

Probate Home Valuation Guide

When a loved one passes, the family home is often the single largest part of the estate. Unlike a car or a savings account, a house isn't easy to divide or value. Probate courts require a defensible number for the home's worth — and that number can directly affect inheritance, taxes, and family peace of mind. In addition, the IRS requires a single number rather than a ballpark range in order to set proper step-up basis.

What You'll Learn:

This guide explains the three main ways Michigan probate courts look at home values, the strengths and risks of each, and which option best protects heirs.



Protection Tip:

A clear valuation avoids disputes, IRS challenges, and delays in closing probate.

1 Licensed Real Estate Appraiser

What it is: A licensed appraiser prepares a formal report, using comparable sales and professional analysis. An appraiser often does a date-of-death appraisal.

- **When used:** Required for IRS filings, estate taxes, when heirs may challenge distribution, and more supervised probate process.
- **Pros:** Defensible, highly accurate, accepted by courts and tax authorities.
- **Cons:** Costs \$400–\$600 and requires scheduling.

2 Michigan Real Estate Agent (CMA)

What it is: A Comparative Market Analysis (CMA) prepared by a real estate agent, based on recent neighborhood sales.

- **When used:** Useful for pricing strategy when preparing to list the home. May be possible to use in undisputed probate cases.
- **Pros:** Faster, often free, gives real-time market perspective.
- **Cons:** Not legally defensible in probate disputes or tax matters.



Guiding Note:

Most real estate agents provide only ballpark numbers. Look for a pricing strategy advisor real estate agent. These agents have extra training and knowledge in property valuation.

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3 Automated Valuation Models (e.g. Zestimate)

What it is: Online estimates or AVMs (like Zillow “Zestimates” or Redfin calculators). These models aggregate data and arrive at a valuation. It’s possible they will become better with AI.

- **When used:** Quick ballpark estimates for informal discussions or nice to know. Do not rely on these models when accuracy is key.
- **Pros:** Free, instant, accessible anywhere.
- **Cons:** Inaccurate (average 7%+ error margin in Michigan), not acceptable in probate filings.

\$ Hierarchy of Valuations

The Safest Path for Probate: While all three methods have their place, only a Date-of-Death Appraisal fully protects heirs and the estate. That said, a Realtor Market Analysis can be a helpful companion when preparing to list the home, and online tools can give families a quick sense of range – as long as everyone understands their limits.

