

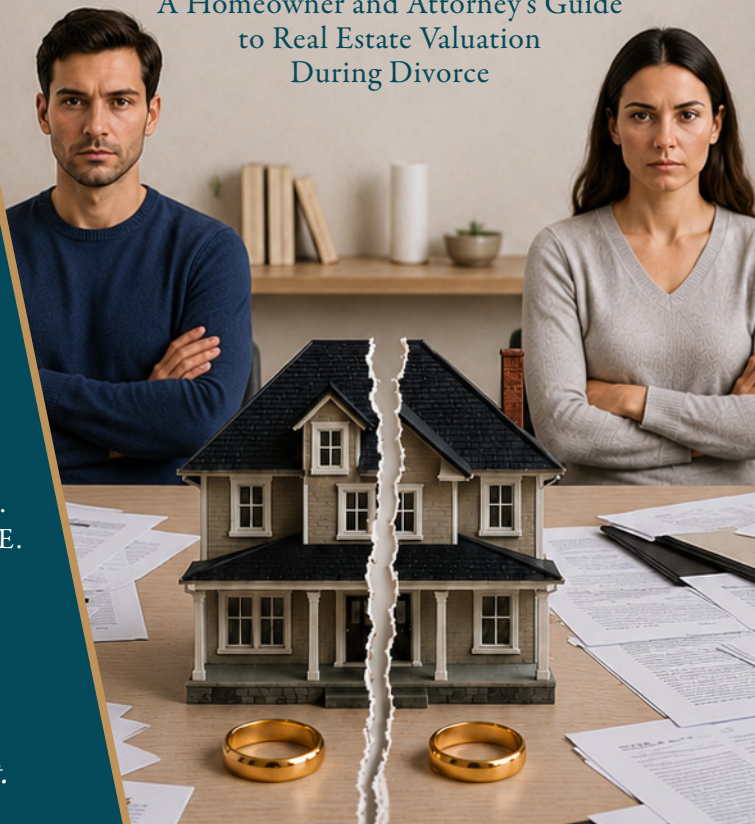
DIVORCE APPRAISALS IN ILLINOIS

A Homeowner and Attorney's Guide
to Real Estate Valuation
During Divorce



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DIVORCE APPRAISALS IN ILLINOIS

Understanding Property Value During One of Life's Most Challenging Transitions

Helping Attorneys, Mediators, and Homeowners Navigate:

• Current Market Value Appraisals • Retrospective Appraisals • Property Settlement Valuations • Buy-Out Appraisals • Expert Witness Services

Introduction

Divorce is never easy.

The emotional, financial, and legal complexities can make even straightforward decisions difficult. One of the largest marital assets is often the family home.

Obtaining a credible, independent real estate appraisal is one of the most important steps in achieving an equitable property settlement.

A properly developed appraisal can help:

• Reduce disputes • Facilitate negotiations • Support mediation efforts • Provide evidence for court proceedings • Assist in buy-out decisions • Establish marital and non-marital property interests

As a Certified Residential Appraiser specializing in divorce valuations throughout Illinois, our role is to provide an impartial and unbiased opinion of value.

We do not advocate for either spouse.

We advocate only for credible valuation results.

Divorce Statistics in America

Divorce remains common in the United States.

According to data published by the CDC and U.S. Census Bureau:

- Approximately 40% to 45% of first marriages ultimately end in divorce.
- Approximately 60% to 67% of second marriages end in divorce.
- Approximately 70% to 75% of third marriages end in divorce.

While divorce rates have declined somewhat in recent years, millions of Americans continue to experience marital dissolution annually.

Many divorcing couples own real estate, making valuation one of the most important financial issues to resolve.

Why Do Marriages End?

Every relationship is unique, but studies consistently identify several common reasons.

Lack of Communication

Communication problems remain one of the leading contributors to divorce.

Financial Stress

Money disagreements often create significant strain within a marriage.

Infidelity

Trust issues and extramarital relationships continue to be major factors.

Lack of Intimacy

Physical and emotional disconnection can erode relationships over time.

Growing Apart

People change.

Interests, goals, and lifestyles may evolve in different directions.

Longer Life Expectancy

Americans are living longer than previous generations.

Many individuals are less willing to remain in unfulfilling relationships for decades.

Lifestyle Changes

Career changes, retirement, relocation, and family dynamics can alter relationships significantly.

Illinois Is an Equitable Distribution State

Illinois follows the principle of Equitable Distribution.

This means marital property is divided fairly - not necessarily equally.

Unlike community property states such as:

- Texas • California • Arizona • Nevada

Illinois courts may award different percentages based on numerous factors.

A 50/50 division is not guaranteed.

Because real estate often represents the largest marital asset, obtaining a credible appraisal is critical.

Types of Divorce Appraisals

Current Market Value Appraisal

Determines value as of today's date.

