



This is generally the first question asked by every property owner who is considering selling. What is my property worth? It's crucial to get this right when pricing your property for the market but with conflicting information available, where is it best find an accurate estimate? There are many places to turn when seeking this key piece of data including professional valuers, real estate agents and online forecasting tools. Regardless of which avenue you decide to take, ensure there is evidence and solid reasoning for the estimate provided.

Let's look at them each individually to assess which way forward is best for you.

## **PROFESSIONAL VALUERS**

A real estate appraisal, property valuation or land valuation is the process of developing an opinion of value for real property (usually market value). Real estate transactions often require appraisals because they occur infrequently and every property is unique with individual factors such as location needing to be taken into account.

In order to truly determine the value of your property, it is recommended you engage a certified valuer to inspect and price your home. Gaining a professional valuation will cost money however it is an objective and independent assessment of your home which will assist you in pricing it appropriately. A report will be sent to banks and lenders advising of their professional assessment.

It's the valuer's job to estimate the price which could be realistically achieved if the property was provided with a modest marketing campaign, was sold within 90 days, and was successfully transacted between an amenable buyer and seller.

## **KEY ATTRIBUTES WHICH ARE LIKELY TO BE ASSESSED INCLUDE:**

- Architectural style
- Aspect, topography and layout of the block
- Condition of the property
- Total land size
- Location in relation to schools, public transport, shops and amenities
- Number of rooms including bedrooms, bathrooms and the size of the kitchen
- Renovation and/or development potential
- Size and layout of the residence



## A VALUER'S METHODS

A Valuer will generally use one of two main methods to determine the value of our home. These include:

**Direct Comparison** - This method researches recent sales of similar properties within the last six months and compares and contrasts these successful sales with your property. Comparing properties essentially acts as a valuation guide, enabling the property valuer to compare like with like and make adjustments according to any specific differences between the homes.

**Summation** - When there are insufficient comparable properties to assess, the summation method is often utilised. This method involves adding the value of the land to the value of the improvements on the land which includes the house, pool, garage and outdoor area. Land value takes into account things like its size, shape, location, topography and surrounding infrastructure and amenities. The value of the improvements is determined by taking into account things like age, style, architectural features, room numbers, renovations and overall appearance.

To present your home in the best possible light, here are some handy hints to ensure you gain the best possible assessment from a professional valuer:

- **Maximise presentation** - this includes tidying, decluttering and repairing any minor damage. Weed the gardens, mow the yard and clean the house. Organise freshly cut flowers to sweeten the smell of the home and open windows to allow fresh air to circulate especially if the house has been shut up over winter. Clean and tidy the pet's area and ensure the dog is tied up.
- **Building Plans** - if you're able to access the building plans, have a copy ready to provide to the valuer upon their arrival. Valuers need to measure the size of the rooms and outdoor areas and if plans are readily available it saves time and can provide a more accurate assessment. Ensure every square metre of your property is assessed and taken into account.
- **Provide Recent Evidence of Value** - prepare information on recent and comparable sales of similar homes in your area as often the detailed sale information of houses are not available on the central property databases until three months after the sale has occurred. If you can confirm recent sales of homes within your neighbourhood which are comparable to yours, this will enable the valuer to investigate and confirm.
- **Identify Hard to See Features** - make a list of any features which you think will add value to your property but aren't easily seen by the naked eye to ensure the valuer doesn't overlook key aspects which can increase your home's worth.
- **Renovations** - provide information and the costs of any renovations you've completed since purchasing the property which will add value to your home. Also finish any projects you're mid way through before engaging the valuer. Half finished renovations will make it more difficult for the valuer to assess the property and could result in a less than stellar outcome.

## REAL ESTATE AGENT APPRAISAL

Rather than a “valuation”, an agent can only provide what is referred to as an “appraisal” which is a free service. Appraisals are based on recent sales in the area, the agent’s experience and local market knowledge. This is a great way to gain an informal assessment of how much you might be expected to sell your property for with all things going to plan. This is a good place to start and will give you an indication before the professional valuer comes into play.

Quote: “To give real service, you must add something which cannot be bought or measured with money and that is sincerity and integrity.” Douglas Adams

Our licensed and accredited agents at Stockdale & Leggo work with sellers regularly to offer a free no obligation assessment of their property, providing advice which is line with the market, their knowledge of the local market and in depth research of recent comparable sales. Our aim is for you to hit the market at a price which is going to garner some healthy competition between buyers as that is the only thing which will ultimately drive your price skywards.

## ONLINE VALUATION

There are many online valuation tools available which can give sellers an early indication of what price can they expect for their property. Simply google “online valuation tool” and a myriad will come up for you to choose from. Please remember this is simply a general indication and that it’s computer generated based on an algorithm and not solid enough advice to base your final price on. We’d recommend also engaging a real estate agent for a free appraisal as well as a professional valuer to assist you in arriving at your final price.

## THE OUTCOME

We’d recommend taking advantage of all the tools at your disposal including the online valuation, the free agent’s appraisal as well as the professional property valuer. This will provide all the information which can assist you in making your final decision. It is a good idea to speak with multiple local agents who can demonstrate recent success in your area to get varying opinions on what they believe your home is worth. An agent will give you a figure based on what he or she thinks they can get for your property if you list with them and it’s in their best interests to be honest up front as they’ll want to avoid spending a lot of time and energy managing your expectations down the track when your home doesn’t fetch what you’re expecting.

Always remember however, your home is only worth what a buyer is willing to pay for it so be realistic when setting your price, especially if you are chasing a quick sale. If you have time on your side however and can wait for the buyer who’s willing to pay your price, you can err on the higher side but always remain open to negotiation as buyers will not always lead with their best price.

## FINANCIAL ADVICE

Once you have gathered all the relevant information, it is recommended you speak to an independent financial advisor about the amount you really need to sell your property for to make it a smart financial move.

S&L Financial Logic will be able to provide honest and accurate advice based on your personal financial situation and the information provided by the valuer and agent. S&L Financial Logic is powered by Paragon Wealth Solution P/L which holds AFSL 478700 who work independently and are not affiliated with any financial institutions or insurance companies. All the work they do is with you, their client, at front of mind. They understand and appreciate that each client is different and has a unique situation and as such will tailor their advice to suit you specifically.

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