Digital Property Evaluation in 1-2-3

For builders, developers and appraisers

Contents

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Overview

Many different types of real estate professionals need to validate the value of properties in their daily work. Real estate sales professionals must assess listing values; appraisers need to generate property valuations; and developers, look for unique information such as sales history and ownership information, to search for property opportunities and evaluate their worth.

While traditional property valuation and even AVMs have historically been geared towards estimating property value, the digital property valuation of today is so much more.

This guide will walk you through how you can leverage technology to perform a digital property evaluation and all the valuable information therein.

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What should a digital property evaluation include?

A digital property evaluation should look at not only value, but also other vital property information, such as:

- Ownership

- Sales history

- Encumbrances (mortgages and liens registered)

- Comparable sales

- And more

It should also be able to assess values in neighbourhoods and provide valuable insights as it relates to demographics such as who lives in an area, amenities, types of residents (renters/owners) and more.

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What should a digital property evaluation include?

This can be invaluable to:

- Identify valuation fraud and fraud transactions.

- Identify owners to make contact concerning opportunities.

- Evaluate neighbourhoods for opportunities.

- Reveal properties that may be in financial duress, which can present excellent opportunity to developers.

- See if the sales history is consistent with the sales value.

- Validate a value that you have been provided.

- And more.

This is why a digital property evaluation provides far more insight than a basic AVM or appraisal.

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Critical components to success

The quality and speed to which you can obtain your digital property evaluation should be paramount. Here is what you should be considering when investigating a solution:

✓ **Speed** – you should be able to access the data immediately.

✓ **Accuracy** – the data should come from the most accurate source.

✓ **Convenience** – the data should be available online.

✓ **Easy to understand** – it should be formatted in a way that is easy to understand and interpret.

***The data… oh, the data***

The data is critical because it is the very foundation of all the information you will rely upon in the digital property evaluation. There are different providers of property data: MLSs, real estate boards, municipalities, insurers, the government, and more.

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Critical components to success

When a property is transferred, the transfer is registered in the province where the property is located.

In Ontario, for example, the transfer would be registered on POLARIS (the Province of Ontario Land Registration Information System). The first official registration of a transfer of title or mortgage would exist here. This means that if your tool is deriving data directly from the provincial land registry, you are working with the most current and accurate data available.

Tools that derive data from MLS listings data and/or municipal tax records, as two very common examples, may not have the most current data and, in the case of tax assessment records, may not be current.

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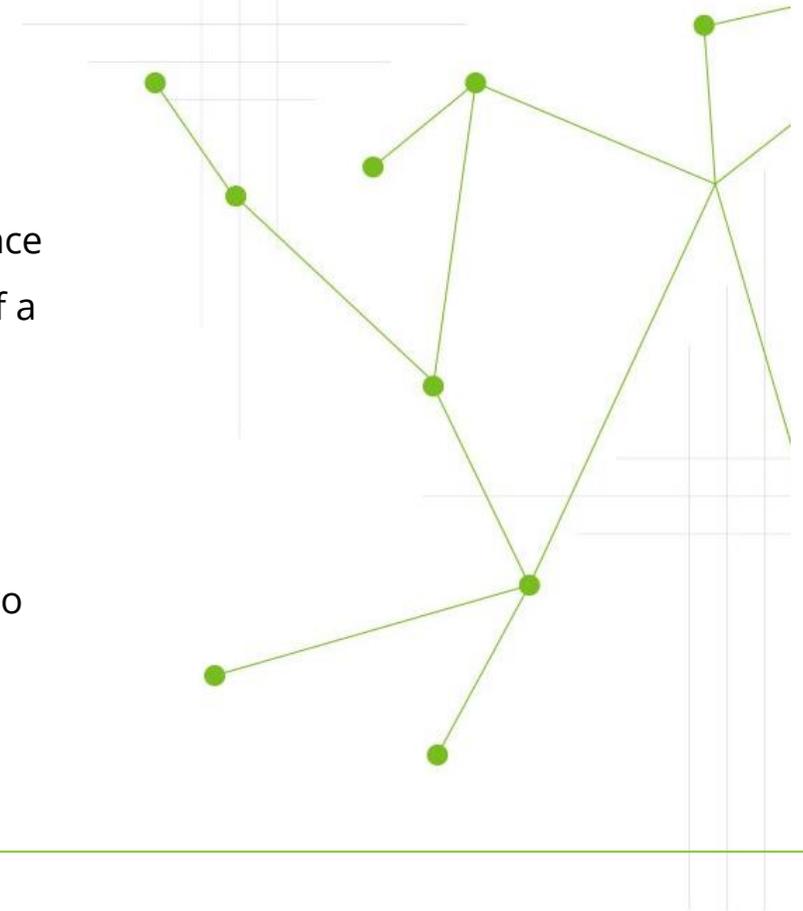
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Ways to locate a property

Whether you have a property's address or you are interested in investigating a property in a particular area, your tool should provide you with broad search parameters.

