

“Importance of Location in Property Valuation in Poland and European Union: A Literature Review”*

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Abstract

Real estate location is one of the most important attributes in the process of real estate valuation. However, it can be seen in various forms during valuations of all components of the real estate market. The problem of taking into account real estate features, including location, is also often discussed in the literature on the subject, but synonyms related to the location of the property are almost always used. The inconsistency in the literature, as well as the inconsistency of using uniform nomenclature on the part of practitioners, encourage taking action to standardize the scope of applicability of this most important attribute in real estate valuation.

The main objective of the article is: to show the legislative and practical aspects of taking into account the location attribute in the process of real estate valuation, which has an impact on the formation of the real estate market. The research problem in the article is specified in the form of a question: Is there an unambiguous definition of the attribute taking into account the location of the property in the previously measured space in the current legislative situation in Poland and the European Union? The research hypothesis of the study was specified in the form of a statement that: location and location of the property constitute the same definition defining the location of the property in the previously measured geographical space.

The study used secondary analysis of literature sources and legislative data in Poland and the European Union, which allowed for the analysis of available definitions of location and position of real estate, as well as the case study method, which allowed for the analysis of the methods of taking into account the feature of location in the valuation of real estate by practitioners on the real estate market.

The final part of the study contains a synthesis of the material and draws conclusions and recommendations regarding the methods of taking into account location in the valuation of real estate. The indication of the focus on the use of econometric and GIS methods in the valuation of real estate provides a delegation for further work, which should aim at selecting other methods that reflect the impact of factors not yet included in the valuation, constituting a total random component.

Keywords: location attribute, real estate valuation, real estate market.