreneurship. However, the value can never be segregated from the prevailing view of supply and demand in the open market economy. The property has no substantial value by itself. The financial value stems from the rights and benefits of ownership, possession and use, thus, it is derived from the property rights. So in order for a real estate to have value (i.e. to be considered as a property), there should be a number of elements that will distinguish this, such as utilization, rarity and the ability to be transferred to someone else. The market value of property is also affected directly or indirectly by a number of factors, physical, social, economic and political. It is these factors that shape how the market operates, by adjusting the intensity of competition, creating a shortage of properties, influencing the relation of supply-demand and finally setting a specific value for each one. The factors can be classified according to their nature and area to which operate. Therefore, there can be political,



social, physical and economical standards or standards that are connected with country, neighbourhood and the property itself.

The scope of the study is the listing and analysis of the characteristics, the interactions and the operation framework of real estate, in economic, investment and urban context. The analysis is not expanded only in the Greek environment, but also in the global one. The core of the research will be to conduct *Real property price behavior*, with main axes:

- Over time development
- Methodologies for determining value
- Isolating and researching on economic, structural and environmental features, which affect property values at global or regional level
- Exploring the relation: use of land-real estate value
- The impact of Structural Legislation and Policy

Real estate represents a significant portion of most people's wealth. It is strongly over time connected with the prosperity and the living standards of any people. Real estate assessment has been always concern of the researchers, since it represents some of the greater investments all over history.

The contribution of the present study to the global science is to fill the existing gaps over the fields outlined briefly above and to answer any key questions that are of concern in the real property area.

Aim and quest of the essay is to become an incentive for additional research on the basis of the present study, in order to lead to the limitation of risks set in investing in real property, since it would have greatly clarified the majority of risks and factors shaping their value.

KEYWORDS

Property, Property valuation, Use of land, Real estate, Environment, Legislation, Appraisal