Because we can only speak to our tool, GeoWarehouse, we can say with confidence locating a property is so easy and can be done a number of ways.

In GeoWarehouse, all you have to do is select a Land Registry Office and then enter the search criteria into the search window and 'Bob's your uncle'.

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Ways to locate a property

Here are some examples of how real estate professionals perform property searches using GeoWarehouse:

1. You have an owner's name but are not sure which properties they own — you can perform a property search by a property owner's name.

2. There is a particular street that is of interest and you want to look at property-related information concerning properties on that street – you can perform a search by address.

3. There is a specific property that you are interested in — you can perform a search on the specific property address.

Once you have selected a corresponding property of interest, the next step is to investigate the property.
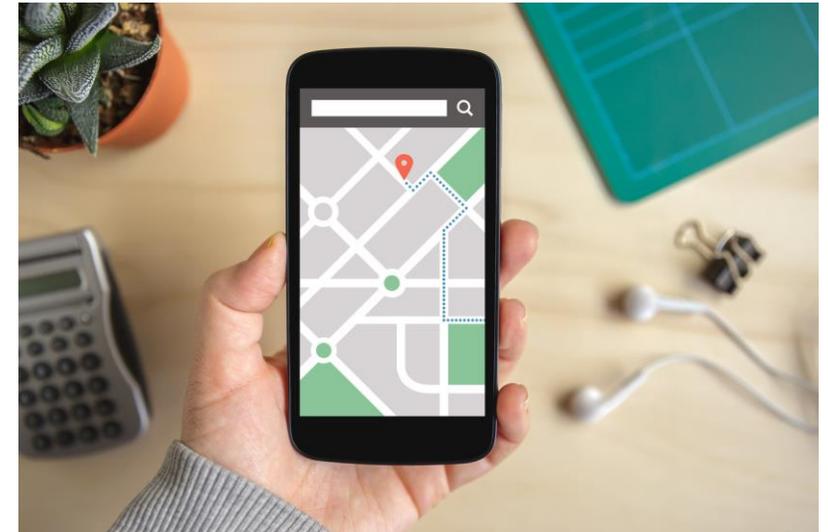
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Investigating a property

In GeoWarehouse, once you have identified a property, the next step is to look at all data available related to the property.

We mentioned earlier that you can use your property tools for so much more than simply assessing a property value.

You can:

1. Validate who all legal homeowners are. This can be great for pursuing opportunities on properties of interest that are not listed — and can give you a real edge in competitive markets.

2. Look at registered mortgages, amounts registered, and mortgage holders. This can help you determine how much equity the owner has, which may provide you with insight regarding how much room you may have to negotiate.

3. You can review sales comps. Appraisers can not only generate an AVM value, but they can also pull their actual comparisons.

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Investigating a property

4. You can look at important information about a neighbourhood and nearby neighbourhoods. Who lives there? Your property tools can tell you age range , family types, employment types, religion, and other vital demographic information that is critical when making investment decisions in real property. For example, if you are a developer who wants to build a low-rise apartment building for renters, it would be advantageous to know the ratio of renters versus owners. If you want to build student housing, it would be beneficial to be near a school and public transportation.

5. You can view aerial imagery and get a sense of the overall positioning of a property.

6. And, of course, you can generate an estimated value of the property.

7. I inserted the word "range" but you can use other word if you like. It is just that that phrase reads weird, ending on "age".

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Digging even deeper...

You may be investigating a property and determine a number of things...

Perhaps:

- There are many mortgages registered and it seems as though the owner is in financial duress. In this instance, you may want to look at a Parcel Register to see if there are any liens registered.

- You want to contact a property owner and the contact information is not available online. You can request an instrument image to get the information for the owner's solicitor, who may be able to contact the owner for you.

- There are discrepancies in property information versus when you visited the property versus what is listed online. You can request a survey online and even look at MPAC assessment reports for additional verification of information.

This is why it is critical that you use tools that do more.

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Conclusion / Key Takeaways

After reading this eBook you should have learned that:

- Property data can be used to both investigate properties and identify opportunities.

- The more data you can access, the more agile, effective, and competitive you can be.

- The data source and delivery of the data is critical.

- Value is not all that matters – consider all that your property tool can do for you.

- Leveraging property data can help you do more.

We hope that you have enjoyed this eBook. If you are interested in more information about GeoWarehouse, please visit www.geowarehouse.ca.

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About the Author

This eBook was produced by the GeoWarehouse team within the Commercial Solutions division at Teranet. Teranet is an international leader and pioneer in electronic land registration systems and commerce.

Teranet is the exclusive provider of Ontario's online property search and registration.

In Manitoba, Teranet owns and operates The Property Registry, providing certification of titles to land, maintains land records and offers reliable information of financial interests in personal property to the public.

If you would like more information about GeoWarehouse, please reach out to us by visiting www.geowarehouse.ca.

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