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TITLE OF DIPLOMA THESIS:

Renovation as a value-developing factor in the modern real estate market

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ABSTRACT

The real estate, despite of meeting the basic needs of people for residence, shall be treated by the economic science as an investment too. The relationship between real estate prices and economic activity is bidirectional. In the last few years in Greece, there is a market freeze, as a result of the economic crisis and the reduction in investment in construction industry. As a result, in this economic downturn, the renovation of old buildings is expanding rapidly, as a new form of investment. In this context, the present thesis looks at renovation and deals with its role, as a value-developing factor, in the modern real estate market in Greece. In the first place, an analysis of the residential property market in Greece and in particular for the city of Thessaloniki, is carried out. Furthermore, this thesis approaches real estate as a form of investment, by analysing the entire framework, financial, legal and fiscal framework in Greece, which directly affects investment. At the same time, this thesis approaches the concept of renovation process, detailing the entire procedure, the type and number of operations, the timeline and the necessary resources of each project. Afterwards, it will be investigated, whether or not the renovation adds value to each property. This investigation of the possible added value of renovation, will be evaluated at different levels, economically, anthropocentrically and psychologically. Through extensive research and contact with the building and construction industry and the real estate market professionals, as well as with close monitoring of renovation projects in the city of Thessaloniki, two examples of these projects shall be presented. Each one of them will have different technical features, helping us to present in detail and elaborate on the process of renovation and the way in which this process has a positive effect, as a value-developing factor in each project. Finally, we present the arising conclusions and evaluate the renovation process, both as a new form of investment and as a value-developing factor in the modern real estate market.

KEYWORDS

renovation, investment, real estate, added value, Thessaloniki