



## Africa– Ghana February 2022

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### Home Assessed Value Vrs. Market Assessed Value

As humans, we value things we have invested in; be it material or immaterial. We all have things we value which entirely depend on the individual and one of the things we value as humans is the home we own and at every point in time, we either sell, rent, build or buy a home in fulfillment of our basic need for shelter.

It is for this reason that we need to know the home and market assessed value of these homes in order to get value for money. Preparing to purchase a home can be an exciting time. After all, you're setting up the next chapter of your life and you'll want to take the time to understand how it can affect your homeownership journey.

Think about how much money you could save or make if you knew the value of the property you are buying or selling and how much of that goes into property tax. If you're looking to sell your property, it's important to list it for a price that's attractive to buyers but will also get you the best deal possible. This goes for when you're interested in buying a home as well.

You want to know that the listed price is fair for the market. For instance, if a property's assessed value is GH¢ 200,000 but the seller has it listed for GH¢500,000, you can use this information to find out why there's such a discrepancy and potentially negotiate a lower price. In today's article, we will delve into what home assessed and market values are which will help you get value for your money.

What is home assessed value?

Your home assessed value is the value placed on a property to calculate property tax. It is also known as the tax assessed value of a property. The assessed value of a property is used only for tax purposes.

It is determined by a home assessor or valuer depending on which country you are. The assessed value of a home doesn't come into play during the sale process. Once you're a homeowner, though, the assessed value of your property will be used to calculate your annual property tax bill. The assessor looks at information of your property and neighborhood while comparing to other properties in the neighborhood to assess the value of your home.

The assessor may also use the market approach which is to estimate the value based on the selling price of similar ones. Here in Ghana, the home is assessed by a valuer from the Lands Commission to determine its rateable value which is then given to the municipal or district assembly. The home assessed value is the yearly estimate of the property's value.

Assessment will be based on several factors, including any improvements you have made, whether you make any income from the property (renting out a room, for example), the replacement cost of the home if it were destroyed and how much similar

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homes in the area are selling for. For example, the price of a home in East Legon will be much higher than the price of a house in the outskirts of Accra because of its location. In some cases, the assessor will come to your property to inspect it.

What is market value?

This is known as an assessment of the worth of a property you want to sell. The fair market value of a home is essentially its value when you sell it, so it's important for both buyers and sellers to understand how it's calculated. Work with a professional to get a good estimate so you know if the price is right.

Market value is the price your home will sell for under normal market conditions. Lenders, buyers and sellers use this to determine the appropriate selling price in the current market conditions. This is usually determined through assessment and appraisal. Builders and resellers propose hypothetical values and hope to find buyers with similar valuation.

The process is however imperfect and ever changing. However, the trick in this is that a buyer must value a property higher than the amount they are willing to trade for that property and the seller must value the property price below the money offered. This usually ends in both parties striking a balance for a win-win situation.

The market value is determined by the overall condition of the house; both exterior and interior to know the condition of the house and the aesthetic appeal of the house. The size and amenities are also considered. The market value is priced by looking at how much similar properties were sold for in the neighborhood. The price should fall into the same ball pack.

The overall state of supply and demand in the market will also play a role in your home's value. If there is a glut of homes on the market, values will decrease. On the other hand, if demand is high, values can be inflated.

When you receive your assessment each year, review it and determine whether you agree with it. As a homeowner, you can dispute a home appraisal if you believe it's too low. You'll start by requesting a copy of the appraisal. Look for errors and things the appraiser might have missed during the inspection.

Make sure you point out upgrades and improvements you've made that they didn't include in their report. The appraiser may adjust the estimate based on the information you've provided. If not, you could request a second appraisal from another appraiser.

You can also dispute the assessed value of a property through an appeal. You'll typically have a set period of time after you receive your property tax assessment to file your petition. You may choose to submit your appeal on your own or through an attorney.

You'll typically need to provide documentation for why you believe the property is overvalued or undervalued depending on which side of the bargain you are. For example, you may enlist a real estate broker or agent to help you run a comparative market analysis on the home and point out certain things that could cause the property to have a lower valuation.

The official fair market value of a home is determined by the buyer and seller and that is made once the buyer and seller comes to an agreement to either buy or forgo the transaction because either one or both parties are not satisfied with the price at which one wants to sell the house or the other wants to buy.

Who Qualifies to Assess the Value of a Property?

Valuers in Ghana are expected to be qualified surveyors who are licensed and members of the Ghana Institute of Surveyors in good standing.

Despite being licensed they could be working as government officials, usually with the Survey Division of the Lands Commission or attached to some key government institutions. Others are also into private practice, but also commissioned as and when necessary to work on behalf of the government.

It is no wonder that some Real Estate Developers and Brokerages have in house valuers to help clients close good transactions. Here, CBC Properties is not an exception.

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Another key development is that the new Real Estate Agency ACT, 2020 (ACT 1047) seeks to make available valuation of properties houses and keep records of all Real Estate transactions to conveniently establish the market value of properties graded by locations. This is to reduce to the barest minimum speculative pricing and high prices of properties.

#### Conclusion

The whole idea of assessing or valuing your property is to ensure that your investment is well protected and doing well irrespective of the forces of the market. Having a good value of your property does not happen by a fluke. A conscious effort must be put into ensuring one's property has a good value at all times.

This can be done by consciously ensuring a formidable culture of maintenance. Thus, ensure all wear and tears are repaired at all times. Slight home or property improvements must also be ensured at all times. Simple things such as painting, plumbing, keeping up to date documentation, keeping a clean environment and attractive curb appeal (general appearance) can raise the value of your property.

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