The property investment environment in the UK and the Europe and market dynamics

JURGITA BANYTE* and VIDA MALIENE*

*Department of the Built Environment, Faculty of Engineering and Technology, Liverpool John Moores University, Byrom street, Liverpool L3 3AF, United Kingdom; emails: J.Banyte@2016.ljmu.ac.uk; V.Maliene@ljmu.ac.uk

ABSTRACT

The commercial property sector has a big impact on economic, social, and sustainable aspects of European market. The factors, eg. globalisation of businesses, general economic performance including financial stability, investment environment, banks’ lending conditions, supply and demand, influence property market, especially commercial property, fluctuations. According to the European Systematic Risk Board's report on commercial property and financial stability, commercial property markets tend to be significantly more cyclical than residential property markets” (ESRB, 2015). Some EU countries control the property market fluctuations less or more through various policies only applicable at national level. However, there is a need to recognise these policies and apply best practices across all European countries in order to avoid financial loses and provide sustainable investment environment for businesses.

The research aims were to analyse the fluctuations of commercial property markets in the selected European countries, eg. the UK, Germany, France and Sweden and to discuss the factors, which impact on commercial property market booms and busts. The research aims have been achieved through a critical analysis of literature and a support of statistical analysis.

The reviewed literature and analyses of the property investment environment in the Europe shows that some countries have a good practise to manage the property market fluctuations. The study concludes that the built environment life depends on rationality of the fluctuation. This life can have a lot of alternative ways. These ways of the built environment life are enabling to find an optimal combination of variants for the sustainable built environment. Property market performance is the important element of any national economy and many important regulatory points depends on countries governments.

Key words:
Commercial property market, property market dynamics, investment environment.