

Real estate estimation in Jordan Search qualitative analysis

Dr. Samer Ahmed Zhaimat

Introduction

This research deals with the qualitative analytical assessment and evaluation of real estate by recognizing the literature of assessment and evaluation real estate and how it followed in its sole discretion.

The fact that real estate of all types represent a key element of the elements of wealth in any society at the level of individuals or groups since ancient times to this day. The importance of this real estate is not limited to just being a basic element of the wealth, but the elements that are vital to the achievement of security, safety and stability of the community being one of the constants is the immovable property and its characteristics and advantages of the movable.

The Assessment and Evaluation mortgage process is not an easy task for the residents, because many of the institutions concerned with this process encounter problems and difficulties in the process of translating the Item property to the value for money or in-kind because of the nature of the differences and the great diversity that gives the specifics of each mortgage product for other The type of construction, location and shape and nature of the use and type regulation and competition, supply and demand are all greatly affect the value and appreciation of these specificities of the property vary from one destined to last.

That the selection of the final price through appreciation (evaluation) of the real estate before it on whether one or more individuals directly affected by the impact assessment objectives, policies and methods, and can make adjustments increase or decrease depending on the factors affecting.

That the resident real estate is an important person needs the country's economy, he is actually studying real estate, which is good for the monitors to the owners, economists, businessmen and those interested in the success or real estate projects associated with housing and investment failures.

We believe that the special assessment and evaluation real nature organized by the unity of legal systems in many countries within the private legislations of the evaluation process, according to own real estate legislation and where it is in the Hashemite Kingdom of Jordan this process organized by the Department of Lands and Survey in addition to the privatization of part of the evaluation process and give the private sector the responsibility a specific and limited.

This paper discusses the issue of assessment and evaluation real estate, especially in with regard to real estate, which has become in these days of more investment instruments traded and safer, and multiplied the need to estimate the values of many private and public entities on the face of the saves of the parties of their rights and reduces conflicts contained the judiciary and the courts in this regard.

research goals

Real estate appreciation and evaluation of the important things that must be understood and the research aims to:

1-Study and understand the rules and methods of appreciation the various types and uses of real estate and evaluation properly and away from random unregulated because this profession has become a globally sophisticated and has a role in supporting the national economy of the countries.

-2knowledge of concepts and scientific and practical bases for the estimation and evaluation of real estate by recognizing the importance of concepts and methods and knowledge of the market.

-3The assessment and evaluation of the real estate process is necessary and important to the Funders, which provides real estate financing such as banks so they can calculate the real value of the properties in order to provide the necessary funding.

4. The success or failure of real estate investments in a country that is heavily dependent on the assessment and evaluation of the property.

Research problem

For the research problem due to the following:

1-random unorganized in the assessment and evaluation of real estate and in providing real estate services.

2-Jordan's real estate market is witnessing a lot of negative phenomena in the real estate assessment and evaluation process.

3-The lack of seriousness in organizing the profession of assessment and evaluation real estate and adjust behaviors that harm the reputation of real estate investing.

4. The assessment and evaluation real estate in some cases carried out by parties other than a few specialized and experience in this field, which may not lead to incorrect results in the assessment and evaluation of real estate.

Summary

Is appreciated real estate and evaluation of the various and diverse real estate services that contribute to the uses of Real Estate Management in the market in order to achieve development and that's where this profession has become a sophisticated and advanced in most parts of science and became working to find the market value of

the property through the estimation methods three and evaluation, namely, (through the cost and method of income and way of comparison) and all the way to use them according to the nature of the property and use it, and that there are many different evaluation purposes as well as to the existence of several entities working on the process of assessment and evaluation of real estate in Jordan. In addition to that there is more than the value of the property and thus determine the value to be appreciated before starting work performance.

Assessment and evaluation of real estate:

Property knows: that it is immovable property (land and everything in it) and negotiable, such as buying and selling, leasing or use of it.¹

Land: - They owned land (mean winning shops to dispose of them on the face of the property)², and are as follows :- (residential, commercial, agricultural, industrial, mining, exploration, etc).

