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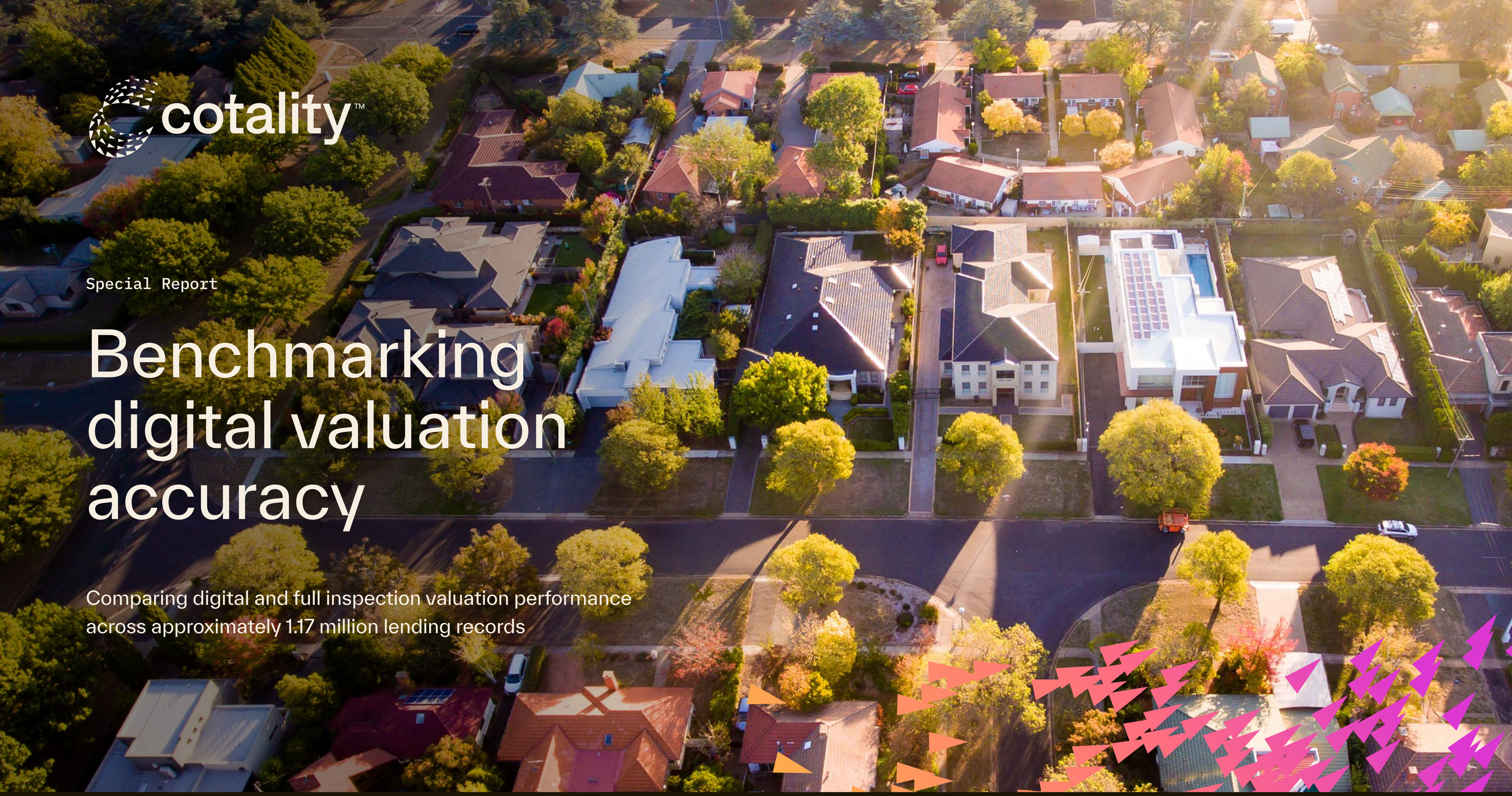
Special Report

Benchmarking digital valuation accuracy

Comparing digital and full inspection valuation performance across approximately 1.17 million lending records



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Executive Summary

Mortgage lending and refinancing generate a substantial valuation workload, putting speed and reliability high on the lending industry's priorities. With several assessment options available, lenders need to understand how AVMs, desktop and newer hybrid valuations compare with the established "gold standard" of a full inspection valuation.

Cotality's new *Valuation Accuracy Benchmarking Report* examines how its digital valuation solutions, IntelliVal AVM, Cotality Desktop and SMARTval, perform against full inspection valuations. Drawing on a rolling two-year dataset, the most recent edition **analyses approximately 1.17 million records**. The findings provide insights that may assist valuation selection in mortgage lending and refinancing.

