

Valuation – The Lifeblood of the Market – But is it Enough?

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Key words: Market Value; Long Term Value; Mortgage Lending Rate; Future Value; Financial Stability

SUMMARY

This paper will examine the increased demand by regulators around the globe for additional information relating to real estate assets when they are used for securitisation. The concern is that if the 'valuation' figure is not related to one of the valuation basis in the International Valuation Standards then the information may be misleading to the market and cause a mis-allocation of scarce resources as a result. Supporting the regulators pursuit for additional value/financial information to be fed into the market is the evidence from the financial crisis of 2009 where the evidence points to countries that had additional valuation/financial provisions in place around securitisation were less severally affected by the financial crisis. This paper will review the different solutions being suggested by a variety of agencies in the valuation space.