

Commission 9 Valuation and Real Estate Management

“Managing Value for our Future”

February 2013 Newsletter

TO ALL COMMISSION 9 DELEGATES AND FRIENDS.

At this half-way point through my term as Chair of Commission 9, I am delighted to report that we have already achieved a great deal. It is always hard to commit to a four-year plan and I am most grateful to my work group and study group chairs and delegates for making the first two years such a success and so very enjoyable.

REGIONAL CONFERENCE, MONTEVIDEO, URUGUAY

After the Working Week in Rome which I reported on in my last newsletter, Commission 9 was present in Montevideo for the very first FIG Regional Meeting in South America. The event was very well attended and Commission 9 technical sessions proved most popular (as you can see from the photograph below). It was particularly interesting to hear the presentations from the “local” surveyors and to discover both the similarities and the differences which we have between the major issues which confront us all.



As with all these occasions, much of the progress was made out of the sessions, with friendships and networks being developed and strengthened.

Those of us who attended the technical tour to the historic quarter of Colonia del Sacramento (a World Heritage Site) were also amazed to view the world's largest collection of key rings and pencils – confirmed by Guinness Book of Records certificates.



Our hosts were extremely welcoming and the social events were both original and hugely enjoyable. We look forward to working more closely with our South American colleagues and to other such events in South America in the future.

THE WORK PLAN

The work plan of the Commission continues, with the focus on Property Taxation, specifically Automated Valuation Models (Study Group 9.1 Varnavas Pashoulis), Large Scale Land Acquisitions (Working Group 9.2 Ibimena Kakulu) and, in conjunction with Commission 7, the Management of Public Property Assets in Developing Countries.

We are also involved in widespread discussions of methods of valuation where there is no market and anticipate further progress on this in Abuja in May. As a result, we will be seeking advice and input from Commission 9 delegates and friends in the near future.

Despite the fact that we are half-way through the four year term, it is time to plan the delivery of the reports which we proposed at the start, and that will be the main focus for the next two years.

SAD NEWS

I am sorry to report the death of Bruce Harding, who passed away on 20 January 2013. Bruce was born in 1931 in the USA and was Commission 9 Chair during the Finnish Presidency

(1988 – 1991). His good friend, Juha Talvitie, describes him as “*modest*” and “*a good man and devoted appraiser*”. He worked at Harding Appraisal Co Eng, in Sebastopol, Ca. Our condolences to all his friends and family.

SELECTED UPDATES FROM INTERNATIONAL STANDARDS:

International Valuation Standards Committee (IVSC):

IVS are now available online (IVSonline), providing access to all current International Valuation Standards and supporting Technical Information Papers. New Technical Information Papers will be published during 2013, as will updates to the existing International Valuation Standards. Material is searchable by subject, term or phrase, and there is an automated glossary with all documents cross-referenced and available for copy or printing. This is a subscription service with generous discounts for multiple users. Find out more at www.ivsc.org/products

The IVSC has released a consultation document on the need to improve standards for the valuation of investment property, to deal with the inconsistency exposed by increased international investment. The discussion paper is available on the website www.ivsc.org

The IVSC has released guidance on the valuation of public sector assets, including buildings, structures, equipment and land used to provide transport, utilities and social, cultural and recreational services. Again, the document is available from the website www.ivsc.org

The IVSC has released an Exposure Draft on valuation uncertainty, looking at how valuation uncertainty can be identified, explained and disclosed in a way which is informative to those relying on valuations. The Exposure Draft makes a clear distinction between market risk (which is generally understood and acknowledged by investors and reflecting in the pricing), and uncertainty which may be caused by disruption or dislocation in the marketplace. It also gives guidance to valuation providers on the principles that should be observed in measuring and disclosing uncertainty. The Exposure Draft is available from the website www.ivsc.org.

The IVSC has issues a Discussion Paper on the types of liability which should be included in any further IVSC pronouncements, within the framework of excluding liabilities arising under a financial instrument or any other form of contract. The Board is also interested in hearing about the methods currently being used to value different types of liabilities and any difficulties encountered in practice. The Discussion Paper is downloadable from the website (www.ivsc.org) and the closing date for comments is 30 April.

The IVSC has a new contact address: 68 Lombard Street, London, EC3V 9LJ, United Kingdom, and a contact phone number of +44 (0)20 7868 2094.

The European Group of Valuers' Associations (TEGoVA)

The June Newsletter, announced that TEGoVA had launched the European Valuation Standards 2012 (an updated version of the Blue Book). This is now available as a free download from <http://www.tegova.org/en/p4fe1fcee0b1db>

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