The report compares assessments of the same properties, adjusting for market movement between valuation dates. It also measures variation between separate full inspection valuations completed by different valuation firms, giving lenders a reference for interpreting digital accuracy that recognises two valuers will not necessarily arrive at the same figure.

Using this methodology, the report finds that digital valuations perform comparably to full inspection valuations across the dataset analysed, an encouraging result for an industry balancing speed with prudent lending. It validates the industry's investment in data, technology and professional expertise that has made more efficient, reliable assessments possible.

When comparing two full inspection valuations of the same property completed by separate valuation firms, **78% were within ±10% of the benchmark valuation**, the full inspection used as the reference for comparison after adjusting for market movement between assessment dates.

In comparison, **IntelliVal AVM recorded 77%** and **Cotality Desktop recorded 76% within ±10% of the benchmark valuation**, with **SMARTval recording 80% within ±10%**. The results were similarly close at the tighter ±5% and wider ±15% ranges, with just three to five percentage points separating the highest and lowest figures at each.

Efficient and reliable valuation options are increasingly relevant, especially with substantial refinancing activity and future tax changes that could influence investor borrowing.

77%

of Cotality digital valuations recorded within ±10% of the benchmark [1]

78%

of full inspection valuations recorded within ±10% of the benchmark



Drawing on these findings, this research paper examines how lenders can apply the most appropriate valuation method, backed by data-led insights to support digital progress alongside prudent lending standards.

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Faster approvals depend on reliable property assessments

Australia's residential property market is **worth more than $12 trillion**[1], and financing it keeps lenders busy. More than **134,000 new loan commitments** for dwellings were recorded in the June quarter of 2026[2], excluding refinancing. Borrowers and brokers expect a quick 'time-to-yes', while lenders must assess repayment capacity and whether the property is suitable security. The valuation is central to that decision, helping establish the loan-to-value ratio and how much the lender is prepared to lend.

While faster digital valuations help lenders process applications sooner, they also need evidence that the assessed values are reliable enough to support their lending decisions. Drawing on its extensive property data, analytics and mortgage industry insights, Cotality developed its *Valuation Accuracy Benchmarking Report* to address that gap, comparing digital assessments with full inspection valuations of the same properties.



1 https://www.abs.gov.au/media-centre/media-releases/total-value-dwellings-reaches-12-trillion
2 https://www.abs.gov.au/statistics/economy/finance/lending-indicators/latest-release

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How the benchmarking works

Cotality's *Valuation Accuracy Benchmarking Report* analyses approximately 1.17 million eligible records from its proprietary platforms. Each assessment is matched with a full inspection valuation of the same property, allowing Cotality to compare its digital valuation solutions, IntelliVal AVM, Cotality Desktop and SMARTval, with full inspection valuations. The records come from anonymised lending activity, so the findings reflect how these services perform in everyday lending.

The analysis uses a rolling two-year dataset. Each assessment is matched with a full inspection valuation of the same property completed up to two years before or after it. To account for market movement between those dates, Cotality adjusts the assessed value to the benchmark inspection date using its AVM postcode medians index for houses or units. The comparison is with a full inspection valuation, rather than a subsequent sale price.

Full inspections provide the benchmark, but two valuers can inspect the same property and arrive at different values. Their choice of comparable sales and judgement about the property's features can influence the result. Cotality therefore also compares separate full inspection valuations, adjusting for market movement in the same way, to give lenders a reference for interpreting the digital results.

For SMARTval and full inspection valuations, the analysis covers houses and units valued between $200,000 and $5 million that meet the report's eligibility criteria. For IntelliVal AVM and Cotality Desktop, the analysis is limited to an upper value threshold of $2 million, given the limited use of Desktops and AVMs above this range. The report excludes off-the-plan and "as if complete" assessments and multiple dwellings on one title, to remove "noise" associated with non-conventional property types.



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Digital valuations measure up

Cotality's national benchmarking research found digital valuations performed broadly comparably to full inspection valuations, giving evidence that may assist lenders when selecting valuation methods for mortgage lending and refinancing assessments.

The below table summarises the findings from the report across three key accuracy benchmarks: within ±5%, ±10% and ±15%:

Valuation type	Number of assessments	Within ±5% of benchmark	Within ±10% of benchmark	Within ±15% of benchmark
IntelliVal AVM	576,100	50%	77%	88%
Cotality Desktop	230,800	48%	76%	88%
SMARTval	48,800	53%	80%	91%
Full inspection	315,100	51%	78%	89%
Total	**1,170,800**			

The results highlight how little separated the four valuation methods, with just three to five percentage points between the highest and lowest figures across each of the three ranges. Whether an assessment involved an AVM, a valuer working remotely or a physical inspection, the proportion of valuations falling close to the benchmark was much the same.

