

DETERMINATION CRITERIA WHICH ARE AFFECTING REAL ESTATE VALUE BY THE SURVEY METHODOLOGY

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Determining the value of real estate has emerged since 1990 in our country and has gained great importance in terms of economic, social and engineering for development of the country. First of all, related to real property of rights, responsibilities and limitations are very important to improve with depending on independent, unbiased and objective standard. There are some papers in this context in our country. However, determining the value of real estate has become very difficult because of real estate has multi-sectorial structure and has resulted value detection of different quality. In this sense, determination criteria which affecting of real estate value and thus value detection provide objective results terms of socially and economically. In this study, survey method is used for determination criteria which affecting of real estate value in Konya, Turkey. Variability of criteria has been observed according to residents of the province which have demographic characteristics, personal demands technical and legal characteristics. As a result the importance of determination of criteria is expressed because of the criteria which are the multi-sectorial quality in valuation real estate in applications.

Keywords: real estate valuation, criteria which is affecting real estate

Introduction

Real estate is defined as the land itself as a physical existence artificial constructions which are builded on (constant things) this land (Açlar and Cagdas, 2002). Real estate valuation is the expression of a part or the whole of the real estates, which are acquired by people for social security, production or investment purposes, in terms of quality and quantity (Bahar, 2007). Land, area and buildings are included in this definition.

There is an important improvement in valuation of real estate all around the world. It is a comprehensive area which is still being studied on for developing and making an objective valuation. Real estate valuation, which requires multi-disciplined studies, should be considered detail as economic, social and engineering disciplines.

There are problems in real estate valuation in Turkey, as it happens all over the world. Some of these problems are lack of criteria which determine value, not having accurate models in valuation and the lack of creating a mathematical model. The most important principle in determining true value of real estate valuation, is considering the most optimum one of the effecting criteria. Undoubtedly, there are a lot of criteria which effect value. In assessment, effect of some of these criteria is scarcely any (Keykubat, 2006).

Although there is a lot of objective and subjective criteria which is effect the value, these criteria can have territorial variations. For example, criteria of the coast area real estates and real

estates on continental climate regions will not be same. So it will enable a healthier assessment to use regional characteristics as criteria in optimum amount instead of subjective approaches which effects value of real estates.

The aim of this study involves processes of determining the effecting criteria in real estate valuation through a survey, analyzing and assessing the results. In the study, survey application studies are done in Selcuklu, Meram and Karatay regions which belong to Konya city. In application studies, 423 people are reached and data are acquired about these people. Answers of the survey are digitized in computer. Frequency analysis and per cent method are applied on the created numeric data and they are grouped.

Criteria Which is Effectuated Valuation of Real Estate

It is important to determine the criteria for valuation for land, area and buildings. These criteria vary from local properties to personal demands, technical and juridical properties. In general, valuation effecting criteria can be grouped as below (Yomralioglu 1997):

- Intended purpose of real estate,
- Local properties of real estate,
 - Environmental properties,
 - Legal properties,
 - Personal properties of real estate owners,
- Positional properties,
 - Distance to public serving areas,
 - Distance to shopping centers,
 - Distance to education and worship areas,
 - Distance to recreation areas,
 - Distance to unhealthy and harmful areas,
 - Distance to noisy areas,
 - Distance to historical areas,
- Regional properties,
 - Topographical structure,
 - Structure of ground,
 - Shape and size of the parcel,
 - Side use,
 - View,

Intended purpose of real estate: Intended purpose of real estate can be stated as important criteria which affect real estate economically. Intended purpose of real estate, for example if it is a land or area, is determined. Then, as its availability as housing, commercial, industrial or agricultural is an economic indicator, realization of the intended purpose on the real estate is examined.

Local properties of real estate: Local properties of real estate involve environmental properties of the area, legal right of use and personal properties of real estate owners in the environment.

Position of real estate: The understanding of value and potential of a real estate is determined by its position in a real estate commerce, is wide. This understanding emphasizes the importance of positional factors in decision making. (Zeng and Zhou 2001).

