Understanding property valuations

written by Tilly Ryan | 31 October 2023



In our last article 'Navigating the Family Court: A guide to disclosure obligations' we spoke about how, when working towards a property settlement, a valuation can be obtained from a suitably qualified and professional valuer. This assists the parties know the full value of their property pool to be divided.

Our colleagues at Acumentis Group – Geoff Duffield, Director – Family Law & Advisory, and John Burke, Associate Director at Acumentis Gold Coast – recently met with our legal team to provide an overview about the latest property market trends and the role of property valuations in family law matters.

We understand from the experience of our clients that this process can sometimes seem challenging so we asked Geoff Duffield to answer a few frequently asked questions about valuations and share his property insights.

What is a valuation report and why is a valuation needed?

A valuation report completed by Acumentis is a legally binding report completed by a property expert who has completed a University Degree in Property Valuation and is registered as a Certified Practising Valuer and are members of the Australian Property Institute. Valuations are required to assess a market value as at a point in time using the attributes of a property and comparing it to other sales of similar property to arrive at a concise assessment. In the Family Law process, a valuation will accurately determine the value of an asset which forms a basis for a property settlement. I have always considered completing Family Law valuations as a privilege and comes with a high degree of responsibly as your advice does affect the future of people's financial situations particularly during a stressful time of their lives.

Why is there a difference between real estate values provided online and a valuer report?

A valuer's report is written after they've conducted a thorough property inspection, that considers various factors such as location, size, orientation, land shape, and topography. They also evaluate the size, layout, quality, and condition of the improvements. This information is then compared to recent property sales and the prevailing market conditions to establish a value at a specific point in time.

Valuers possess a deep understanding of property sales and can make monetary adjustments based on the strengths and weaknesses of the property in comparison to recent sales. In contrast, online valuation tools lack a physical property inspection and rely on potentially inaccurate or outdated internet data. They also lack the expertise and local knowledge of a dedicated valuer. In my experience, online valuations are less accurate.

Valuation assessments involve numerous variables, and there is no substitute for the insights provided by an experienced valuer.

What is the valuation process?

The main method of valuation in the residential sector is the Direct Comparison Method. This method compares the subject property with recent sales of similar properties in the local area making necessary adjustments based on fundamental differences between the properties. Commercial and Rural Valuations are more complex and include Income Based analysis and replacement cost analysis.

Why are updated valuations needed in some family law matters?

Valuations are an assessment at a point in time. The Property Separation process can take an extended period of time and the value of the property can be materially different from the start of the separation process and the end. We always advise of an up to date valuation as close to any agreement as possible, so as to take into account the latest market movements. General rule of thumb is that a valuation is live for 2 to 3 months however when markets are changing rapidly as we experienced in recent years, within a month of settlement is recommended.

Do you have any hot tips or advice for people going through this process?

My number one tip, having been through the process, is to be a congenial as possible and to settle the matter as painlessly and as quickly as possible. Don’t sweat the small stuff. Also, that a respected valuer is going to have built a reputation over a long period of time on being independent and unbiased and will take the time and have the knowledge to provide accurate advice particularly in a separation event. They are not going to allow anyone persuade them to do otherwise.

In summary, a professional valuation report provides a fair assessment of the true value of your property in a legally recognised way for family law matters. When conducted by qualified and experienced professionals, these legally binding reports go beyond property estimates as a professional valuer meticulously inspects the property, considering every detail, and compares it to recent sales, ensuring a more accurate assessment of your property value. In family law matters, a professional valuation plays a pivotal role in reaching a fair and equitable property settlement based on a consideration of the true value of their combined and individual assets. An unbiased professional assessment of the property value reduces the likelihood of disputes between parties about the property value and may assist the parties in reaching a resolution in a timely and cost-effective manner.

Free initial consultation: Contact us to discuss your personal situation.

We hope you have found this information to be of use in giving you an understanding of our firm and the work we do specifically in relation to Family Law and matters related to Family Law. We know that every family law matter is unique, and your personal circumstances require you to receive personalised legal advice that considers your specific needs, objectives, and circumstances. We strongly encourage you to contact our office to talk to us about your personal circumstances and how this information specifically applies to your situation. We welcome you to get in touch with us to book a free initial consultation with our team.

We are a boutique legal firm focused on family law. Our team has a depth of experience and expertise that cannot be matched by legal practices that work across numerous areas of law.
Wherever you are in the separation process, our team can assist you. Book your free initial consultation with one of our family lawyers today, phone during office hours on 07 56 466 466 or book online via our meeting calendar here.