Real Estate Evaluation: is the science that looks at the identification value of the properties in all forms of (land - housing - Stores - factories - Farms) to access the market value often depends access to the market value of the property to (the science and art and experience) flag is to follow the scientific methods which - a (comparative sale - income capitalization of the commercial real estate costs).³

Assessment and evaluation of real estate: the process of assessing the immovable property values, and within the scientific system and process.⁴

Price: is the ratio of the swap between the amount of cash and the corresponding quantity of goods, The price is what gives money in exchange for a unit of a particular commodity at a certain time, either appreciation for he is as decided by the market for the commodity as people need them.⁵

The actual value of a commodity is the amount while appreciation and price of the item is what paid for it in the market.⁶

Capacity and resident real estate: - is the person who humiliate a career assessment and evaluation (profession) and has the qualifications, ability and competence and experience necessary to carry out the assessment and give the value of the property. Real estate assessment process (Valuation Process): - is the regular way and followed to find the estimated value of the property to the applicant value, the evaluation process begins by selecting the desired goal (Identification of the Appraisal Problem) and ends estimate this value and delivery to the customer, and most estimates requested by market value.

Aimed at finding an estimate supported in a manner acceptable work when everyone else (generally accepted methods).

The market is identified: that the geographic area that brings buyers and sellers.⁷

The appreciation or real estate assessment often takes into account the market value of real estate, and is done by either estimator private real estate licensed under the terms of certain foundations by the competent authorities, such as land and Survey Department, or are estimation process (evaluation) real estate through the land and Survey Department of before officer and called estimator, and there is a close relationship between the public and private sector in this regard, as some private companies rely on the land and Survey Department estimates, some of which depends on the estimated (of Votes) rapporteurs. And offer this service at the request of stakeholders according to their need for it either to buy or mortgaged to the bank or any other entity or otherwise, mindful that the purpose of the appreciation of its importance in the process of assessment and evaluation of real estate.⁸

Developed countries severed a long way in finding the foundations and criteria for the evaluation process and ways to get property values

Four international bodies issuing standards and evaluation criteria, namely- :

- 1International Committee of the valuation parameters (International Valuation Standards Committee)
- 2For the estimated associations of the European Community (The European Group of Valuer's associations)
- 3US assessment institution (The Appraisal Foundation)
- 4. US Assessment Institute (Appraisal Institute)

International standards for the evaluation process include all the members and terms of reference for the evaluation they include- :

¹-Law No. (12) for the year 1987 acquisition law, the laws and regulations in force in the territory and Survey Department 0.2000, p. 258 group.

²- The Department of land and space, a set of laws and regulations in land and space, Third Edition, 2004, p. 1.

³-Website [https // ar.wikipedia.org](https://ar.wikipedia.org) .

⁴- Department of Lands and Survey, Annual Report, 2006, p. 16.

⁵- Journal of the prospects of real estate, an article, the price and value, a pro-Omari, No. atheist th, 2002, p 21.

⁶- Ibid.

⁷- Dr. Naji Al Mualla and others, The Origins of Marketing, Dar Wael, fourth edition, 2010, p 133.

⁸- Dr. Samer Ahmed Zheimat, real estate marketing, starting a publishing house and distribution, Oman, the first edition, p. 81.

1-Real Estate Evaluation (fixed assets)

- 1the assets and property of the non-fixed (personal)
- 2Labour Institutions (Business Valuation)
- 3equipment and machinery and equipment production

And all international standards are in three areas, namely: - the ethics of the profession, and the method of evaluation method, and the method of delivery of the report

And so that we can give the real estate value "as estimators real estate professionals," we must know the basic principles and terminology in the evaluation process until the job is done, entrusted to us the best in our dealings with the real estate appraisal process, dealing with- :

- 1.Property.
- 2The value in the market or under conditions.
- 3estimated.
- 4The method and style of work to create value.
5. The method of delivery of this information to assess student.

Property retain the following features- :

- 1Each piece of land is unique in its location (Location) and components (Composition).
- 2fixed and can not change the place (physically).
- 3have the status of permanence and stay-not perish.
- 4are limited in terms of quantity.
- 5 useful for human and bear benefit.

These features are the pillars of real estate valuation

We must not forget the geometry and architecture estimator must be aware of the types and patterns of building and construction materials used.

