

Special Report

The critical role of the valuer in the age of digital valuations

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Introduction

From default to exception

The physical inspection has defined Australian residential valuation for generations, serving as both the primary instrument of evidence gathering and the foundation on which the valuer's professional credibility rested.

However, digital innovation has dramatically impacted the industry, moving it towards a hybrid model over the past three to four years, with the physical inspection transitioning from a professional obligation to a considered judgement call.

The change has not impacted the standard of the assessment or the qualifications of the person making it, but how the entire industry gathers, validates and applies evidence.

Australia's residential property market is valued at more than \$12 trillion, with mortgage brokers facilitating more than 77 per cent of new residential lending. In a market where lenders compete intensely for the same borrowers, speed of approval has become a primary point of difference. The valuation, historically one of the most time-consuming steps between application and approval, lies at the centre of that process and has therefore been the focus of the most significant operational change.



Introduction

Advances in data infrastructure, aerial imagery, planning overlays, hazard mapping, and verified homeowner-submitted photography have expanded what a qualified valuer can determine without visiting a property. For most standard residential mortgage valuations, the quality and currency of that digital evidence is sufficient to support an accurate, defensible assessment, without the time and cost of a physical inspection.

The updated International Valuation Standards (IVS), effective January 2025, reinforced that sufficient investigation is achievable through inquiry, research, and analysis rather than physical inspection alone, affirming best practice for all assessment types and the due diligence required of each. The physical inspection remains one valid method among several.

The method of investigation has changed fundamentally, but the professional judgement and experience required to interpret that evidence and stand behind a defensible opinion of value has not.

This report examines how the profession is responding to the changes, what the industry's governing bodies are doing to support businesses, and why the digital evolution of residential valuation is an opportunity for growth.

“ The digital evidence available to a valuer today, coupled with process innovation, has enabled a new wave of highly reliable digital assessments that include professional indemnity and the same standard of rigour from the valuer, preserving their critical role in the valuation process.



Carl Pinto

General Manager of Banking
& Valuation Solutions
Cotality AU/NZ

Due diligence in the digital age



The full inspection is transitioning from the default to the exception. The expert-led digital assessment is becoming the primary product across valuer-driven, residential mortgage valuations, with major lenders building their credit workflows around it and multiple valuation firms operating at scale within it.

A valuer completing a digital assessment works across aerial and satellite imagery updated at a frequency that would have been commercially unthinkable a decade ago, cross-referenced against listing imagery, planning overlays, zoning data, hazard data, and easements.

ValConnect, Cotality's valuation fulfilment platform for Cotality Desktop and SMARTval, provides valuers with access to sales histories, comparable evidence, building insurance estimates, summation calculators, and risk flags within a single workflow. Where additional verification is required, secure, geo-tagged and time-stamped photographs add a verified, real-time layer of property condition data.

Due diligence in the digital age

For adoption to reach its current scale, the confidence of the industry's risk and insurance frameworks was also required for legitimacy. Professional indemnity insurance had traditionally been the preserve of valuations completed with a full physical inspection, reflecting the view that a valuer's accountability was tied to their physical presence at the property.

PI insurers are now supportive of hybrid assessments, extending cover to digital workflows and enabling their use in higher risk profile settings that would previously have required a valuer on site. This represents the insurance industry's formal acknowledgement that a qualified valuer applying professional judgement to a comprehensive digital evidence base carries comparable professional accountability.

Lenders Mortgage Insurance providers have similarly incorporated hybrid assessments into their approved services. Their acceptance of hybrid assessments signals the risk frameworks underpinning Australia's residential lending market have been satisfied that digital assessment is a credible basis for credit decisions involving higher loan to value ratios.



Due diligence in the digital age

These risk approvals have been as significant to wider adoption as advances in data infrastructure, confirming to lenders, valuers, and the broader market that the professional and financial accountability behind a hybrid assessment is as credible as a traditional valuation.

Tim Frazer, Director of Quality and Risk Management at CBRE Valuation and Advisory Services, identifies COVID as the initial turning point, when necessity drove acceptance of alternative inspection methods and confidence has grown steadily as data quality improved since.

"While digital workflows have changed how information is gathered, the valuer's role is fundamentally the same," he says.



Valuers continue to be responsible for applying professional judgement to research, validating, assessing and appropriately reporting all property, market and risk attributes, and to evidence that their conclusions are supported by investigations that are equivalent in rigour to a conventional valuation with a physical inspection.



Tim Frazer

Director of Quality and Risk Management
CBRE Valuation and Advisory Services

Frazer says the integrity of a digital assessment rests on transparency around data sources, clear articulation of the valuer's rationale, and appropriate escalation where the data is insufficient.

"Transparency around data sources, validation of information relied on, and accuracy of the assessment are critical to supporting informed decision making."

"There is growing demand to collate and incorporate additional data sets, such as energy efficiency and dwelling performance, as part of the broader risk and suitability assessment."

