

# Property Appraisal for Investors

Property appraisal or property valuation is the process of determining the value of the property on the basis of the highest and the best use of real property (which basically translates into determining the fair market value of the property). The person who performs this property appraisal exercise is called the property appraiser or property valuation surveyor. The value as determined by property appraisal is the fair market value. The property appraisal is done using various methods and the property appraisal values the property as different for different purposes e.g. the property appraisal might assign 2 different values to the same property (Improved value and vacant value) and again the same/similar property might be assigned different values in a residential zone and a commercial zone. However, the value assigned as a result of property appraisal might not be the value that a property investor would consider when evaluating the property for investment. In fact, a property investor might completely ignore the value that comes out of property appraisal process.

A good [property investor](#) would evaluate the property on the basis of the developments going on in the region. So property appraisal as done by a property investor would come up with the value that the property investor can get out of the property by buying it at a low price and selling it at a much higher price (as in the present). Similarly, property investor could do his own property appraisal for the expected value of the property in, say 2 years time or in 5 years time. Again, a property investor might conduct his property appraisal based on what value he/she can create by investing some amount of money in the property i.e. a property investor might decide on buying a dirty/scary kind of property (which no one likes) and get some minor repairs, painting etc done in order to increase the value of the property (the value that the property investor would get by selling it in the market). So, here the meaning of property appraisal changes completely (and can be very different from the value that property appraiser would come out with if the property appraiser conducted a [property appraisal](#)).

A property investor will generally base his investment decision on this property appraisal that he does by himself (or gets done through someone).

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