Factors affecting the value of which is dependent on each other- :

- 1benefit (Utility).The ability to satisfy the need of the person, his desire, his request (want, need, desire). Meet the needs within the desired goal (end, the location, size, design).
- 2scarcity.Is the amount of the current bid and offer for the expected future demand for it (a little, enough, many).
- 3desire.On the property to be required, to meet the desire of a what.
- 4The purchasing power.The ability of people to participate in the market in order to obtain a commodity with a fluidity to have.
- 5supply and demand .It is the result of the previous four factors interact.

It must be combined for the drug first four factors are available to have any value, and the degree of change of these factors value changes, respectively.

Evaluation purposes

- 1buying and selling.
- 2leasing and rental.
- 3The construction and development.
- 4mergers and purchase and liquidation of companies.
- 5financing and lending and foreclosure.
- 6insurance.
- 7dividing and settling of estates.
- 8arbitration in disputes.
- 9privatization of state enterprises.
- 10preparation of financial reports and budgets.
- 11determine the optimal use of the asset.

Factors affecting the value of real estate¹

- 1**natural factors:**Such as climate and location of the property and the environment and natural hazards.
- 2**economic factors:**Where property values are related to economic cycles, such as the recession , boom , bust, and others during certain periods of time.
- 3**The government of laws:**Laws, regulations and requirements issued by the government related to construction and demolition and rents and the allocation of areas that are directly related to real estate prices.

Methods for estimating the price of real estate:

There were many ways to estimate the prices of real estate prices some of which is through individuals or what is by companies and real estate offices accredited and licensed specialized where these companies and offices to provide appreciation of real estate prices to customers who want the service to know the real price (market) of the drug required to possess, whether buildings or land and adopt modern scientific methods, the client takes

¹-Dr.. Hatem Ahmed Jafar, real estate valuation between.. rooting scientific and practical experience, study.

authenticated by his office a report and mostly used assessment process by the client either to buy a property or selling property or mortgage property or to swap property, or personal knowledge or to distribute the legacy between the partners.

The estimation process in general is a ways and mechanisms of action related to a coherent integrated designed to take out the guess reflects the market value of the property and there are several ways to find signs of a property's value, including:¹

1- Cost method:

It is compared to the cost of establishing a new drug similar to their last specifications and uses him as comparing the cost value of the property is located and resolved the differences between him and the new real estate similar to him in terms of age and status of the construction and suitability for use is called the replacement value of the building.

Land Features:

Positive: is all that would raise the basic value of the land like it's location on the streets , the proximity of a privileged area, or being honorable and others, a percentage determined by the person who is being detected.

Negative: It is everything that the basic value of the land as a reduction of the land or the presence overshadowed by the abundance of the street or the presence of the term within the widget or high pressure column and the other a percentage determined by the person who is being detected.

And the use of total (life span of the building), a period that is supposed to keep the building fit for use and gives a certain payoff, was agreed that this period would be 50 years.

The cost per square meter of the building: is the average cost per square meter of the building if we are created now, including the proportion of the profits as well as the additional cost of the works, such as water, fences and other tanks.

Construction features:

1-Positive (additional values): It is nothing more to add on average construction and calculates its value added to the value of the building, such as a swimming pool, a distinctive garden, guard room.

-2Negative (technician discount): It is any defects or cracks that will damage the building and reduce its value, a percentage determined by the person who is being detected and deducted from the value of the building. Also, the construction and consumption age taken into account where deducted 2% of the appraised value for each year of consumption.

And the way costs which depend on the three branches of science (cost accounting based on the income capitalization and Accounting) is the value of construction of the property as of the valuation is calculated according to the case based upon (the value of the reproduction of reality) with a discount variety depreciation, if any of them (depreciation beyond repair and restoration _ external depreciation as a result of _ external functional depreciation) and then add the factors of land value of the property sale comparative.²

Disadvantages of this method:

One of the disadvantages of this method is that the value of a new building is considered equal to the cost and this may not be true if the property complies with the highest and best use.

Rating based on the cost of the property value = price of the land space + cost of the construction - the value of depreciation.

