
The Death of Comparison Valuations: Why Property Valuation is the Last Tech Dinosaur (and How to Fix It)

Ross McLelland

Focus Property Pricing Pty Ltd

Abstract

In an era of big data and precision analytics, the real estate appraisal industry remains a global outlier. While all other sectors, from finance to education, medicine, and even niche arenas like elite sports performance, have transitioned to standardised measurement scales, property valuation remains tethered to a 20th-century 'comparative' property valuation model – a system built on subjective opinion, sales spin, and incomplete analysis. This reliance on comparables doesn't just lead to inaccuracy; it creates the ethical vacuum that allows for the systemic issue of underquoting.

This presentation challenges the industry's status quo by asking a provocative question: Why are we still comparing when we should be measuring?

Drawing on data analysis principles from the Global Remuneration industry, this session introduces the Property Pricer methodology. This shift represents a move from 'opinion-based appraisal' to 'standardised attribute measurement'. By deconstructing a property into a mathematical equation – assigning standardised measurement values to over 55 distinct features, to achieve a Property Ranking Level (PRL) and combining this with a Suburb Value Level (SVL) ratio – we remove human bias from the folder.

The results of this 'measurement-first' paradigm are not merely theoretical. Rigorous testing against 3,500 real-world sales demonstrated a 97% accuracy rate, providing a level of transparency that is fully ATO-compliant and auditor-approved. This session will demonstrate how adopting a universal data-based methodology can finally professionalise the industry, eliminate the guesswork that enables underquoting, and move property valuation out of the dinosaur age and into the 21st century.