

# valuer

An independent valuer's report will help ensure you don't pay more for a property than it's worth.

How much is that house really worth? The real estate agent is telling you one thing; the rateable value carried out two years previously suggests differently. But who can give you a truly independent expert opinion?

Helen and her family moved to Auckland from Wellington last year and were quite daunted by the prospect of finding a good buy.

"When you're new to a city you have little or no feel for what represents a fair price to pay for a house," she explains. "We looked around and did our homework as much as we were able but when it came to making a purchase, we didn't hesitate in using a valuer to ensure the property was a sound investment and we weren't paying over the market odds."

When making potentially one of the biggest purchases of your life it makes excellent sense to employ a local expert to check out all the facts.

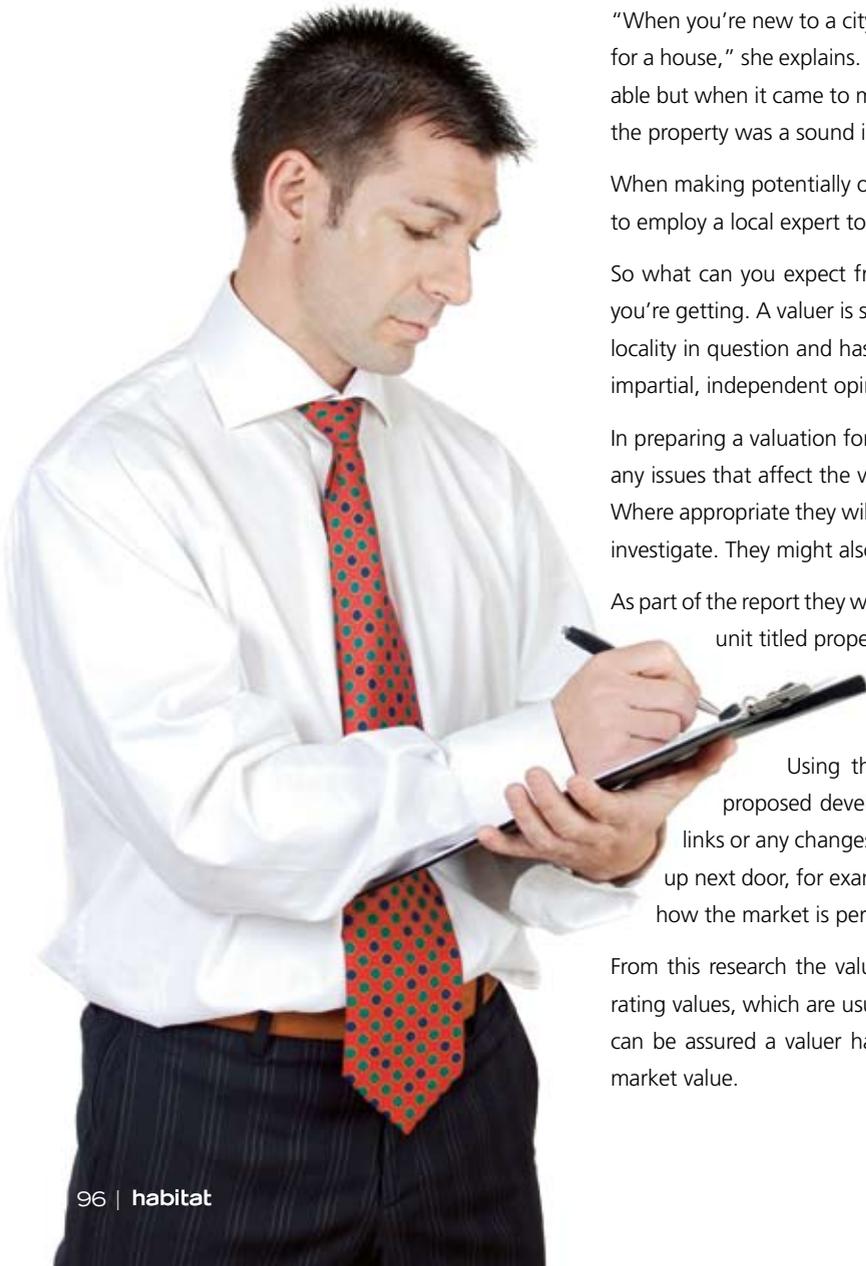
So what can you expect from a valuer? Of prime importance is the quality of the advice you're getting. A valuer is someone who thoroughly knows the local house market and the locality in question and has accurate information that enables them to give you a genuine impartial, independent opinion.

In preparing a valuation for you they will first do a visual inspection of the property, noting any issues that affect the value of the property, such as dampness, leaks and poor design. Where appropriate they will recommend you use a building inspector or engineer to further investigate. They might also advise on ways to add value.

As part of the report they will check the certificate of title, which is important for crossleased/unit titled properties, to highlight any potential problems such as right-of-ways, shared driveways and so on that may need a solicitor's help to resolve.

Using their local knowledge they will be able to inform you of any proposed developments in the area, such as new shopping malls or transport links or any changes to the local business zoning – could a new business park spring up next door, for example? They can provide a list of recent house sales and a view of how the market is performing.

From this research the valuer will then make their value recommendation. Unlike council rating values, which are usually only done in bulk every three years to set council rates, you can be assured a valuer has assessed your property individually to determine the current market value.



How do you pick a reliable valuer? If you don't have any recommendations to go on, then one point of contact should be the Property Institute of New Zealand ([www.property.org.nz](http://www.property.org.nz)), which has around 3000 members, offering a variety of property-related services to the public. To become a member, a valuer will need to have a property qualification and have passed the high standards set by the valuers' registration board. They are also bound by the institute's code of ethics and reporting standards.

The largest valuation company in New Zealand is QV, which has 22 offices throughout the country and a very useful website ([www.qv.co.nz](http://www.qv.co.nz)), with plenty of information on the valuation process. As well as being able to request a full current market valuation, you can purchase a selection of short reports online, such as certificates of title deeds, local sales, property histories and the very handy E-valuer report, for when you're at the 'just looking' stage and simply want a quick price validation.

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In Australia, there is the equivalent but smaller organisation, at [www.qv.com.au](http://www.qv.com.au) or the Australian Valuers Institute at [www.valuersinstitute.com.au](http://www.valuersinstitute.com.au).

The cost of a full, current valuation varies depending on the value of the property and its location, but you can expect to pay a minimum of \$500 and at least double that if the property is around \$1 million. If you're borrowing more than 80% of the value of the property or if it's a private sale your lender will usually insist on a valuation.

Pieter Geill, who's been a valuer for more than 21 years and specialises in the Hutt Valley area of Wellington, says one of the main benefits he can offer his clients is peace of mind. “Purchasing a house can be a hugely stressful process involving a substantial financial commitment. So you really do want to know as much as you can before you sign on the dotted line, including that the price you're about to pay is indeed a fair one.” **H**

## top tip

Don't rely on your council valuation (CV) as a reflection of market valuation unless it is very current. You can, however, compare the percentage difference between houses that have recently sold and their CVs as a reflection of market trends.