Properties of this method:

This method may sometimes be the only resort when other methods failed to assess the property, which are appropriate when evaluating new real estate or the cost of building a real estate or insurance on the property value.

-2The method of entry:

Way income capitalization is the basic way for commercial properties and rely on financial and accounting sciences and financial analysis of the property and are now having to get to the value of the light reach the expected net income from the property after the confirmation of the data according to the market and split from that method multiple methods which (method of direct capitalization), which a (net income ÷ capitalization) and the method of future cash discount when appropriate discount rate with a rate not to ignore the recent value of the property that method preferred to use the Excel program.³

It must be taken into account to use this road as follows:

-1Annual rent: is the annual rental rate per square meter of construction if wanted us rented a moment of appreciation or real rental value, if any.

-2Maintenance costs: is the percentage deducted from the annual rental value.

¹- Estimate the values system, the Department of Lands and Survey, version II, June 2003, p. 12.

²- Website [https // ar.wikipedia.org](https://ar.wikipedia.org) op.

³. The method of introduction:- Website [https // ar.wikipedia.org](https://ar.wikipedia.org) op.

-3management costs: the cost is deducted from the annual rental value includes the guard or the gardener or other remuneration in addition to annual taxes (roofs, etc.) that pay for construction.

-4The risk of not being able to lease: a percentage deducted from the annual rental value which reflects the probability of renting the building for any circumstance.

5. income of construction: Is the annual rental value minus all the ratios mentioned above

-6interest on the value of the land: is the same as the interest earned by the landlord if the deposited value of the land at the bank this value is taken into account because it is virtually the income would be building only and not from the ground, however, what is to be appreciated is the building and the land together.

7-Net income: Income from construction is minus interest on the value of the land.

It is a method for assessing the property based on the knowledge of future income that will come from a property and know this way the remainder of the default style Omar, a construction style allows the estimator to convert income into capital and transfer of capital to the value of (direct recapitalization). This method focuses on return on investment and offline In the prevailing economic conditions, yielding less to less than 7%.

Steps of this method are- :¹

1 -Evaluation of the total aggregate income.

2 -determine the vacancy rate like on leased units.

3- determine the value of the total operating expenses for employees and maintenance.

4 -Determine the net income value.

-5calculate the proportion of income on the price of the property.

The scientific basis for through income:²

-1is converting expected future income from the property to the value of) the conversion of income into capital) process.

-2is based on the principle of expectation for the future benefit of the property.

-3Value = amount that the buyer accept pay for the drug, which is the present value of all future cash flows.

4-based on discount future cash flows to their present value.

3-Comparative Method:

Comparative sales method relies on statistics to address the real sales modern (maximum of 9 months from the date of assessment) in the region surrounding the target of the real estate or similar area assessment on that property be comparing the earliest of the property subject of evaluation in the characteristics of quantitative and qualitative, and is the work of seizures and the necessary adjustments according to scientific methods.

It is a method of analysis and comparative user in estimating property values of the basics of the evaluation process in general and be this way guess the market value by comparing similar properties of the property subject of the transaction, which has been on sale recently or Offered for Sale or under achievement, and using this method, for example, the apartments by comparing an apartment Steamboat same specifications and the space in the building or in the same area until we get to the price of the real estate unit.

It is the comparison of the best ways that give clues to the value of a property condition and provide appropriate information necessary and sufficient for the real estate method.

And where it is impossible to find two real estate must be completely identical work appropriate adjustments on the real estate price comparison to deduct the value of items that represent the comparative advantage of the property and add the value of items that represent an advantage for a drug evaluation and in order to calculate the value of a property assessment.

Comparative elements characterize property:

-1site.

-2The timing of the sale.

-3The site, which overlooks the property (panoramic)

-4possession or full ownership.

-5Design and harmony with the neighboring property.

-6construction and finishing quality

-7Age of Property

-8Status of Property

-9Number of closets, or the total spaces

-10Public Utilities.

-11heating and cooling.

12. Finishing the luxurious marble, granite, wood and others.

The use of the aforementioned scientific methods must be mastered evaluator with a mixture of important related sciences, such as Principles of Statistics micro- and macro-economics to learn about the theory of value and the

¹- Dr. Hatem Ahmed Jafar, real estate valuation between rooting scientific and practical experience, study, op.

