

Property analysis



**ASSIGN
BUSTER**

PROPERTY ANALYSIS A residential property: The place where I live is a 200 sq yard land. On each floor four equal portions were made and leased out. This is fetching considerably a greater rent for a place located far from the main road but in the center of the city. It is a G+4 building where I stay, completely built and left no place for parking. The entire five floors are built in a similar manner and is rented out to individuals for domestic purpose. There are totally 20 tenants and each tenant is paying 2500\$ for the portion they live. Considering the physical location of the property the amount of remuneration is highest comparing to a similar kind of properties but such properties are rarely found. If we think about the investment part for the five floors building the amount of remuneration is very less since the interest being paid for the investment or capital is very high. The installment paid to the bank every month is almost 10, 000\$.

Test1. Comparing the income obtained from the similar properties. Other properties getting very less income since the way they were built do not produce maximum income.

Test2. Comparing the land utilized for the construction, some of the properties are very small not big enough produce good rental value and some of the properties are very big which cant generate greater rental compared to the market value.

Test3. Comparing the number of floors with other similar tenements, more number of floors can get good rent but getting permission from the local governing authority is difficult.

Test 4. Best use of the property with its existing physical location, commercially or residentially viable, resale value of the property.

Commercial property: The super market where I shop is near to my

residence and is on the main road in the center of the city. It is a seven floors commercial complex built on a 1500 sq. yard plot. The whole cellar is rented out for the super market, upper cellar is rented out for two different show rooms and the rest of the five floors are custom built as requested by the tenants before the construction of the complex. Since the physical location of the property is in the center of the city a lot of demand is obvious.

Tests

1. Comparing the income obtained, other properties on the same road are also getting almost similar amount of rent.
2. The land for the complex is enough but the other properties on the same road are much bigger but the global brands pay a greater rent and is advantageous for the property owner.
3. More floors can get good rent but getting permission from the local governing authority is difficult.
4. Commercially considering the complex is rented out for the maximum rent and also to the global clothes brand, telecom giants, chain of restaurants etc. The complex is also put to the best use since global brands employ more people and generating huge employment. Hence all the tests conducted bring out the true analysis between the residential and commercial properties.

Reference:

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