How firms are responding

As one of Australia's largest residential valuation providers, Opteon has been at the forefront of the digital transition, reshaping its operations to meet the demands of a faster, data-driven market.

Scott Chapman, Opteon's Managing Director for Australia and New Zealand, says appetite for traditional mortgage valuations still exists, however digital workflows make it possible to meet the growing volume at a scale and speed the old model could not sustain.

Where a valuer's week was once structured around driving schedules and site appointments, for many it is currently built around data analysis, report synthesis, and managing a higher volume of instructions with greater consistency.

Chapman says the ability to synthesise evidence across multiple data sources and write a defensible report without visiting a property is a skill the modern mortgage valuer must have.



Our valuers are spending more time working across data sets, cross-referencing evidence, and applying their market expertise without the need for an inspection. That analytical core has always been the most important part of the role. Digital workflows have just made it more visible.



Scott Chapman
Managing Director for Australia and New Zealand
Opteon

How firms are responding

Opteon estimates that around 15 per cent of residential mortgage instructions involving a valuer are completed digitally, with site visits reserved for properties where complexity or risk requires professional judgement on the ground. That includes unusual configurations, significant renovations, or cases where data cannot be reliably sourced remotely.

"We're not trying to eliminate the site visit. We're being deliberate about when it's actually necessary," he says.

"Think about how telehealth has changed access to medical services. It didn't replace the doctor; it made the system smarter about when you need one in the room. That's the same logic we're applying. When we send a valuer on site, the risk profile justifies it. In those cases, the physical inspection is non-negotiable. It just doesn't need to happen for every instruction."

Australia's largest valuation and property advisory firm, Herron Todd White, has built a hybrid model that combines physical inspections with smart digital assessment capability.

Drew Hendrey, Managing Director of Herron Todd White's residential division says the innovation, on the back of 58 years of experience, has broadened rather than narrowed the firm's scope of work, enabling greater participation in high-volume and portfolio-based engagements and extending reach into regional and remote markets using prior inspection records and rich property datasets.



How firms are responding

"Digital assessments have not replaced traditional methods by any means. It has helped complement them," he says.



"Data alone is not sufficient without the context of real-time, on-the-ground experience. Continued exposure through physical inspections and active market engagement remains essential to ensure insights remain current, relevant and reliable."



Drew Hendrey
Managing Director of Residential Division
Herron Todd White

For Hendrey, professional excellence in this environment is defined by the ability to hold both capabilities simultaneously and Herron Todd White continues to seek out local experts to offer truly national coverage, which supports the firm's ethos backed by decades of experience across every postcode in Australia.

"Professional excellence means leveraging and blending significant source data with professional judgement to deliver high standards of accuracy and quality alongside faster turnaround times."

However, as digital assessments grow as a proportion of total valuation work, Hendrey asks whether the volume of verified, first-hand data points that feed those assessments will keep pace.

"Fewer physical inspections means fewer verified, first-hand data points for valuers to rely on when completing digital assessments. It also reduces exposure to local markets, with the potential to erode institutional knowledge and create gaps in the development of future valuers."

Where the profession is heading

Australian Property Institute CEO John Winter says the updated IVS has been broadly welcomed, with Australian members largely already operating at the standard the update reinforced.

He said what the update did well was acknowledge the evolving complexity of valuation work, ESG considerations, data-driven approaches, and the increasing importance of transparency in methodology.



The challenge, as always, is consistency of adoption across the profession, particularly among smaller practices. We need to make compliance achievable, not just aspirational.



John Winter
CEO
Australian Property Institute

The API's new quarterly Australian Property Market Outlook, which surveyed more than 360 practising professionals on a range of topics, illustrates what that complexity looks like in practice.

In the Q1 2026 report, valuers identified more than 20 factors driving residential property prices, from construction costs and interest rate settings through to planning approval delays and job market conditions.

"That ability to dynamically assess how those variables interact in a specific market, at a specific point in time, for a specific property, that's what a qualified valuer brings," Winter says.

"A valuer in Perth is weighing mining-driven demand and constrained supply; a valuer in Sydney is weighing rate hike impacts and softening confidence. The data inputs might overlap, but the judgement applied is entirely different."

A profession that remains essential

The valuation industry is not standing still in the face of this transition. Digital workflows have created capacity the road-based model could never have sustained at current mortgage market volumes, and the firms investing in hybrid workforces, data capability, and digital delivery are handling more instructions with greater consistency than at any previous point.

Through all of it, the professional judgement required to interpret evidence, weigh it against market conditions, and stand behind a defensible opinion with a qualified name and PI insurance attached remains what it has always been. However, while the tools may have changed, the professional standards have not.

Valuers who proactively engage with the changes will define what professional excellence looks like in the decade ahead.



This report accompanies a hosted industry panel led by Carl Pinto, General Manager of Banking & Valuation Solutions - Cotality AU & NZ, at the Australian Property Institute's National Property Conference in May. The panel will bring together leading voices from across the profession to continue the conversation on standards, skills, and the next evolution of Australian residential valuation. We hope you will join us.