²-The method of introduction:- Website [https // ar.wikipedia.org](https://ar.wikipedia.org) op.

ability to analyze both the supply and demand of financial, engineering, science and the study of the market The art depends on how to determine the appropriate method and rely on any value It has been deduced from the flag or the likelihood ratios to reconcile the results between the methods used, and the experience is that you can be judged by an expert on the results.¹

Through three methods in the real estate valuation three results we have shown according to each via In approve the results stage is a review of the suitability of all the way through to the quality of the property value to search for and re-evaluate their results with the quality of the drug to be hosted as different weights are important method of analysis used in the preparation may be put assess a property in order to get to a single value representing the best and believe the value of the property, with a note that he should not be on the real estate valuation expert taking the arithmetic average of the three roads at all, but must deal with all the way through to the end by the nature of the property and type and use.

Are the evaluation process through an integrated set of steps represent the general framework of the evaluation process and in the following manner:

First: the definition of the problem of assessment (identify the problem that will be because of the evaluation process).

Secondly: the evaluation process planning.

Third: the special assessment process and analyze the data collection.

Fourth, form an opinion on the highest and best use of the property and its meaning.

Fifth: estimating the location or value of the land.

Sixth: The application of methods or valuation techniques.

Seventh: to reconcile the values of the three pointers to put the final estimate of the value.

Eighth: the preparation of the evaluation report.

Steps evaluation process under international standards.

-1Definition of the task.

- Date (the date of disclosure, the report).
- student assessment, and end-use, and the report is directed, the value (market and non-market) and determined student appreciation location of the property (documentary and physical)
- Property Description (type and quality).
- property rights related to it (full rights, full quota)

-2collecting and analyzing this information.

- about the market, about the property in question, for its Comparative Property.
- market (supply and demand indicators, expected future)
- the property in question.
- Earth specifications: - nature, geometric shape, organization, along the interface, method of use, the advantages or disadvantages, panoramic ... etc.
- construction specifications: - the type, quality, degree of internal and external finishes, building age and condition, and how to use.
- Sub additions specifications.

-3The best and highest use of

Land on the grounds free of construction on the grounds that he built and the best payoff.

-4estimate the value of land

- one of three methods cost, income, compared selling.

-5The three methods for indicators of construction value.

Cost, income, compared selling.

-6Conclusion estimated value and the introduction of the previous points above.

The finding of the estimated market value through knowledge of the market and analysis of data and information and the introduction of indicators of the value of the three methods and then make a decision as a result of the required value of an anchor on his skill and his proficiency and experience.

-7give a report of the result.

The estimated analysis of the information collected during a field of his observations on the ground and from the accumulated experience of the market and takes into account the impact of these factors on the value (how and how much), whether positively or negatively.

Those in the process of assessment and evaluation estate

There are several providers of this service, including:

- 1land and Survey Department.
- 2specialized and licensed real estate offices.
- 3professionals and individuals licensed them to practice the profession. 4. members of accredited companies

¹- Ibid.

and official bodies through contracting or employment.

1-land and Survey Department.

Land and Survey Department is working to provide service real estate appreciation and evaluation by assessors accredited to it in the departments Date and place where the real estate appreciation and assessment of individuals, institutions and companies according to their needs, for example: -

-1 Assess and evaluate the property for legal and tax fees are met (sale of the property tax) between the seller and the buyer, but all the different registration transactions that are registration directorates Lands and Survey of the sale and transfer of the exit and swap mortgage and secretion of segmentation and other transactions and tax it met fees.

.2 assess and evaluate property credit and mortgage transactions for banks and individuals to the client loan or grant up to banking facilities.

.3 assess and evaluate the drug in acquisition transactions of entities expropriated in order to pay compensation for property expropriated and this will be government agencies.

4. assess and evaluate the drug courts in case of conflict between partners or for the removal of the common property, or as requested by court for judicial purposes.

-2Specialized licensed real estate offices.

