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CGT GUIDE

Retrospective Property Valuations



How a valuer establishes what a property was worth at a date in the past — and why it's more involved than it sounds.

What is a retrospective valuation?

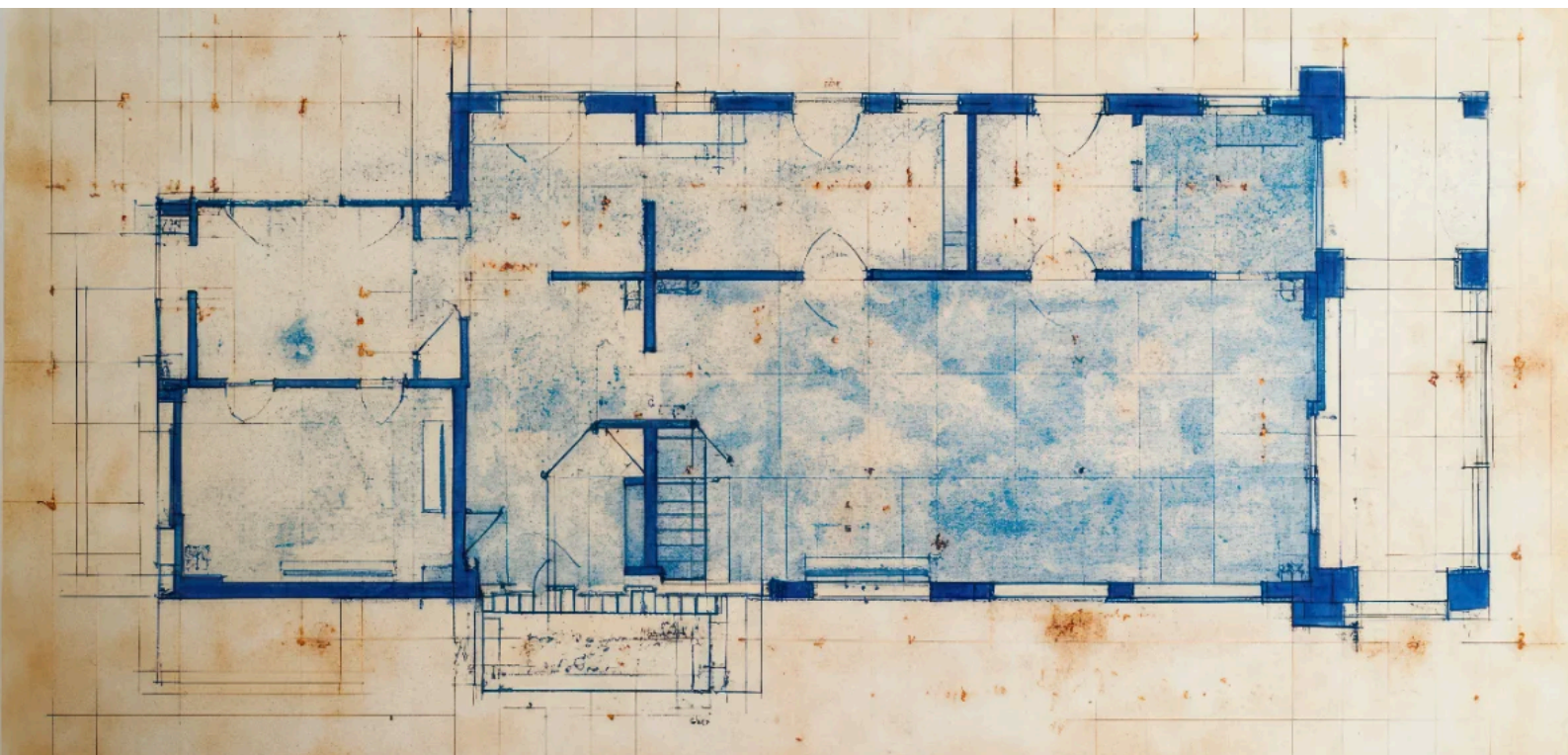
A retrospective valuation determines the market value of a property as at a historical date, rather than today. It's a common requirement for CGT matters, deceased estates, and any situation where a past date — not the present — is the one that matters for tax purposes.

