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## RISKS AND EFFECTS OF A BAD REAL ESTATE VALUATION

### INTRODUCTION:

Real estate estimate is calculated before starting the marketing of the property. The estimate provides an approach to the value at which the property could potentially be sold. The estimate is a service offered by real estate professionals, negotiators and real estate agents.

### BETWEEN OBLIGATIONS & PRACTICES:

To estimate the value of your property on the market, and then setting its selling price, the first thing is to study the market. That means to look at the prices of other properties offered for sale in the neighborhood or village in order to position you in relation to them. This is called Comparative Method. Be careful to pay attention to all criteria of the property, that is, surface, quality and presence of amenities.

The comparison criteria are sometimes multiple and not always easy to estimate or value due to lack of sufficiently similar properties. In this case, it may be interesting to turn to professionals who will be able to estimate accurately these differences.

### CALL ON THE EXPERTS:

A reliable real estate appraisal will help you to get an idea of the price of the property. It must take into account the market situation, the characteristics of the property and its geographical location. The real estate appraisal is an important step in the sales process after the publication of a real estate ad.

### RISK OF A MISCALCULATION:

An undervalued property will cost the seller money, in addition to the risk of attracting the attention of the tax authorities. In order to properly estimate a property, it is essential to know the market price. By consulting a real estate professional, sellers increase their chances of making a quick sale. Beware of the rack for mandates and practices by the agents who evaluate your property. The following are some risks of Real estate investments:

- **Market**
- **Structural**
- **Location**
- **Liquidity**
- **Cash flow**
- **Tenants**
- **Vacancies**
- **Property depreciation**

### CONCLUSION:

When we do investments in real estate, we need to check the risks in various criteria to avoid miscalculations, as it will affect the property value. This leads the valuation in a bad way. Bad Valuation of property will cause a risky investment.

