A Study on Property Valuation in Stiffeners Pvt Ltd

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Abstract
The analytical process of ascertaining the present value of an asset, such as residential, commercial, industrial, or agricultural land, is the main focus of the study of property valuation. The selling price and the possible income or rent are the factors that determine this value. The aim of this study is to determine the market value of properties for bank financing in various areas and to familiarize people with the general field practice of real estate valuation. For financial activities in the economy, including investing, purchasing and selling, loans, and mortgages, valuation is essential.
Keywords: Property Valuation, Real Estate, Bank Financing, Loans.

Introduction

The country's real estate industry's top priority is to enable an open system of project approval processes. From accepting the application to awarding the completion certificate, local governments currently follow procedures that are riddled with uncertainty, complexity in design and operation, lack of clarity, and excessive use of time and resources. It is crucial to investigate the processes that are producing ineffective results and providing room for corruption or developer resentment.

Need for the Study

The goal of this study is to improve real property valuation by identifying the characteristics of the factors affecting real estate property valuation and to develop the theoretical and practical foundations of the system of property valuation in the current market relations conditions.

Scope for the Study

Even though the practice of real estate valuation has evolved over time to require the application of various factors influencing such valuation, there is still a lack of absolute uniformity in their application given the diversity of social taste, regulations, and the ever-changing political and environmental landscape in a given area. As a result, valuation is invariably relative and comparative, meaning it cannot be a stereotypical product of captive breeding.

Objectives of the Study
- To be familiar with the different approaches to real estate appraisal.
- To understand the variables that affect real estate property valuation.
- To comprehend the steps taken in real estate property valuation.

Literature Review

M B Sridhar, R Sathyanathan (2022), Chennai is a rapidly growing metropolis in India, both spatially and economically. The increased economic vitality of the city led to a massive increase in land prices in the suburbs and city fringes. The purpose of this study is to understand the impact of physical, local, neighborhood and traffic factors on land prices in urban fringes. A total of 236 questionnaires were collected from three research groups - real estate agents, brokers and appraisers, and potential buyers. Responses were tabulated and analyzed and an index of relative importance was calculated. It has been shown that traffic factors and neighborhoods have a greater influence on the value of residential real estate. Distance from the central business district and distance from highways, as well as proximity to various destinations in the city, were important factors affecting land prices in suburban areas of Chennai. The report recommends that real estate investors consider these characteristics when making an investment decision, and authorities when planning development..

Divya R, Boya Abilash, Keerthi Yadav, N A Sai Ganesh (2023), The process of valuation of immovable property such as a building, factory, other types of utility buildings, land, etc. involves appraising or determining the fair market value of the real estate. Selling, buying or investing in real estate is on the rise today, and the only reliable way for an investor to determine the value of real estate is through an appraisal procedure. Some organizations manage our work, selecting and visiting properties, making property appraisals for loans, purchases, etc. The evaluation process includes gathering information and documents, locating market and condition valves, and confirming appropriate valves. valve for functions. Temples, a lake almost the size of a river, a power line running across the property, Rajakaluve, etc. there are some adverse criteria that cause property valves to fail. As a result of poor maintenance, the value of the land increases day by day. In some situations, the value of apartments in cities increases significantly due to, for example, the subway, shopping centers and other services..

Sneha Sudhir Mokalkar (2017), Pune is a metro city and the 9th most populous city in India. The purpose of this paper is to study the current price fluctuation of commercial real estate in different areas of the city of Pune, India and find out the factors affecting the valuation of commercial real estate. Commercial real estate is real estate that is used to generate income. Many studies have analyzed the value parameters affecting the value of commercial real estate. This study not only identifies the factors affecting commercial real estate value, but also identifies the zones or areas of Pune city that have seen dramatic changes in commercial real estate value development. A trend analysis is performed for different locations, which evaluates the impact of the identified parameters on the value trend. This research would help the potential buyer to make the best buying decisions to get maximum returns in the future..

Dheeraj Vishwanatha Shetty, B Prakash Rao, Chandra Prakash and S Vaibhava (2020), Recognition is an art that has found many uses in various fields. But when it comes to real estate valuation, it's rarely confined to the confines of engineers and architects. This study predicts the market value of residential property in Udupi, Karnataka, India using Multiple Regression Analysis (MRA) based on factors affecting property value. This value is then compared with values obtained by traditional valuation methods such as the land and building method, the rental income method, the compound interest method and the specified valuation method. The assessable property has a

plinth of 2,545.42 square feet and is situated on a vacant plot of 4,207.896 square feet. The MRA (Multiple Regression Analysis) predicted market value shows a 14.10% variation compared to the land and buildings method, -22.17% variation compared to the rental income method, 4.90% variation compared to the compound rate method and 8.81% variation compared to the detailed one. assessment method The advantage of using MRA is that it uses statistical modeling and reduces the potential for human bias and error..