These offices act like land and Survey Department and be licensed by the competent authorities and provide appreciation and real estate valuation service is also for individuals, institutions and companies according to their needs by licensed to practice the profession, for example, are destined:

-1 assessment and evaluation of the drug in order to meet the tax and fees (selling the property tax) between the seller and the buyer.

2. assess and evaluate property credit and mortgage transactions for banks and individuals to the client loan or grant up to banking facilities.

-3 estimating and pricing of real estate transactions in the acquisition of views expropriated or judicial authorities if there were lawsuits acquisition with the court order to pay compensation for expropriated property and this will be government agencies.

-4 estimating and pricing of the real estate courts in case of conflict between partners or for the removal of the common property.

5. assessment and evaluation of real estate for purposes other multiple such dividend or distribution of inheritance or to see the rental value through ideals instead.

-3Specialized personnel licensed to practice the profession.

They are licensed mines by the Department of land and space within the foundations and certain conditions are ruled by a special system where they work assessment and evaluation real estate and the issuance of appreciation of the Real Estate reports and provide this service to individuals, institutions and companies according to their needs and their demand in exchange for wages to be agreed upon, for example:

-1 assessment and evaluation of the drug in order to meet the tax and fees (selling the property tax) between the seller and the buyer.

2. assessment and evaluation of the property to foreclosure transactions for banks and individuals for fees and tax.

-3 Assessment and evaluation of the real estate in the acquisition authorities expropriated judicial authorities transactions for the payment of compensation for expropriated property and the way the courts are used in case of lawsuits to seek compensation for expropriation by non-acceptance in compensation issued through the estimates and the evaluation of the Department of Lands and Survey.

-4 assess and evaluate the drug courts in case of conflict between partners or for the removal of the common property.

-5 assessment and evaluation of real estate for purposes other multiple such dividend or distribution of inheritance or to see the rental value through ideals instead. 4. members of accredited companies and official bodies through contracting or employment.

The in individuals who rely with commercial banks or real estate companies or the courts within their own terms of their job evaluation and assessment of real estate for these actors to be both depending on its purpose and the nature of their work.

Results

-1 that there are more of the property value and therefore must determine the value to be appreciated before starting work performance.

-2 that there are three main scientific methods of assessment and evaluation process mortgage depending on the nature and quality of the real estate and its uses a cost method and the method of income and method of comparison.

-3 Jordan's real estate market is witnessing a lot of negative phenomena in the real estate assessment and evaluation process.

-4The lack of seriousness in organizing the profession of assessment and evaluation real estate and adjust behaviors that harm the reputation of real estate investing.

-5The assessment and evaluation of real estate in some cases carried out by parties other than a few specialized and experience in this field, which may not lead to incorrect results in the assessment and evaluation of real estate.

Recommendations

1-out of random unorganized in the assessment and evaluation of real estate and in providing real estate services to the organization of work and legalize it.

-2attempt to address all the negative phenomena in the process of assessment and evaluation of real estate and tangible phenomenon in the real estate market specialists.

-3 seriousness in organizing professional assessment and evaluation real estate and adjust behaviors that harm the reputation of real estate investing.

4. to be a real estate assessment and evaluation by specialized parties and owners of experience and competence in this field, which could achieve correct results in the assessment and evaluation of real estate.

References

•Books

-1d. Samer Ahmed Zheimat, real estate marketing, starting a publishing house and distribution, Oman, the first edition of 0.2014.

-2d. Naji Al Mualla and others, The Origins of Marketing, Dar Wael, fourth edition, 2010

•journals and reports

-1Law No. (12) for the year 1987 acquisition law, the laws and regulations in force in the territory and Survey Department 0.2000 range.

-2land and Survey Department, a set of laws and regulations in land and space, the third edition 0.2004.

-3The Department of Lands and Survey, the annual report 0.2006.

-4prospects for real estate magazine, an article, the price and value, a pro-Omari, number ten atheist 0.2002.

-5system estimate values, Lands and Survey Department, version II, in June 2003.

-6d. Hatem Ahmed Jafar, real estate valuation between rooting scientific and practical experience, study.

•Websites.

1-Website [https // ar.wikipedia.org](https://ar.wikipedia.org)

2- Website 2- <http://tiba-market.blogspot.com>