

# **Multiple criteria decision analysis of real estate investment**

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## **Abstract**

This paper discusses multi-criteria analysis and decision making process about real estate used for commercial activities. Decision maker has to often take many parameters into consideration. Suitability of the particular realty is influenced by a large number of requirements. This work contains basic information about the multi-criteria analysis and formulates several recommendations that make the decision making process easier.

## **Key words**

criteria, analysis, real estate, investment, decision

## **Summary**

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## **Multiple criteria decision analysis of real estate investment**

This paper discusses multi-criteria analysis and decision making process about real estate used for commercial activities. Suitability of the particular realty is influenced by a large number of requirements. This work contains basic information about the multi-criteria analysis and formulates several recommendations that make the decision making process easier. Some of the parameters will be very important and other parameters will be insignificant. Therefore a set of relevant parameters has to be found. These parameters then have to be ordered by their relative importance for the decision. Then it is necessary to think about all possible decisions. Once all decisions are known the list of resulting scenarios is evaluated. All available information is then thoroughly analyzed and decision is made. Decision makers have to be careful at all times in order to avoid situations where a small mistake in the process can lead to incorrect decision. Especially when the decisions about real estate investment are made it can lead to big problems as these long-term investments require significant amount of resources. Decisions about real estate investment are important and there are many parameters influencing the decision process. Multiple criteria decision analysis offers a way how to compare different alternative solutions and select the best realty based on careful evaluation of all information and parameters.