Position of real estate is its position according to economical facilities and social equipment or transportation condition. Value of real estate can be effected by being close or far to these facilities. In assessment of closeness or distance, the most proper transportation line should be considered.

Regional Properties: Considering geometrical and physical structure of the real estate and related variability in usage size are the possible qualifications which may affect the value of real estate economically. (Yomralıoğlu 1997).

Application

In survey study which is applied in Selcuklu, Meram and Karatay regions of Konya city, 423 people are reached in different professions. While preparing survey questions, all possibly effecting details of the real estate valuation are considered. For this aim, it is approved to consider building and land related criteria separately. While places that families live are considered as apartment, building (house), the areas which do not have a building but have a construction plan are considered as land. Accordingly, survey application is separated to three sections which also include the personal information.

In **1st section**, first of all demographic questions are asked to surveyors. In this section, gender, state of education and age questions are asked to surveyors.

In **2nd section**, questions about buying a house are asked. This section includes 15 questions in total which are about the houses of surveyors. There are criteria for the house owners and renters. By these questions, which are constituted according to these criteria, information such as side of the building, age, floor information, heating system, if there is garden or not, accessory condition, net usage area, etc. are reached. Also, information about the positional properties of the houses, the area of the houses (neighbourhood, district), distances to transportation vehicles, primary school, healthcare organizations, shopping centers, recreational and worship areas are reached. At the end of this section, surveyors are asked to state an approximate value of the houses they live. Also renters are asked rentals.

3rd section includes the areas (parcel) which do not have a building on. This section is asked to be answered by parcel owner people, and the ones who do not have a parcel are asked to leave it blank. There are seven questions about the parcels in total. These questions are constituted for determining the place, area, position, zoning status and closeness-distance position of the parcel. At the end of this section, surveyors are asked to state the m² unit value of the parcel.

As a result of application, real estate valuation effecting criteria and real values of real estates in accordance with these criteria are reached.

Survey Analysis Results of Real Estate Valuation

Survey study results are examined in 3rd section. Below you can find graphical and table results of survey questions.

Analysis of 1st section Survey Results: Most of the surveyors are male and 69,50% lives in Selcuklu (Figure 1). Selcuklu district has the highest attendance in rank because of its big area basis.

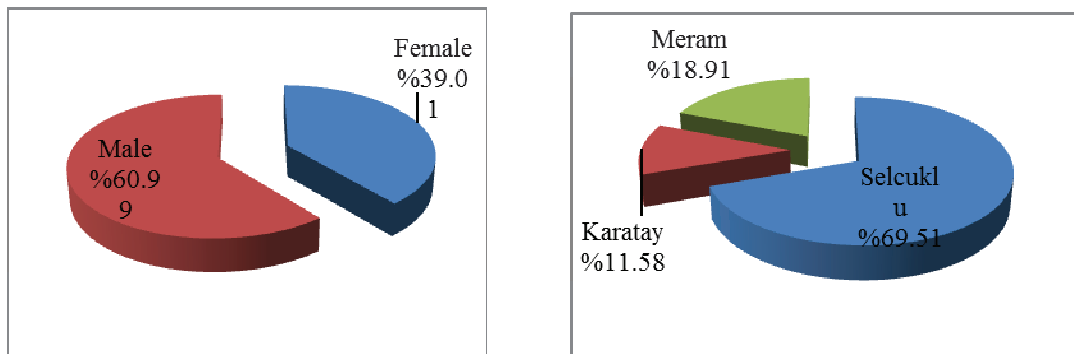


Figure 1. Genders of the surveyors and distribution of the districts they live.

According to Figure 2, most of the attenders are graduated from university and works in public services.