Common scenarios

- Establishing the value of an inherited property as at the date of death
- A property that changed from private to income-producing use some years ago
- A legislative change with an earlier effective date
- Historical related-party transfers under review

Why it's more involved

A valuer preparing a retrospective valuation can't simply inspect the property as it stands today and apply today's market — they need to reconstruct market conditions and comparable sales evidence as at the historical date, and account for any changes to the property since then (renovations, extensions, or deterioration) that shouldn't be reflected in the historical figure.



The step-by-step process

1

Establishing the exact valuation date

Every retrospective valuation starts by confirming precisely which date the value needs to reflect — a date of death, the date a property was first rented out, or the date of a historical transfer.



2

Reconstructing market conditions at that date

Rather than looking at today's comparable sales, the valuer researches sales evidence and market indicators from around the relevant historical date, often working from archived sales data and local market knowledge specific to that period.



3

Assessing the property's condition as it was then

A valuer typically still inspects the property today, then works backward — identifying any renovations, extensions, or deterioration since the valuation date, so today's condition isn't mistaken for the historical condition. Photos, prior sale contracts, building approvals, and renovation records all help reconstruct what the property looked like at the time.



4

Applying a recognised valuation methodology

The valuer applies the same professionally recognised approach used in a current-date valuation — most commonly direct comparison with sales evidence — adjusted for the market conditions and property condition that existed at the historical date.



5

Documenting the evidence and reasoning

A supportable retrospective valuation report shows its working: the comparable sales considered, the adjustments made for time and condition, and the reasoning behind the final figure.



What evidence helps

- The original purchase contract and settlement statement
- Any building approvals, renovation invoices, or contracts for work carried out
- Old photographs of the property
- Historical rates notices or insurance valuations
- Details of when improvements were made, relative to the valuation date

How far back can a property be valued?

There's no fixed cut-off. In principle, a retrospective valuation can be prepared for any past date, provided there's enough surviving market evidence to support it credibly. In practice, the further back the date, the more research is typically required — which is one reason it's worth engaging a valuer with access to historical sales records and local market knowledge.

How HTW approaches it

HTW's valuers draw on historical sales data, market records and local knowledge to prepare a retrospective valuation supported by evidence relevant to the specified date — using the same recognised methodology as a current-date valuation, applied to the market conditions that existed at the time.



FAQs

Can I get a valuation for a historical date?

Yes — retrospective valuations, establishing market value as at a past date, are a common requirement for CGT and estate matters. Mention the relevant date when you order.

Is a retrospective valuation less reliable than a current one, since the valuer wasn't there at the time?

Not if it's prepared properly. The valuer still applies the same recognised, evidence-based methodology used in a current-date valuation — the key difference is that the comparable sales and market evidence relate to the historical date rather than today, which takes more research but doesn't make the result inherently less reliable.

Do I still need to let the valuer inspect the property?

Usually, yes. A valuer typically inspects the property as it stands today to understand the land, location and building, then works backward, identifying renovations, extensions or deterioration that have occurred since the valuation date, so today's condition isn't mistakenly reflected in the historical figure.

What if I've lost the original purchase documents?

A retrospective valuation can generally still proceed using market and property evidence from the relevant time, even without the original paperwork. That said, supplying whatever records you do have, even partial ones like old photos or a previous rates notice, helps the valuer build a stronger, more supportable historical figure.

How long does a retrospective valuation take compared to a current-date one?

It can take longer, since sourcing and analysing historical sales evidence is typically more involved than pulling together current comparable sales. The further back the relevant date, the more research is usually required, so it's worth allowing extra time when a retrospective valuation is needed for a time-sensitive matter.

Can a retrospective valuation be challenged by the ATO?

Yes — like any valuation used for tax purposes, it needs to be independent, evidence-based, and properly documented to withstand review. This is exactly why methodology and record-keeping matter as much as the final figure itself; a well-documented report is far better placed to survive scrutiny than a bare number.

Note: This is not tax advice. Whether a retrospective valuation is appropriate for your circumstances, and which date applies, should be confirmed with your tax or legal adviser.