

# Neighborhoods Development in Real Estate Appraisal Process

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## SUMMARY

The main approach in real estate appraisal process is finding comparable properties for value estimation known as sales comparison or market approach. It is done defining a search area through segmentation of market into some neighborhoods and then the mentioned comparable properties are selected in. Accomplishing this, further processes are carried out with some adjustment which could be done by any people more or less. Estimating the value for a dwelling by this approach (fee appraisal), could be extended, using the modern computer technology, for many dwellings at once which is known as mass appraisal. As the mass appraisal requires some level of automation, automated valuation models, which mainly tried to provide a fully automatic approach, were developed. Deficiencies of these approaches resulted in definition and utilization of partial solutions. This paper experienced such a solution using the Kohonen self organizing feature map neural networks automating the most crucial step of mass appraisal known as neighborhoods development, which will be resulted in generation of a value map for part of Tehran, the capital of Iran. This map could bring some level of coordination and corporation in Tehran real estate market as it can be used by different parties to carry out fee appraisal more effectively.