

A brief discussion of commercial real estate appraisal

Gong, Fangqiang
Shen, Xiaowei

Contents

- Characteristics and basic appraisal routine of commercial real estate
- The main area factor of affecting commerce real estate price
- Commercial Real Estates Price Factors
- Common Commercial Real Estate Appraisal Method
- Difficulties in applying valuation techniques

Characteristics and basic appraisal routine of commercial real estate Industry

- Profitability
- Various types of retail shops
- Rental as its main business
- Stylish or sophisticated interior decoration
- Smaller shops' transaction is relatively frequent, and the larger commercial properties usually only lease out as its operating method

The main area factor of affecting commerce real estate price

- Regional prosperity
- Traffic and Transportation condition

Commercial Real Estates Price Factors

- Proximity to the main street
- Internal Layout
- Storey of building
- Area □ Height Storage □ Space
- Interior decoration and construction framework
- Possibility to Sublease
- Inter-changeability of different type of retail format
- Ownership distribution
- Availability of central air condition and the level of management fee

Common Commercial Real Estate Appraisal Method

- Income Based Methodology
- Others



Difficulties in applying valuation techniques

- Valuation of whole floor
- Various flats on the same floor
- Vacancy commercial buildings for a long time



THANKS