Commonly used when:

- Property will be sold
- One spouse intends to buy out the other
- Refinancing is planned

Retrospective Appraisal

Determines value as of a prior date.

Common retrospective dates include:

- Date of marriage
- Date of separation
- Date of filing
- Date specified by attorneys or court

Multiple-Date Appraisals

In some cases, two or more values are necessary.

Examples:

- Value at marriage
- Value at separation
- Current market value

Understanding Effective Dates

Many people mistakenly believe the date of the appraisal inspection determines value.

It does not.

The most important date is the Effective Date of Value.

Examples include:

Date of Marriage

Used to establish premarital interests.

Date of Separation

Often relevant when determining marital contributions.

Date of Filing

Sometimes required by attorneys or courts.

Current Date

Reflects present market conditions.

The appraiser develops an opinion of value as of the specified effective date.

What Is Market Value?

Illinois generally recognizes market value as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale.”

Key assumptions include:

- Buyer and seller are typically motivated
- Both parties are well informed
- Property has reasonable market exposure
- No undue pressure exists

Market value is not:

- Tax assessed value
- Insurance value
- Zillow estimate
- Owner opinion

Why Engagement Letters Matter

An appraisal engagement letter establishes:

- Intended use
- Intended users
- Scope of work
- Effective date
- Fee
- Delivery expectations

A clear engagement letter protects:

- Attorneys
- Clients
- Appraisers

Everyone should understand exactly what assignment is being performed.

Contested Versus Amicable Divorces

Amicable Divorce

Spouses generally agree on most issues.

A neutral appraisal often helps confirm value and avoid conflict.

Contested Divorce

Significant disagreements exist regarding:

- Property value
- Asset division
- Equity distribution

In these situations, an independent appraisal may become critical evidence.

The Appraiser Is a Neutral Third Party

A divorce appraiser is not:

- On the husband's side
- On the wife's side
- On the attorney's side

The appraiser's responsibility is to provide an unbiased opinion supported by market evidence.

Neutrality benefits both parties.

A credible appraisal helps prevent future disputes and challenges.

If One Party Is Buying Out The Other

Honesty is essential.

Sometimes the spouse remaining in the home emphasizes defects.

Sometimes the departing spouse emphasizes positive features.

Neither approach helps.

The appraiser is trained to determine:

- What impacts value • What does not impact value •
- Contributory value of improvements • Impact of deferred maintenance

Market evidence - not opinion - determines value.

Cooperating With The Appraiser

Regardless of who hired the appraiser:

Be cooperative.

Provide access.

Answer questions honestly.

Supply documentation if requested.

The appraisal process works best when everyone participates professionally.

Remember:

The appraiser is not your adversary.

The appraiser is a neutral valuation professional.

Preparing For The Appraisal Inspection

Before the inspection:

- Secure pets • Provide access to all rooms • Gather improvement records • Prepare repair information • Provide surveys if available

Do not attempt to manipulate value by creating clutter.

Clutter generally does not reduce market value.

The appraiser focuses on:

- Structure • Quality • Condition • Maintenance • Functional utility • Market appeal

Improvements That May Affect Value

Examples include:

- New roof • New furnace • New HVAC system • New siding • New windows • Kitchen remodeling • Bathroom remodeling • Basement finishing • Garage additions • Decks and patios

Not every dollar spent translates directly into value.

The market determines contributory value.

Maintenance Items That Should Be Addressed

Common deferred maintenance includes:

- Roof leaks • Water intrusion • Furnace issues • Failed water heaters • Electrical deficiencies • Plumbing leaks
- Damaged flooring • Broken windows • Peeling paint • Foundation concerns

Deferred maintenance can affect value and marketability.



The Divorce Appraisal Process

Step 1 - Engagement

Step 2 - Property Inspection

Step 3 - Market Research

Step 4 - Comparable Sales Analysis

Step 5 - Reconciliation

Step 6 - Report Preparation

Step 7 - Delivery

In some assignments:

Two separate values may be developed:

- Retrospective Value • Current Market Value

Communication Is Critical

The most successful divorce appraisals involve good communication between:

• Homeowner • Attorney • Mediator • Appraiser

Providing information early reduces delays and misunderstandings.

Questions should be addressed before assumptions are made.

Frequently Asked Questions

Can one appraisal be used by both parties?

Often yes, if both parties agree.

Can an appraiser determine who gets the house?

No.

Can an appraiser recommend settlement terms?

No.

Can the appraiser testify in court?

Yes, if retained for expert witness services.

How long does the process take?

Most assignments are completed within days to a few weeks depending upon complexity.

Conclusion

Divorce involves major life changes.

Obtaining a credible appraisal helps ensure real estate decisions are based on facts rather than emotions.

Whether your matter involves:

• Current Market Value • Retrospective Value • Buy-Out
Decisions • Mediation • Litigation

An independent appraisal can provide the objective information necessary to move forward confidently.

Greater Midwest Appraisals

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