**The Value of Inherited Real Estate**

When a decedent passes away and leaves real estate to a loved one or heir, the beneficiary will eventually need to find out the property’s fair market value. This is true for a variety of reasons. For example, a beneficiary will need to report any taxable gain or loss on the sale when paying taxes. Alternatively, the estate administrator will need to conduct an inventory before the property can go through probate. In many cases, a will actually leaves a piece of property to multiple beneficiaries, in which case the assets will need to be divided between them. Property valuation is extremely important when dealing with an inheritance, as failing to do one properly could lead to a lawsuit or tax issues. To ensure that you receive an accurate and fair valuation of your property, you may want to consider contacting a [contested estates](http://orlowskywilson.com/areas-of-law/estate-planning-services/contested-estates/) attorney who has the resources and experience to assist you.

**Placing the Property on the Market**

One of the easiest ways to determine a property’s fair [market value](http://tax.illinois.gov/Publications/Pubs/Pub-136.pdf) is to place it on the market and sell it to a new buyer. In most cases, if the property is sold within one year of the decedent’s death, the IRS will accept the selling price as its fair market value at the time of death. There are, however, problems with this method, as other beneficiaries may wish to seek an appraisal from a professional. Furthermore, all beneficiaries must agree to the sale before it can take place. Aside from causing contention, placing the property on the market is risky, as the IRS will not always accept the sale price as value when calculating taxable gain.

**Professional Estimates**

When inherited real estate cannot be sold quickly or if market conditions indicate that it would be better to sell at a later date, beneficiaries can seek the advice of local real estate agents. These individuals are often in the best position to value property as they will be familiar with recent sales of comparable properties in the area. They may also have a sense for the state of the market. To ensure that the estimate is fair, beneficiaries should consider obtaining the opinion of more than one agent.

**Appraisals**

One of the most reliable ways to discover the value of a piece of property is to ask a professional real estate appraiser for an estimate. These individuals, unlike real estate agents, have no reason to inflate the price of the property, so their estimates can almost always be trusted. In some cases, it is required to obtain an estimate via appraisal, especially when the property produces an income or serves a commercial purpose.

Regardless of the type of appraisal you seek, it is critical to do so as quickly as possible because real estate markets change quickly and beneficiaries will need to provide an estimate of the property’s value as of the decedent’s date of death to complete the [probate process](http://ilga.gov/legislation/ilcs/ilcs4.asp?DocName=075500050HArt%2E+VI&ActID=2104&ChapterID=60&SeqStart=7200000&SeqEnd=9400000).

**Contact a Chicago Contested Estates Attorney About Your Case Today**

If you inherited real estate and want to avoid a will contest, it is important to obtain a correct valuation of the property. Please contact [Orlowsky & Wilson, Ltd. Attorneys at Law](http://orlowskywilson.com/contact-us/) at 847-325-5559 to learn more about your legal rights and obligations.