

# How to Value Your Home

There are various reasons why you might want to value a property, buying or selling, for lending purposes, probate/estate planning, insurance purposes the list goes on. It is important to understand that property is valued differently in each circumstance.

**Selling** – Not many people realize that a valuation from an Estate Agent isn't actually an accurate survey in line with what would be required by for example a lender for mortgage purposes. What you are actually getting is their opinion on what they feel it might sell for however in the current market agents are keen to get listings and often over value property to simply flatter a potential seller time will pass with no real activity and then the inevitable price reduction will come due to contractual commitments typically made when appointing an agent most sellers are then forced to reevaluate their expectations and lower the price.

**Get an idea on the current market** – Know the market, there are lots of useful websites available now that you can use free of charge to see what other property has been sold for in your area or what prices property is being offered for. Remember the price that a property is offered for isn't necessarily what it will be sold for especially in the current market. Price reductions are very common and it is not unusual for buyers to have a property on the market for long periods of time which can be very stressful and frustrating often the only thing that will stimulate a buyer is a price reduction.

**Circumstances and Timing**- Depending on your circumstances and required time scales selecting an achievable price can be a difficult task if speed to completion is your main priority this will drive your enthusiasm to sell quickly meaning your expectation on what is achievable needs to be realistic and set at a sensible level to attract serious buyers. Another key point to consider is the buyer's actual position financially; if your priority is speed a buyer in a chain or a buyer without funds immediately available isn't always the best buyer, cash is king!

**Not in a rush?** – No problem in this situation most people simply select the agent that sells property similar to their own locally and that offer a good level of service with competitive fees. In the current market no matter what your skills as an agent property is hard to sell unless it is in particular demand, remember that there are other fees associated with selling with a traditional agent that you need to factor into to your expected sale price fees vary always ask an agent what their fees are.

**Valuing property for lending purposes** – This is a different type of valuation in most cases for lending purposes a chartered surveyor will be sent by the lender to carry out a full property inspection usually external and internal. The objective is to establish that the property is suitable security for the lender to take a charge over for lending purposes, in the situation where the property simply isn't worth what you are expecting it to be worth loans and mortgages are often rejected. This is common and you should be prepared for this when valuing a property for lending purposes, if you are refinancing an existing property this could affect the amount that you can borrow or result in the lender not even making an offer of advance. In other cases where it is a property purchase this can often be a reason for the chain breaking as without a suitable offer even if the buyer wants to proceed they may not be able to due to the fact that the lender may not be prepared to lend enough money to achieve the agreed price in some cases more often than not currently an offer may not even be made.

**Using a specialist for a quick sale** – There are lots of companies advertising their services as quick buyers of property the internet is a good place to find specialists of this type. These companies typically offer a realistic price and have the ability to complete a sale very quickly. This type of buyers is *not* reliant on another purchaser and will normally have funds in place to complete the sale. There are lots of reasons why sellers will consider this type of service, typical client circumstances include downsizing/retirement, emigration/relocation, divorce/separation, bereavement/inherited property, clients clearing debts, pending repossession, unemployment/redundancy, failed BTL projects, failing commercial projects, illness/illness in family, property move interrupted by broken chain and property owners simply keen to sell but unable to market their property effectively. These types of companies will often pay the sellers legal fees.