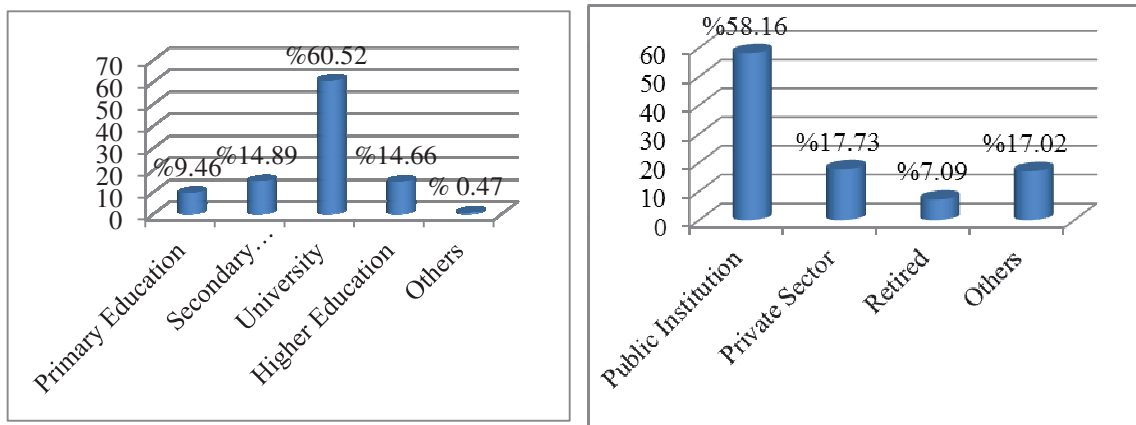


Figure 2. Educational status and working area of the participants.

One of the demographical results is that approximates 38% of the attenders are in 38-45 age range and 67% owns the houses they live in.

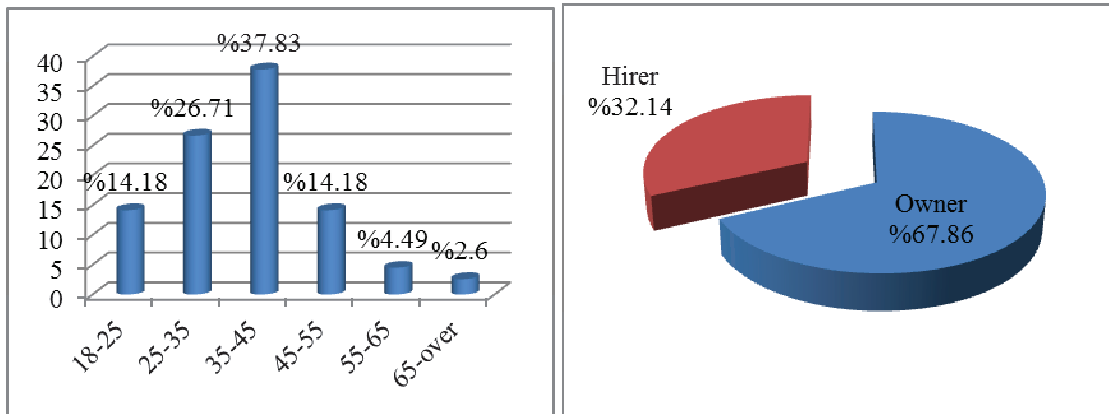


Figure 3. Distribution of surveyors ages and if they are house owners or renters.

In the survey study, distribution of surveyors' neighborhoods are seen in Table 1. Accordingly results in Table 1,25% of the surveyors did not stated their neighborhoods.

Table 1. Distribution of surveyors to neighborhoods on the basis of district.

District	Amount of Survey	Amount of Neighborhood	Amount of the ones who stated neighborhoods	Amount of the ones who did not state neighborhoods
Karatay	49	15	20	29
Meram	80	23	55	25
Selcuklu	294	31	244	50
TOTAL	423	69	319	104

Analysis of 2nd section survey results: 33% of the surveyors are renters (Figure 3). Rentals vary from minimum 250TL to maximum 850TL. Most of the attenders reside in 5-15 years old 3+1 rooms houses (Figure4).

