



THE SIX VALUES EVERY REAL ESTATE INVESTOR NEEDS TO KNOW



There are six values every real estate investor needs to know about the property they are investing in. These six values are the retail value, the wholesale value, the replacement value, the property tax value, the loan value, and the appraised value.

1. Retail Value

- The retail value is the value an end user, like a homeowner, places on a piece of real estate. The retail value tends to be the highest value of all the values placed on real estate.

2. Wholesale Value

- The wholesale value is the value a real estate investor, like you, places on a piece of real estate. The wholesale value tends to be the lowest value of all the values placed on real estate.

3. Replacement Value

- The replacement value is the value insurance companies place on the improvements on a piece of real estate. The replacement value is determined by the cost approach.

4. Property Tax Value

- The property tax value is the value the local property tax assessor in your area places on a piece of real estate. The property tax value could be higher or lower than the retail value.

5. Loan Value

- The loan value is the value a real estate lender, like a bank or mortgage company, places on a piece of real estate. The loan value tends to vary as a percentage of the appraised value.

6. Appraised Value

- The appraised value is the value a real estate appraiser places on a piece of property. The appraised value is typically at or near the retail value.