It's an encouraging finding for the valuation industry as well as banks and lenders. Digital valuations offer faster turnaround without a physical inspection, and their performance in the lending applications studied was broadly comparable to full inspection valuations. Full inspection valuations provide the benchmark, but the results show that digital methods have their place and can produce assessed values similarly close to it.

SMARTval, the newest entrant to the valuation market, combines new data validation processes with professional valuer judgement and recorded the highest result in all three ranges. However, its sample was also the smallest, at approximately 48,800 eligible assessments, so it cannot be concluded that SMARTval is inherently more accurate or would outperform the other methods on every lending application. Its results nevertheless strengthen the evidence that valuer-led digital assessments can provide reliable valuations without a physical inspection.



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Valuation method by price range

The national results show closely grouped performance, but the price range analysis gives lenders a more detailed view across specific market segments. The highest levels of accuracy were observed in the $500,000 to $700,000 and $700,000 to $1 million ranges, with all four services scoring 80% or more within ±10%, except for Desktops in the $500,000 to $700,000 range, which scored 79%. These results provide further evidence of the performance of digital assessments in these ranges, with these assessments accounting for 57% of the dataset (approximately 670,700 assessments).

The differences widen slightly among properties valued in the $1million to $1.5 million range. However all four services still scored greater than 70% within ±10%, with SMARTval and full inspection valuations topping the category, both scoring 77%. AVMs started to dip slightly in the $1.5 million to $2 million range, recording 64% within ±10% of the benchmark, compared with 70% for Desktop, 73% for full inspection valuations and 74% for SMARTval.

Price range	Valuation type	Number of assessments	Within ±5% of benchmark	Within ±10% of benchmark	Within ±15% of benchmark
A. $200K to $300K	AVM	2.8K	28%	47%	61%
	Desktop	1.2K	33%	51%	62%
	Full inspection	2.6K	34%	54%	63%
	SMARTval	0.4K	36%	58%	70%
	Total	7.0K	32%	51%	62%
B. $300K to $500K	AVM	47.3K	44%	71%	84%
	Desktop	14.6K	41%	65%	79%
	Full inspection	24.2K	42%	66%	78%
	SMARTval	4.1K	47%	71%	84%
	Total	90.2K	43%	69%	81%
C. $500K to $700K	AVM	134.9K	54%	82%	92%
	Desktop	45.4K	52%	79%	90%
	Full inspection	61.1K	54%	80%	90%
	SMARTval	10.5K	56%	83%	93%
	Total	251.8K	54%	81%	91%
D. $700K to $1M	AVM	214.3K	54%	81%	91%
	Desktop	80.0K	52%	81%	92%
	Full inspection	107.5K	56%	82%	92%
	SMARTval	17.1K	56%	84%	93%
	Total	418.9K	54%	81%	92%
E. $1M to $1.5M	AVM	129.9K	44%	70%	83%
	Desktop	60.5K	45%	72%	87%
	Full inspection	80.9K	49%	77%	89%
	SMARTval	11.1K	50%	77%	91%
	Total	282.4K	46%	73%	86%
F. $1.5M to $2M	AVM	46.9K	39%	64%	77%
	Desktop	29.2K	43%	70%	85%
	Full inspection	38.8K	45%	73%	85%
	SMARTval	5.6K	46%	74%	87%
	Total	120.5K	42%	69%	82%
	Grand Total	**1,170.8K**	50%	77%	88%

The findings provide lenders with evidence to inform valuation selection criteria across financing price brackets. However, this alone does not establish which method is appropriate for an individual property, with specific characteristics, relevant comparable sales evidence and the lender's risk requirements to be considered.

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Evidence to support growing valuation demand

Cotality's *Valuation Accuracy Benchmarking Report p*rovides evidence that digital assessments can deliver results broadly comparable to full inspections in the applications studied. Lenders therefore have a stronger basis to inform the use of these methods where their selection criteria are met, improving turnaround times while maintaining confidence in the assessed values.

The capacity benefit is significant. More than 103,000 loans were refinanced with another lender in the June quarter of 2026[3], alongside the industry's new mortgage workload. Assessing eligible properties digitally allows applications to progress without a physical inspection appointment and preserves inspection capacity for properties requiring direct observation.