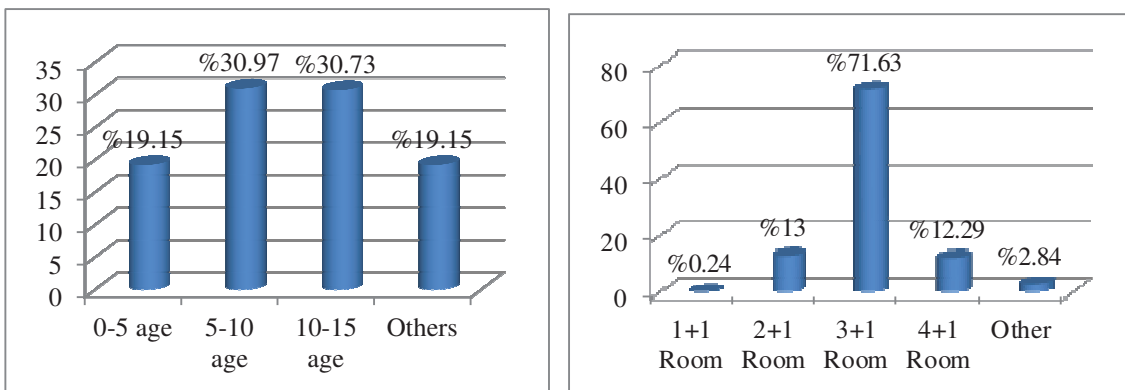


Figure 4. Distribution of houses ages and rooms.

Most of the attenders' house side is determined as South-East and South-West. 60% of the attenders reside in middle layers of the buildings (Figure5).

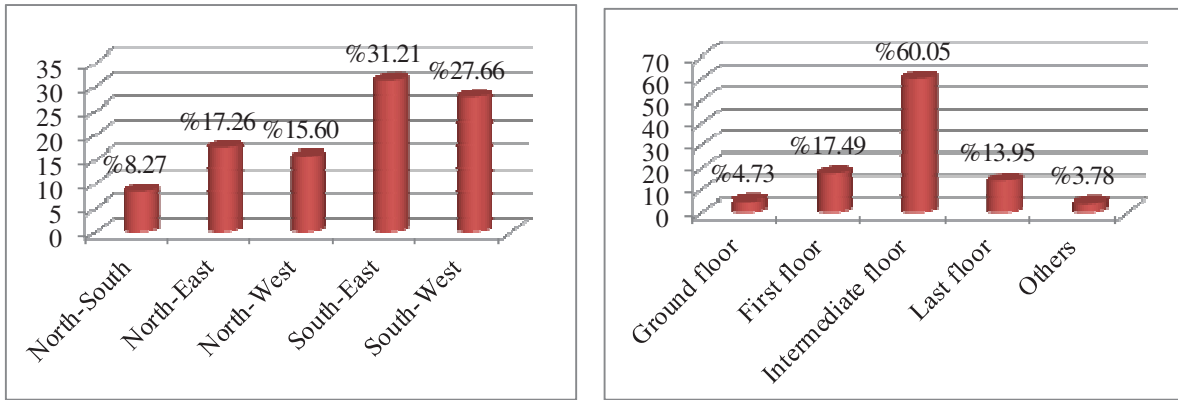


Figure 5. Side and floor distribution of the attendees.

According to survey data, 69,27% a huge amount of the attendees are living in gas supported radiator houses. It is determined by the given answers that 39,01% internal and external accessories of people’s houses are in good condition and 31,68% are in normal condition (Figure6). 50,35% of the surveyors are living in apartments with parking place and most of them are living in houses with 100m²-140m² usage area (Figure 7).

