VALUE VS APPRAISAL: WHICH VALUE SELLS MY HOUSE?

Like the three ghosts of Christmas, you will be faced with three evaluators when you put your property on the market: a real estate agent, an appraiser from a financial institution, and finally, your local government. But, what do they all mean, and which number is the one you ought to be worrying about?

General Valuation Roll
Based on geographical information and recent sales in your suburb, the city uses a computer aided mass appraisal (CAMA) system to determine the values of all properties. This is the value your local government uses in order to determine what rates you will pay on the property and does not reflect the market value of the specific features your home might have. These figures are released once every four years and are published online on the various local municipal websites. Homeowners then have the opportunity to check the value and object to it if they disagree with the reflected amount. This figure rarely (if ever) comes up during the selling process. However, an estate agent might check their own valuation against this amount before presenting a client with a number.

Appraisal Value
If the buyer is applying for a home loan to purchase your property, then a representative from their chosen financial institution will come and inspect your property to ensure that it is worth the bonded amount. This value is not necessarily something that gets shared with you but is simply a part of a bank's checks and balances process when screening a bond application.

Evaluation
This is the number a real estate agent will present to you as the price at which you should market your home. This number is based on various factors including the features and location of your property, recent sale prices of similar homes in your area, market trends and years of industry experience (to name but a few of the factors). It is advisable to do your research and choose an agent with a proven track record whose advice you know you can trust.