

# How to Determine House Values

*by*

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Once you find what looks to be a good real estate investment, you need to quickly determine several key aspects of the deal. This would include:

- The value of the property in its current condition
- Your planned use of the property if different than its current use
- The estimated renovation costs for the project
- The estimated future value of the property when fixed up
- The final offer price and terms you want as part of your purchase

Unlike stocks, the difference between success and failure of a real estate investment revolves around how much you paid for the property and how you structured the deal. The reason for this is quite simple. With real estate you have direct control over the investment and you can make changes to affect the value of the property and the outcome of your investment. You do not have the same latitude with stocks because you have no way to control how the company performs or what investments the company makes in its future.

So once you decide on the price and submit your offer, you immediately start second guessing yourself and wonder if you are paying too much and if you will get your money back in a reasonable amount of time? I have faced these questions for years and found that the only solution is to know what homes sold for in the area. Historically, you had to work closely with a local real estate agent to obtain this information and if the agent was busy, it would take several days to get to you with the information. These delays were frustrating and many deals were lost because the offer was too late.

The Internet has changed all of this and now any investor can find recent home sales information in virtually every neighborhood in the country for himself with just a few “clicks” of his computer’s mouse. Home sales are a matter of public record and are recorded in the county auditor’s office in each county in the United States. Furthermore, most county records are now on-line making this information readily available to the public. Any investor can easily access this information to assist them in their decision making process.

Large national-level databases are maintained by numerous real estate related companies or mortgage lenders who provide this data as a service to their customers via the Internet. These databases are updated regularly with the most recent sales records and provide investors an excellent source of comparable homes sales data. These databases also are an excellent resource for research on neighborhood pricing structures.

Investors with even minimal computer skills can find this information quickly, enabling them to make their investment decisions faster and based on actual sales figures. Having this information at your fingertips is beneficial when you are negotiating your “Best and Final” offer with real estate agents or bank officials handling the sale of the property. For related articles and products on this subject and other real estate articles, please visit [www.HomeReplay.com](http://www.HomeReplay.com).