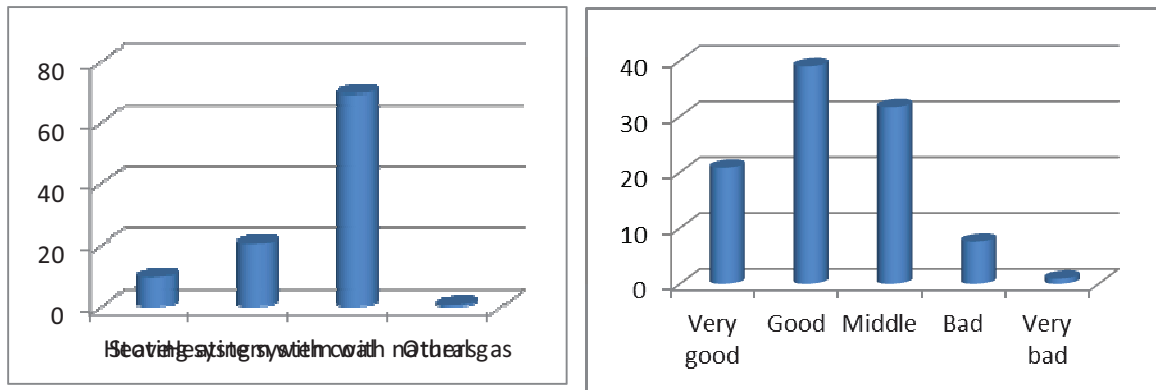


Figure 6. Heating form of the attendees and internal structure properties.

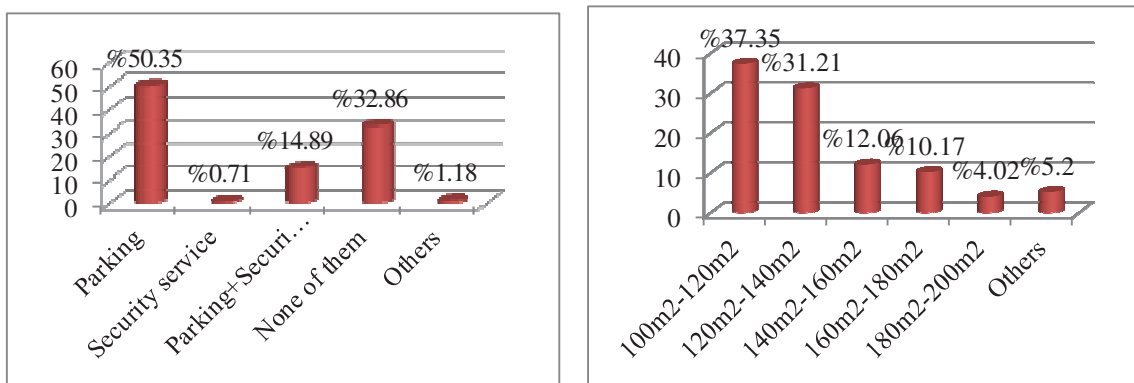


Figure 7. Parking place condition of the attendees and usage areas of the houses.

In survey questions, surveyors are asked to answer questions such as distance of their houses to some specific areas with some concepts as very close, close, far. According to these definitions, 46% of the surveyors are close to school and 54% are very close to main street, 59% close to healthcare organizations, 52% recreational areas, 53% worship areas and 49% are close to any shopping center (Table2).

Table 2. The distance to the specific usage areas which effects value of the attenders residing houses.

	Very Close %	Close %	Far %	Not Available Around %	TOTAL %
Primary School	45.86	44.21	9.22	0.71	100.00
Main Street	54.61	38.53	6.38	0.47	100.00
Healthcare Organization	20.33	59.34	18.68	1.65	100.00
Recreation Areas	17.49	52.48	26.71	3.31	100.00
Worship Areas	41.84	53.43	4.73	0.00	100.00
Shopping Centers	22.70	49.17	25.06	3.07	100.00

According to gathered data, 53,90% of the people says normal for the income-education situation of their neighbours, 36,17% stated this as good. According to survey results, 32,15% of the people lives in houses which has gardens bigger than 200m², 22,70% lives in houses with gardens 50m²-100m².