The Federal Government's capital gains tax changes, announced in the May 2026 Budget, are expected to add substantial valuation demand. Approximately 2.4 million[4] residential investment properties may require a valuation as at 1 July 2027, subject to confirmation of the scope and requirements. That work would draw on valuation resources also needed for mortgage lending and refinancing and extends beyond investors reviewing their borrowing strategies.

Greater demand for valuers could put pressure on assessment turnaround times and loan approvals. This research paper provides insights to inform valuation policies ahead of that demand, helping lenders evaluate the use of digital assessments for eligible lending applications and reserve full inspections for those that need them.



3 https://www.abs.gov.au/statistics/economy/finance/lending-indicators/latest-release
4 https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure

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Digital progress backed by evidence

The planned quarterly V*aluation Accuracy Benchmarking Report* for Cotality Desktop and SMARTval customers will build on these findings, providing an ongoing reference as lenders review their valuation policies and manage growing assessment workloads.

The value is in building a more informed data-led view of valuation method performance over time. The findings may also assist lenders in discussions with regulators and when reviewing whether their policies support efficient assessments within their risk requirements.

Greater visibility of how different valuation methods perform in practice leads to more confidence and an understanding that a faster assessment need not mean a less reliable one. Regular benchmarking makes that performance available for scrutiny, supporting prudent lending decisions with data-led evidence.

Explore the findings further
Request the *Valuation Accuracy Benchmarking Report* for a deeper look at the data behind the research and how valuation performance varies across key segments.

Request the Benchmarking Report →



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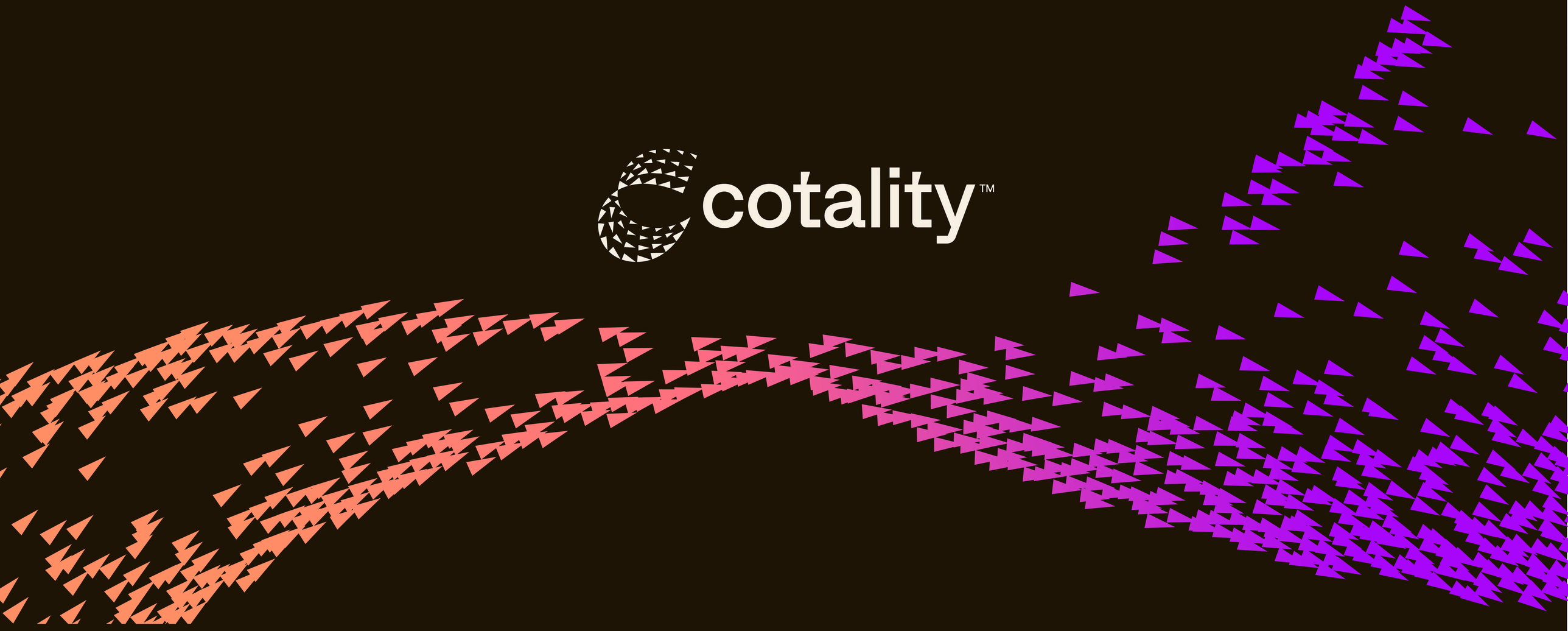

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