

Real Estate Market Activity During Corona Pandemic – Case Study in Krakow

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Key words: Real estate development; Valuation; transaction price; undeveloped land; housing

SUMMARY

The situation caused by SARS-CoV2 pandemic provoked economic recession at fields such as tourism, industry, agriculture, in many countries worldwide. A decline in demand and consequently in real estate prices was forecasted. However, real estate is a special commodity on the market due to their characteristics. It is spatially immobile, durable, expensive, heterogeneous, as well as physically modifiable and sensitive to changes in the environment. Thus, real estate stimulates the processes of spatial change, and on the other hand, actions of space users influence changes in conditions use of real estate. As a consequence, it transforms into the activity of the real estate market, measured by the number of transactions and price level. In order to verify the thesis that the decline in economic development caused by the pandemic resulted in a decline in the activity of real estate market and, consequently, a decline in real estate prices, research on the number of transactions and the level of transaction prices of undeveloped land and housing was carried out. The study covered a period before and during the pandemic. Research took place on the city of Krakow area. The choice of the city as the research area is supported by the fact that it is most commonly the zero point of a pandemic (which has been confirmed by the United Nations). On the other hand, strong bonds between city's features in geospatial, economic, administrative and social terms, and the development of the real estate market occur.

The research was carried out using statistical tools adapted to conducting analyzes on data sets and appropriate to spatial analyzes (Quantum GIS). Combination presented above allows us to have full control on the process of building or reconstructing information base, as well as full analysis in both environments - purely mathematical (statistical) and taking into account spatial issues.

The results of the research carried out in the city of Krakow have shown clearly that during pandemic period the number of transactions has not decreased. In addition, there happened

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significant increase in real estate prices. This applies to both, land real estate and housing price. Both on the primary (for residential units sold by developers) and secondary market an upward trend was noticeable.

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