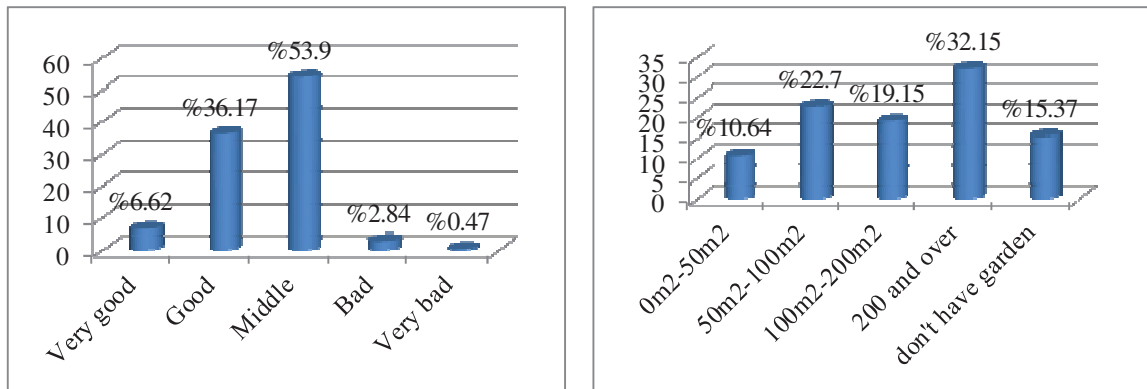


Figure 8. Income state of the surveyors neighbors and size of the gardens belong to their houses.

There are 423 people who stated the estimated value of their houses. Among them, 30000TL is the least value and 800000TL is the highest value. The average of these values are required as 109442, 1 (Figure 9).

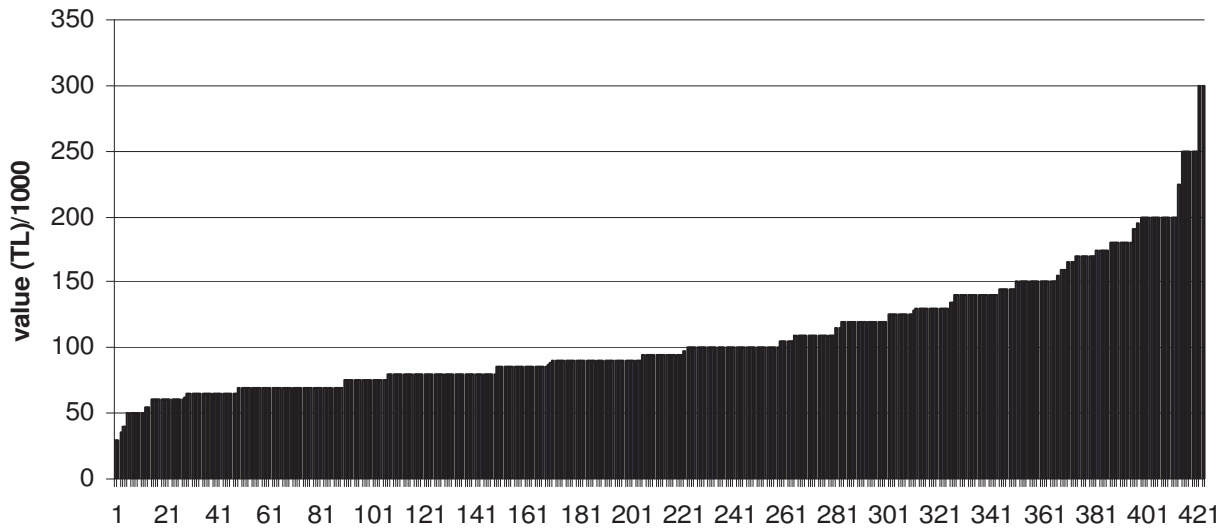


Figure 9. Value distribution of the houses in consequence of survey.

Analysis of Survey Results of 3rd section: There is 100 people who answered the parcel question. 23 of these 100 people did not state the place of their parcel. 14 of the left has parcels in Karatay, 22 people in Meram and 41 people are in Selcuklu. When the survey results are examined, 53% of the parcel owners have middle parcels and 47% has corner parcels.

It is determined that 66% of the attenders has side street parcel, 34% main street parcels. It is seen that the most 34% per cent has 500m²-1000m² parcels.

