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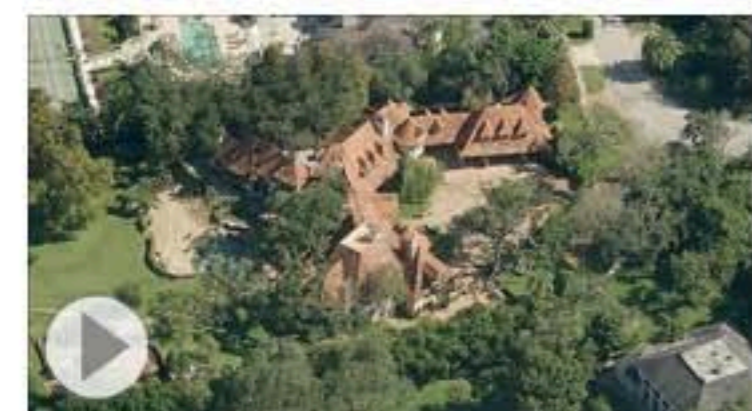
The tricky business of putting a price on a house can be a minefield in a divorce; balancing dueling valuations

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By ALYSSA ABKOWITZ

In a divorce, there's one person who is almost as important as the lawyers: the real-estate appraiser.



In a divorce, the house is the battleground (literally), as couples bicker over what their real estate is worth. Alyssa Abkowitz explains on The News Hub. Photo: Pictometry.

In the past few years, as property values have risen and fallen dramatically, the tricky business of determining the value of a house—always more of an art than a science—has become even more of a high-stakes gamble. And it's never more complicated than in divorce, where the home is often one of the biggest assets being divided.

"There always are competing and dueling interests about what to do with property," says Michael Vargas, co-founder of Vanderbilt Appraisal Co. in New York's tri-state area. "Ultimately, no one wants to lose."

"Real Housewives of Orange County" star Vicki Gunvalson and her ex-husband, Donn, for example, spent nearly two years hashing out who got their 5,400-square-foot Coto de Caza, Calif., home (her) and their Lake Havasu vacation home and boat (him). While viewers knew of the divorce, Ms.

Gunvalson says she and Mr. Gunvalson didn't hash out the details of it on television. Mr. Gunvalson declined to comment.

Photos: A House Divided



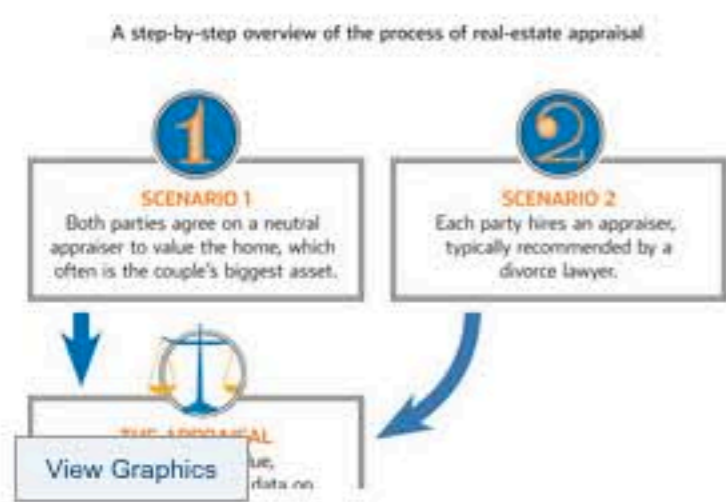
After the divorce, Mr. and Ms. Bollea put their 17,000-square-foot primary home in Belleair, Fla., which they built for \$9 million, up for sale. The sale

Real-estate appraisers across the country say up to a third of their business comes from divorce cases, with some reporting a recent uptick. Jonathan Miller, head of Miller Samuel Real Estate Appraisers & Consultants, says his Manhattan firm's divorce case load has increased by 20% in the past couple of years. Stephen Matonis, an appraiser in Orlando and Palm Beach, Fla., says he charges \$4,000 for a divorce appraisal instead of his typical \$1,000 fee because it takes more time and effort when litigation is involved.

"This type of work really isn't coveted among appraisers," Mr. Matonis says.

Divorce attorneys usually try to agree on a neutral appraiser for both parties, but in hotly contested cases, each party may hire his or her own appraiser. Appraisers say two professional valuations typically should be within 10% of each other, but when the owners have competing interests, the variations can be significant. Raymond Rafool, a divorce attorney in Miami, says he had a case several years ago in which two appraisers' values were \$2 million apart. In some cases, a third appraiser would be brought in to settle the vastly differing appraisals; in Mr. Rafool's case, the court disregarded both appraisals and ordered the home to be sold.

