



Appraisal Institute of Canada

Institut canadien des évaluateurs

For immediate release

Canada's Leading Valuation Professionals offer 10 Financial Tips to Property Owners during Financial Literacy Month

Ottawa, ON (November 1, 2017) – During [Financial Literacy Month](#), the Appraisal Institute of Canada encourages property owners to do their own due diligence to determine the real value of their property. There are several instances that an unbiased, thorough, third party opinion of market value of a property prepared by a designated appraiser can assist property owners:

1. **Buying a property**– When you buy a home, the amount of your approved mortgage is based on the appraised value of your home. That means that it is the appraised value - not the purchase price - that the lender uses to determine the maximum amount of the mortgage loan. If the purchase price you paid is significantly higher than the appraised value, you may not receive the full amount of the loan that you were counting on. It is recommended that you work with your lender to hire a designated appraiser to complete an independent appraisal on a property you are purchasing before you sign the purchase agreement.
2. **Selling a property** – If you want to determine the best listing price for your property, it is worthwhile to engage a designated appraiser to provide an independent opinion of value based on comprehensive market research.
3. **Planning your estate** – If you have real estate that you want to bequeath to your children, an independent value will be useful to ensure that this asset is fairly distributed to your family. If you prefer to leave your estate to a charitable organization, then the market value of your property will be required as well.
4. **Retirement planning** – If you want to determine your wealth to plan for your retirement, a designated appraiser is able to determine the value of your current real estate as well as provide consulting advice to enhance your financial portfolio with a good real estate investment.
5. **Litigation** – If you are in litigation and property is involved, engage a designated appraiser to provide an expert opinion on the value of the property. For example, there may be a matrimonial division of property or assets, shareholder disputes or a situation in which the market value of the property has an impact on the legal settlement. AIC-designated appraisers are recognized within judicial and quasi-judicial settings.
6. **Property tax assessment appeals** – In most provinces, if you don't agree with the value of your property used to determine your property taxes, a designated appraiser can

prepare an appraisal and provide you with the support you need to make your argument to the assessment authority.

7. **Renovating** – If you plan to update your home with a significant renovation, be sure you are investing in the right upgrades. There is an assumption that the money you invest in a renovation will be fully returned to you if you sell the property. That is not always the case, and a designated appraiser can assist you in determining the real value of your property with the renovations you are planning
8. **Capital Gains** – If you want to be sure that the capital gains that you are reporting are based on a fair market value, engage a designated appraiser to give you the peace of mind that you are paying a fair amount of tax on the disposed property.
9. **Insurance coverage** – A designated appraiser can complete an appraisal for insurance purpose that can be used by property owners and insurance companies in the event of damage to your property. This is a great way to document the details of the property before a natural disaster or other unfortunate event occurs which will expedite your claim during a time that is often very difficult for your family.
10. **Bankruptcy** – If the unfortunate event occurs in which you must file for bankruptcy, a designated appraiser should be engaged to provide a fair market value for the property which is one of your most significant assets.

“An unbiased opinion of value provided by a qualified, designated appraiser provides property owners with one more piece of information that they can use to make an informed decision about one of the most significant investments that most Canadians make – their home,” states Rick Colbourne, AACI, P. App, President of the Appraisal Institute of Canada. “Our advice is that if any financial decision involves real estate, involve a designated appraiser.”

The Appraisal Institute of Canada offers a [Consumer’s Guide](#) an [Industry Guide](#) and a guide on [How to Value your Renovations](#) for further information about the appraisal process. These resources are also included in the Financial Consumer Agency of Canada’s [Canadian Financial Consumer Literacy Database](#). For more information, visit www.AICanada.ca.

About the Appraisal Institute of Canada

The Appraisal Institute of Canada (AIC) is a leading real property valuation association with over 5,400 members across Canada. Established in 1938, the AIC works collaboratively with its 10 provincial affiliated associations to grant the distinguished Accredited Appraiser Canadian Institute (AACI™) and Canadian Residential Appraiser (CRA™) designations. AIC Designated Members are highly qualified, respected professionals who undertake comprehensive curriculum, experience and examination requirements. Our members provide unbiased appraisal, appraisal review, consulting, reserve fund study and machinery and equipment valuation. For more information, go to AICanada.ca.

For more information:

Sheila Roy, Appraisal Institute of Canada

Phone: 613-234-6533 x224

Mobile: 613-863-0127

sheilar@aicanada.ca