

"How to Accurately Value Your Property (Pt. 1)"

(An Expert Guide For UK Property Owners)

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Don't Just Rely On the Word of an Estate Agent

When estate agents come to [value your property](#) there's more going on than you may first realise.

For example, did you know that estate agents don't actually perform "property valuations"?

All an estate agent does is provide an "informal opinion" on what a property might sell for.

"Informal opinion" means that there's no requirement in law for their opinion to be accurate.

If you blindly put your faith in an agent's "informal opinion" the chances are you'll be taken advantage of.

This is because agents are known to over or undervalue property for their own gain. Here's why:

They overvalue because it's the easiest way to win new business.

Most potential vendors react favourably when an agent flatters them with an inflated opinion of what their property is worth. The problem is that once you're locked into a contractual relationship, a price reduction will be the only way to attract any serious buyers. Because this "false start" has already alienated a lot of buyers, you'll be in real danger of selling for less than you deserve.

They undervalue so that property sells quickly. This allows them to collect their commission cheques faster.

They also undervalue for personal profit. Property traders often offer bribes to agents in order to help them get their hands on property at knockdown prices.

Most people are vaguely aware that these sorts of things go on however, few appreciate just how widespread the problem is.

If you would like proof and to learn more, a full discussion about why you must never trust an estate agent's valuation can be found by clicking the link below:

[Property Valuation, Estate Agents & Lies!](#)

The Truth About What Your Property is Worth

Before I show you how to protect yourself against an inaccurate [property valuation](#), I'd like to quickly highlight the commonly held misconceptions many people have regarding their properties true worth.

What your property is worth (i.e. what it will sell for) has NOTHING to do with:

How much you paid for it.

How much money you've spent on it over the years.

How much you'd like to sell it for.

Instead, you would be wise to focus on this one truth:

"Your property is worth what a buyer is willing to pay for it" (just so long as the buyer's mortgage lender agrees that the price is fair).

In turn, what a buyer (and their [mortgage](#) lender) will decide is a fair price is determined by looking at:

The price similar property to yours has recently sold for.

The price similar property to yours is currently being advertised at.

You see, property valuation is essentially a guessing game and no matter what anyone tells you, the truth is - until your property is sold nobody can guarantee what price you'll achieve.

The best anyone can do, is make use of the information available and take an educated guess as to what [homebuyers](#) might be willing to pay.

The 2 Steps to Valuing Your Property

The best way to protect yourself against an inaccurate valuation is to form your own opinion of what your property is worth, and to do this before you approach any agents.

Step One - Look at What's Sold Recently

First find out what property like yours (in your local area) has recently sold for....

You do this by looking at data collected by the Land Registry.

The Land Registry is a government department that (amongst other things) records the results of all residential property sales.

Their data allows you to find out the actual price someone paid for any residential property sold in England & Wales since April 2000.

Unfortunately, the Land Registry only makes house prices available 3 months after the sale has taken place, thus the information dates quickly.

Because of this, only sales that took place within the last 6 months are of any use to you. The rest you can ignore.

Lots of websites give direct & free access to the Land Registry Data however, I think the best one is the Zoopla:

[Zoopla Online Property Valuation Tool Review](#)

Step Two - Look at What's Selling Now

Next find out what prices similar property to yours (in your area) are currently being advertised at.

Because it has the largest number of property adverts, the best place to look is:

Rightmove.co.uk

A good tip is to imagine you're buying your home all over again and see which properties catch your eye.

Because Rightmove (like all property portals) makes it so easy for buyers to spot a property that's overpriced, it's vital that yours is priced competitively.

Overpriced properties will not attract serious buyers.

This is why it's so important to keep an eye on your competition and have a good grip on what price range buyers would expect your property to be in.

Print off the details for the 5 properties you feel are most like yours.

You need to study them carefully, with a critical and unbiased eye and decide why buyers would pay more or less for your property.

How to Realistically Compare Your Property to the Competition

Here are the top reasons a buyer would pay more for a property (that at first glance looks similar to yours):

It's in a better location

It has garage or off-street parking

It has private outdoor space (especially if it's a large south-facing garden)

Has an en-suite bathroom

Has double bedrooms (min size 2.7 x 2.7m)

Has a conservatory that blends with the existing building

Has a larger internal square footage

Detached is better than Semi-Detached which is better than End of Terrace, which is better than Mid-Terraced.

Has newly fitted bathrooms or kitchens

Has a large kitchen you can eat in

Is newly decorated throughout tastefully

Has period features

Is well maintained

Has double glazing that compliments the style of the house (e.g. Not UPV on a period property)

Has an alarm system

The property is Freehold

Has a healthy amount of time left on the lease (more than 60 years)

Has a superior outlook (i.e. Over green space as opposed to a road, railway or eye-sore)

You don't need to know exactly how much extra value any of these things would add.

You just need to be critical, objective & realistic about why your competition could command a higher or lower price tag than your own property.

Remember, property valuation is just applied guesswork.

As long as you've looked at the correct information sources, your

opinion will be robust & it will be very difficult for any estate agents to pull the wool over your eyes.

Useful Links Contained In This Guide:

Property Portal (UK's largest):

<http://www.rightmove.co.uk/>

House Prices (free to use - highly recommended):

[Zoopla - Property Valuation Tool](#)

Article detailing why an estate agent's valuation is not to be trusted:

[Property Valuation, Estate Agents & Lies!](#)

Estate Agent Recommendation Service:

[Find Your Recommended Local Estate Agent!](#)

Wishing you complete success with your sale,

Gavin Brazg (Editor)

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