Property valuation is gaining acceptance

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Property valuation is the skill of putting a price on property. Accuracy, consistency, and transparency - the three cornerstones of reliable asset pricing-are needed to assess the value of property for owner occupation, investment, capital markets, or loan security.

Market value refers to the price that a seller of real property can expect to receive from a buyer in a fair and open negotiation. Definition of Market Value as per International Valuation Standards Committee (IVSC):Market Value is the estimate amount for which an asset should exchange on the date of appraisal between a willing buyer and a willing seller in an arm's length (not in blood relation) transaction after proper marketing wherein the parties had each acted knowledgeable, prudently and without compulsion."

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In today's rapidly rising realty prices, property valuation is an important component of a property transaction.The valuation process evaluates the market value of the property. A comprehensive valuation report contains value of all the major assets of a property and also the basis and manner in which the valuation has been performed. In case of pre-owned properties,property valuation plays a crucial role.

Valuation or assessment of a property can be a self-assessment or through can be a self-assessment or through an external source.One can seek the service of various professional agencies or hire a Government registered valuer for a fee as prescribed by the valuers' association. There can be other purposes of property valuation like preparations of sales report, accounting purpose, loan security, fixing of auction reserve value,insurance, taxation, etc. Valuation is commonly in practice in metro cities like Delhi, Mumbai etc before buying of properties.

In Amdavad, slowly but gradually property buyers are now looking forward to hire and seek advice from property valuers before buying any pre owned / pre leased properties. The main reason is that property prices have escalated in each and every corner of the city, with prices registering new peaks.

Just the comparative method is not appropriate to conclude the market value of the property. To fetch the right value of a particular property,valuers need to be appointed so that the seller doesn't quote very high or a very low property price. There are several other determining factors which need to be given proper emphasis in Property valuation. These determining factors are Location,Legal title of property, Demand & Supply scenario, Layout, Facilities & amenities within the premises, safety, social infrastructure (school, hospital, public places) and physical infrastructure (water supply, drainage, transport, connectivity) in the vicinity area. Urban sprawls, future growth of the city, policies and bylaws need to be studied well for concluding the fair market value. A realty market has grown in Amdavad and still has potential to grow.

If Property Valuers' opinion is taken by the end user it will facilitate in a way that one doesn't end up paying exaggerated property prices. In the coming times, there is a huge potential for property valuation.The role and opinion of the property valuer is going to be counted and will play an important role in future. The writer is a city-based housing planner, civil engineer and lawyer

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