Beyond Borders: A Global Perspective of International Real Estate Valuation

CHAPTER 50:
NAVIGATING VALUATION CHALLENGES IN CONFLICT AND POST-CONFLICT ZONES

JUNE 17, 2025 | BRUCE D. GREENBERG, FRICS |MAI | SRA | ASA | ARM

Valuing property in conflict and post-conflict zones is one of the most complex and high-stakes tasks faced by valuation professionals. These regions are marked by political instability, damaged infrastructure, uncertain legal frameworks, and volatile economic conditions. Yet, accurate valuations remain crucial to support reconstruction, investment, insurance, tax assessments, and reparations processes. Valuation professionals operating in such contexts must blend technical expertise with a deep understanding of local realities and a heightened awareness of risks. This article explores the major challenges, key considerations, and best practices for delivering credible valuations in conflict-affected and recovering markets.

Key Challenges in Conflict and Post-Conflict Zones

Legal and Regulatory Uncertainty
One of the foremost challenges is the uncertainty surrounding property rights and legal frameworks. In many conflict zones, ownership records may be lost, destroyed, or contested. Multiple claims on the same property are common, and transitional governments may lack the capacity or legitimacy to enforce laws consistently. Valuation professionals must carefully assess the legal status of the properties they are asked to value, often working with incomplete or unreliable documentation.

Data Scarcity and Reliability
Accurate data is the foundation of sound valuation, yet it is often unavailable or highly unreliable in conflict-affected areas. Market transactions may be rare or unreported, and official records may be outdated. Infrastructure damage can render entire neighborhoods uninhabitable, distorting supply-demand dynamics. Professionals must develop creative approaches to data gathering, including field inspections, local expert consultations, and triangulation of fragmented information.

Market Volatility and Economic Instability
Conflict typically results in sharp market contractions, followed by unpredictable and uneven recoveries. Factors such as currency devaluation, capital flight, and inflation further complicate market analysis. In post-conflict settings, speculative activity and foreign aid influxes can distort property values, while lingering insecurity suppresses demand in some areas. Valuation methodologies must be adapted to account for extreme volatility and evolving conditions.

Physical and Environmental Risks
Conflict often causes widespread destruction of property and infrastructure. Valuers must assess not only the existing physical state of assets but also the feasibility and cost of reconstruction. Additionally, properties may be contaminated by unexploded ordnance, hazardous materials, or environmental degradation, factors that significantly impact value and marketability.

Safety and Access Constraints
In active conflict zones or recently secured areas, safety concerns can severely limit site access. Curfews, restricted movement, and the presence of military or paramilitary actors pose risks to valuation teams. Remote sensing technologies (e.g., satellite imagery, drones) may be necessary substitutes when physical inspections are impossible.

Challenges & Considerations for Professionals

Navigating Ethical and Professional Risks
Valuation professionals working in conflict zones must contend with ethical dilemmas, such as potential misuse of their reports for expropriation or displacement of vulnerable populations. They must also guard against undue influence from political or armed actors seeking to manipulate valuations. Adherence to rigorous professional standards, transparency, and independence is paramount.

Managing Client Expectations
Clients—whether governments, investors, insurers, or humanitarian agencies—may have unrealistic expectations regarding the precision and reliability of valuations in such environments. Professionals must clearly communicate the limitations, assumptions, and uncertainties inherent in their reports, using scenario-based analysis where appropriate.

Coordinating with Multidisciplinary Teams
Valuation in conflict and post-conflict zones often

requires collaboration with legal experts, engineers, humanitarian actors, and local authorities. Effective coordination enhances the accuracy and relevance of valuation outputs while helping to navigate complex political and social dynamics.

Best Practices & Strategies

Adopt Flexible and Context-Sensitive Methodologies

Standard valuation methodologies may be inappropriate or unworkable in extreme conditions. Professionals should adopt flexible approaches, combining income, market, and cost-based methods as appropriate. Scenario analysis and sensitivity testing can help address uncertainty and volatility.

Leverage Local Knowledge and Expertise

Engaging local valuation professionals, community leaders, and market participants is essential to understanding nuanced local dynamics and obtaining reliable data. International experts should collaborate closely with trusted local partners while respecting cultural sensitivities and conflict histories.

Utilize Technology and Innovative Data Sources

Where access is restricted or data scarce, alternative data sources such as satellite imagery, GIS mapping, and crowd-sourced information can provide valuable insights. Professionals should invest in technologies and training that enable remote assessment and monitoring.

Implement Robust Risk Management and Safety Protocols

Organizational and personal safety must be a top priority. Firms should conduct thorough risk assessments, establish clear security protocols, and provide appropriate training and support for staff deployed in high-risk environments. Insurance and legal protections should be carefully reviewed.

Maintain Ethical Integrity and Transparency

Adhering to international valuation standards (e.g., IVS) and professional codes of conduct is critical. Reports should transparently disclose limitations, data gaps, and assumptions. Where appropriate, professionals should advocate for fair treatment of affected populations and contribute to responsible reconstruction and reconciliation processes.

Case Scenario: Urban Valuation in a Post-Conflict Capital

Consider the example of a European valuation firm tasked with appraising commercial and residential properties in a post-conflict capital city. The local market was fragmented, with significant damage in some districts and speculative price surges in others fueled by diaspora investment. The legal framework was unclear, with disputed property claims common. The firm partnered with local valuers and legal experts to navigate ownership complexities and conducted extensive stakeholder consultations to triangulate data. Given market volatility, they used scenario-based valuation models projecting different recovery paths. Remote sensing supplemented limited site access. The resulting reports were transparent about data limitations and assumptions, helping clients make informed, responsible decisions.

Conclusion

Valuation in conflict and post-conflict zones is an extraordinarily challenging but critically important task. Professionals must combine technical expertise with adaptability, local insight, ethical integrity, and a strong commitment to transparency. By embracing best practices—flexible methodologies, local collaboration, technological innovation, and rigorous risk management—valuation experts can contribute meaningfully to recovery, stability, and long-term market development in these fragile contexts.

Sources & Citations

•International Valuation Standards Council (IVSC), International Valuation Standards

•Gilbertson, B., & Preston, D. (2005), Journal of Property Investment & Finance

•Ling, D. C., & Naranjo, A. (2002), The Journal of Real Estate Finance and Economics

•Baum, A. (2015), Real Estate Investment: A Strategic Approach

•Geltner, D., Miller, N. G., Clayton, J., & Eichholtz, P. (2007), Commercial Real Estate Analysis and Investments

Bruce D. Greenberg

FRICS |MAI | SRA | ASA | ARM

Managing Director | Principal

+1-480-440-2842 Ext. 01

bdgreenberg@fourcv.com

www.fourcv.com