Research Methodology
- Research Design – Descriptive Research
- Sampling Techniques – Simple Random Sampling
- Sources of Data – Primary Data
- Instrument – Questionnaire
- Sample Size –53
- Statistical Techniques
  - Correlation Analysis
  - Regression Analysis

Analysis and Interpretation
Analysis of Correlation

Correlation		The company provides clear guidelines for property valuation procedures.	The training provided to employees adequately prepares them for property valuation tasks.	The valuation reports generated by our team are accurate and reliable.	Communication channels within the company facilitate efficient collaboration during valuation projects.	The company invests in the latest technology and tools for property valuation.
The company provides clear guidelines for property valuation procedures.	Pearson Correlation	1	.540**	.678**	.237	.358**
	Sig. (2-tailed)		.000	.000	.090	.009
	N	52	52	52	52	52
The training provided to employees adequately prepares them for property valuation tasks.	Pearson Correlation	.540**	1	.579**	.344*	.352*
	Sig. (2-tailed)	.000		.000	.013	.010
	N	52	52	52	52	52
The valuation reports generated by our team are accurate and reliable.	Pearson Correlation	.678**	.579**	1	.271	.511**
	Sig. (2-tailed)	.000	.000		.052	.000
	N	52	52	52	52	52

Communication channels within the company facilitate efficient collaboration during valuation projects.	Pearson Correlation	.237	.344*	.271	1	.018
	Sig. (2-tailed)	.090	.013	.052		.897
	N	52	52	52	52	52
The company invests in the latest technology and tools for property valuation.	Pearson Correlation	.358**	.352*	.511**	.018	1
	Sig. (2-tailed)	.009	.010	.000	.897	
	N	52	52	52	52	52
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Interpretation

The correlations reveal that there are significant positive relationships between clear guidelines for property valuation procedures and both the adequacy of employee training (r = 0.540, p < 0.01) and the accuracy and reliability of valuation reports (r = 0.678, p < 0.01). Additionally, there is a moderate positive correlation between the training provided to employees and the accuracy of valuation reports (r = 0.579, p < 0.01). However, communication channels within the company only show weak correlations with other factors, suggesting potential areas for improvement in facilitating efficient collaboration during valuation projects.

Analysis of Variants

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.317	.100	.002	.444

a. Predictors: (Constant), The company invests in the latest technology and tools for property valuation., Communication channels within the company facilitate efficient collaboration during valuation projects., The company provides clear guidelines for property valuation procedures., The training provided to employees adequately prepares them for property valuation tasks., The valuation reports generated by our team are accurate and reliable.

Interpretation

The model suggests that the combination of predictors, including the company's investment in technology, communication channels facilitating collaboration, clear guidelines for valuation procedures, training adequacy, and report accuracy, explains a limited amount of variance in the dependent variable, with an R-squared value of 0.100. However, when considering the adjusted R-squared value of 0.002, which adjusts for the number of predictors in the model, the explanatory power diminishes substantially. Therefore, the model has very little predictive value for the outcome variable.

Analysis of Variants

ANOVA					
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1 Regression	1.009	5	.202	1.026	.414
Residual	9.049	46	.197		
Total	10.058	51			
a. Dependent Variable: Age?					
b. Predictors: (Constant), The company invests in the latest technology and tools for property valuation., Communication channels within the company facilitate efficient collaboration during valuation projects., The company provides clear guidelines for property valuation procedures., The training provided to employees adequately prepares them for property valuation tasks., The valuation reports generated by our team are accurate and reliable.					

Interpretation

The ANOVA results indicate that the regression model, which includes predictors such as the company's investment in technology, communication channels, clear guidelines for valuation procedures, training adequacy, and report accuracy, does not significantly explain the variance in the dependent variable (Age) (F = 1.026, p = .414). Therefore, the model is not statistically significant in predicting age based on the included variables.

Analysis of Coefficient

Coefficients					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**		
	B	**Std. Error**	**Beta**		
(Constant)	1.924	.376		5.111	.000
The company provides clear guidelines for property valuation procedures.	.001	.095	.002	.011	.992
The training provided to employees adequately prepares them for property valuation tasks.	-.184	.108	-.313	-1.713	.093
The valuation reports generated by our team are accurate and reliable.	-.043	.117	-.080	-.367	.715
Communication channels within the company facilitate efficient collaboration during valuation projects.	.092	.079	.175	1.154	.255
The company invests in the latest technology and tools for property valuation.	.119	.095	.209	1.259	.214
a. Dependent Variable: Age?					

Interpretation

The coefficients reveal that none of the predictors, including clear guidelines for valuation procedures, training adequacy, report accuracy, communication channels, and investment in

technology, have statistically significant effects on the dependent variable (Age) at conventional significance levels. Only the predictor "The training provided to employees adequately prepares them for property valuation tasks" approaches statistical significance ($p = .093$), suggesting a potential but not conclusive relationship with age.

Results

- 54.7% of respondents have strongly agreed that the company provides clear guidelines for property valuation procedures.
- 50.9% of respondents have strongly agreed that the training provided to employees adequately prepares them for property valuation tasks.
- 52.8% of respondents have strongly agreed that the valuation reports generated by our team are accurate and reliable.
- 50.9% of respondents have strongly agreed that the Communication channels within the company facilitate efficient collaboration during valuation projects.
- 49% of respondents have strongly agreed that the company invests in the latest technology and tools for property valuation.

Suggestions

- Enhance data collection and analysis methodologies to improve the accuracy of property valuations.
- Implement regular training programs for property valuation professionals to ensure proficiency in valuation techniques and industry best practices.
- Improve transparency in the valuation process by providing employees with access to relevant data and documentation.

Conclusion

A real estate appraisal is an impartial process designed to determine the true value of a property in its existing condition. Although the seller values his property with a high bias, the buyer may undervalue it because of his own biases. In such a situation, it is very important to reach a contract price that is fair to both the buyer, the seller and the bank. To achieve this, financial institutions take a systematic approach when processing mortgage applications to gather information about the true value of the property..

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