"If I make both parties unhappy, I probably have a good number for the property," says Sara Schwarzentraub, an appraiser in La Mesa, Calif.



Some appraisals also involve retrospective valuing if, say, the husband owned the home prior to the marriage but the couple put \$3 million into remodeling together; in that case, the appraiser has to estimate the value of the house both at the time of marriage and at the time of the divorce, and the court may decide that the wife

is entitled to part of the home's appreciation.

This brings up the renovation effect. Paradoxically, a number of couples who end up dividing up their property have just finished a major home upgrade. Mr. Miller, the New York appraiser, pulled data over the past three years and found that approximately 67% of properties his firm valued at \$3 million or more for divorce matters were in the process of or had recently completed a gut renovation. He says some couples seem to use a major remodel as "a way to place a Band-Aid on a larger problem."

Indeed, divorce attorneys, therapists and real-estate brokers say renovations bring differences between couples to a head, and by the time the remodel is completed, some couples decide to call it quits.

That's what happened to professional wrestler John Cena and his ex-wife, Elizabeth Cena, says Mr. Rafool, who is Ms. Cena's attorney. The couple had just completed a two-year renovation on their Tampa, Fla., home when Mr. Cena filed for divorce in May. There was a prenuptial agreement in place, and Ms. Cena didn't keep the home or have the chance to enjoy the new look that she had created, says Mr. Rafool. Both Mr. and Ms. Cena declined to comment.

Postrenovation, new furnishings can provide another wrinkle. David Aronson, an attorney in Manhattan, says he represented a doctor who had just finished a gut renovation of his new Park Avenue apartment when he and his wife decided to separate.

As part of the makeover, the couple had spent \$650,000 on custom chairs, tables, matching drapes and upholstered couches. "Nobody's tush had ever sat on those chairs," Mr. Aronson says. When the appraisal for the furniture came in at \$56,000—furniture often loses much of its value once it's taken off the showroom floor—the lawyers drew up a plan for the wife to pay the doctor one-third of the purchase price; in turn, she kept the furniture in the remodeled apartment.

Brokers are all too aware of how tricky it is to sell a home in a divorce. There is always the worry that people may try to place a lowball offer or negotiate harder if they know the current owners are itching to get rid of it. That's why Jeff Hyland, president of Beverly Hills, Calif., brokerage Hilton & Hyland, says he and many other agents will stage specific parts of the home where it would be noticeable if, say, the man has moved out. In the bathroom, Mr. Hyland will display cologne and aftershave on the vanity and hang dress shirts and ties in the closet. "You don't want people to ask what's going on here," Mr. Hyland says.



Amanda Friedman for The Wall Street Journal Linda Bollea in her Thousand Oaks home.

When Linda Bollea filed for divorce from Terry Bollea (who's better known as pro wrestler Hulk Hogan) in November 2007, the couple decided to sell their two homes. Their beach house in Clearwater, Fla., sold fairly quickly for \$1.2 million, and Ms. Bollea received the proceeds of the sale as part of the divorce agreement, which also stated that Mr. Bollea wouldn't pay alimony, says Ms. Bollea. But their

17,000-square-foot primary home in Belleair, Fla., which they built for \$9 million, wasn't as easy to sell in an area where the median sale price is \$230,000, according to real-estate firm Zillow. The sale, which happened in April for \$6.2 million, was the last part of the divorce to be settled and was split 50-50, though much of Mr. Bollea's half went to Ms. Bollea as part of the equitable-distribution agreement, according to her attorney.

But what was inside the Belleair home compounded their property battle. When Ms. Bollea moved out of the 17,000-square-foot mansion, she took all the antique furnishings—including a bathtub dated with hand-carved wood—and removed chandeliers and other light fixtures that cost as much as \$50,000. Ms. Bollea says she didn't want to leave "nice stuff" in the home.

Mr. Bollea saw that the light fixtures had been removed and promptly got his lawyers involved, according to Ms. Bollea's attorney. (Mr. Bollea declined to comment, as did his lawyers.) After a round of tussling, she agreed to return all the chandeliers but kept the antique furniture. "I wouldn't do that again," Ms. Bollea says of her light-fixture decision. "But I ended up with a great deal."

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