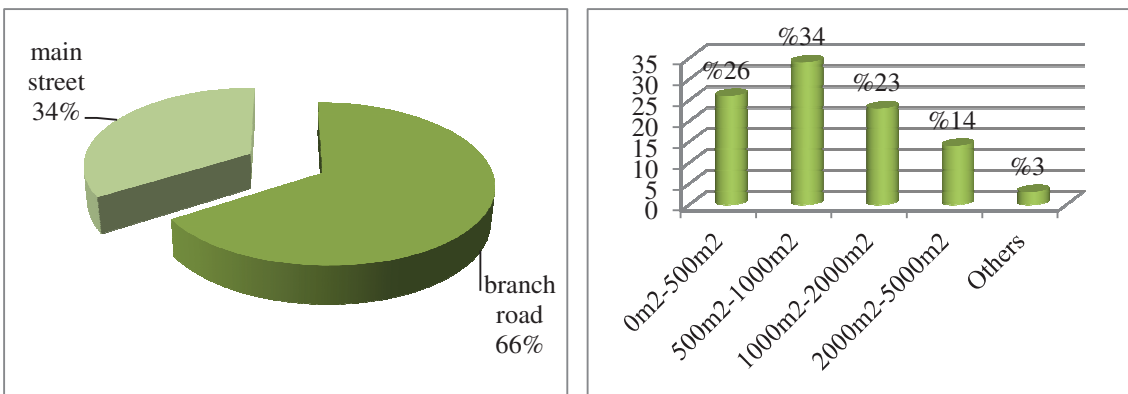


Figure 11. Position of the parcel on the island and distribution of the sizes.

According to the answers of the parcel owners, 27% zoned to 3-4, 25% zoned to 2, 23% zoned to 5-8 and 28% are zoned to more floors.

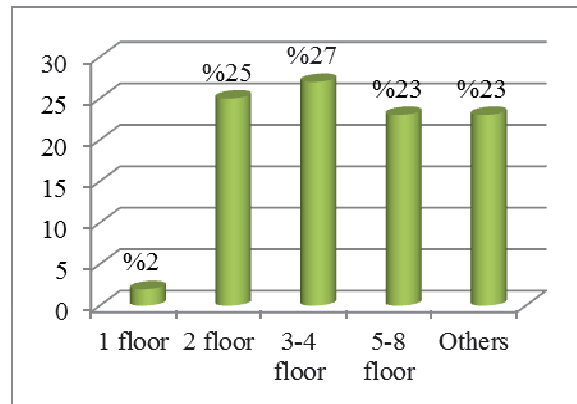


Figure 12. Distribution of the parcels' permission zones.

In general meaning, it is seen that criteria which affect the value in positive way around the parcels are determined as education area, recreational area, worship area and shopping centers.

Table 3. The distance to the specific usage areas which effects value of the attenders residing houses.

	Very Close %	Close %	Far %	Not Available Around %	TOTAL %
Primary School	35.00	43.00	19.00	3.00	100.00
Recreation Areas	27.00	58.00	10.00	5.00	100.00
Worship Areas	34.00	54.00	10.00	2.00	100.00
Shopping Center	22.00	36.00	33.00	9.00	100.00

Results and Suggestions

In this study, criteria which effect valuation of real estates are tried to be determined by a survey. Survey is applied in Selcuklu, Meram and Karatay districts of Konya city. In application, 423 people are reached from different professions and age groups. Although this number does not seem to be enough for the whole Konya city, real values are tried to be reached by acquired data. We think that examples are enough for determining criteria and values for the real estate valuation of Konya city.

In the application it is seen that most of the attenders are male and between 35-45 ages and 60% university graduated, most of them are house owners and working in public services. Houses of the attenders are between 5-15 years old and 3+1 rooms and 100-140m² and their distribution is around 50000-100000TL.

According to survey distribution results of houses that attenders reside, there is parallelism between the internal and external accessories, room numbers and living spaces are getting closer to each other. This situation shows that building is getting older and affects the quality of building, survey area building properties are 3+1 rooms and approximate living space of the houses are 100-140m². Also the relation between the houses parking place and garden space growth is 100-200m² and 200m² distributions is equal to their parking space areas. When we look at the close equipment, generally houses are close to at least one outfit.

According to these results which are acquired from houses, it is thought that one of the above criteria or matching can be used in valuation. As there is not any matching or similarities in criteria which are for the lands, we can say that the criteria which are stated in survey are of individual values.

There is a lot of criteria in valuation of the real estates which are observed as a result of this study. But it is not true to consider all of these criteria. It is obvious that valuation will be much easier when these criteria are increased or reduced.

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