

Which Factors Influence the Choice of Real Estate in 2014: A Case Study on Thessaloniki's Historical Center

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Key words: Geoinformation/GI; Real estate development; Remote sensing; Spatial planning; Valuation; Real estate; hedonic modelling; Thessaloniki

SUMMARY

The real estate sector was one of the most active and influential sectors of the overall performance of the Greek economy. This fact was reversed by the time the economic crisis caused the great economic recession. The factors that determine the specific structure of residential properties within the central area of a metropolitan city vary according to the residents' and area's needs. Thessaloniki, which is the second larger city in Greece, has a densely populated central area with great demand for both residential and commercial properties. Initially, data for a large number of properties within the historic centre of the city were collected and organized in three categories: urban characteristics (land use, kind of property), spatial characteristics (municipality, address, postal code etc.) and descriptive characteristics (size, floor, parking etc.). Through the categorization of the data, the study aims at highlighting the main contributory factors of choice of residential property in central Thessaloniki. With the effects of the economic crisis being present, investors set aside certain factors that increase the value of their estate, such as the view, whether the kitchen is in a separate room or within the living room, and whether the estate is fully renovated or not. Apart from these findings, traditional factors affecting the value (age, size, way of heating etc.) continue to influence investors' choices. Therefore, it is very interesting to highlight the significance of each factor and whether it is the economic crisis that altered the investors' preferences or just a smaller real estate cycle that Greece is experiencing.