**Real Estate Definitions**

* **Assessed Value**: The amount the county claims a property is worth in order to levy property taxes. This is generally an unrealistic value. Often times too low, but sometimes high, and almost never correct.
* **Appraised Value**: This is the amount a licensed professional claims the subject property is worth. This amount is often touted by sellers to make a buyer think their price is worth the listing price. But appraisals are inherently flawed. Because appraisers are not necessarily familiar with the immediate area and are required to use certain distance formulas, a lower priced neighborhood that is, say, a mere 1/4 mile away, will negatively affect the appraised value.  On the flipside, a home in a 'mediocre' priced area may receive an unrealistic bump in their appraised price because they are very close to the higher priced homes. WILL YOUR HOME APPRAISE FOR SALES PRICE?
* **Real Value (sales price)**: This is the price the market says your home is worth. This price is determined through “comps” and what someone is willing to pay. For instance, If you want to sell your home in Reston in the Spring, asking price would be determined by looking at comparable homes and what they've sold for. Not all homes are the same and have the same updates, therefore price is also determined on updates in the home (kitchen, bathrooms, flooring, roof condition, window age, etc...)  and what's going on in the market (How much inventory is there? How much growth in the neighborhood/area)
* **Comparables** (or **comps**) is a real estate appraisal term referring to properties with characteristics that are similar to a subject property whose value is being sought. This can be accomplished either by a real estate agent who attempts to establish the value of a potential client's home or property through market analysis or, by a licensed or certified appraiser
* ***Market Conditions***—This is often referred to as the *time adjustment* and accounts for changing prices over time.
* ***Locational Comparability***—Are the comparable and the subject property influenced by the same locational characteristics? For example, even two houses in the same neighborhood may have different views which cause one to be more valuable than the other.
* ***Physical Comparability***—This includes such factors as size, condition, quality, and age.

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