

Market Value with the Direct Capitalisation Through the Building and Land Rate

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SUMMARY

Properties valuation can be done through different methods depending on the typology of the property to be valued, on the features of the market the property belongs to and on the availability of real estate data.

In particular situations it is possible to use the direct capitalisation through the indirect calculation of the capitalisation rate calculated through the sum of the building capitalisation rate and the land capitalisation rate considering the possible “constant” change between the two rates.

The methodology can be applied to the technical and economical parts of a property (land and building) through the complementary relation between the land value and whole property value.