

March 1, 2013

Mr. Christopher Thorne, Technical Director
International Valuation Standards Council
41 Moorgate
London EC2R 6PP, United Kingdom

Subject: Discussion Paper; *The Valuation of Investment Property*

Dear Mr. Thorne,

This letter is submitted by the Real Property Association of Canada (REALpac) in response to the Discussion Paper; *The Valuation of Investment Property* (the Paper) issued by the International Valuation Standards Council (the Council).

REALpac is Canada's senior national industry association for owners and managers of investment real estate. Our Members include publicly traded real estate companies, real estate investment trusts (REITs), private companies, pension funds, banks and life insurance companies. The association is further supported by large owner/occupiers and pension fund advisers as well as individually selected investment dealers and real estate brokerages.

REALpac's Comments/Recommendations

Valuation Methods and Inputs

REALpac suggests that the IVS include a discussion on the range of valuation support for entities that measure and report investment property at fair value in their financial statements in the Investment Property standard. In particular, that valuation support ranges from full independent appraisals to valuation consulting. REALpac does not believe the standard should require full independent appraisals, nor should the standard comment on the frequency of valuations.

Disclosures

REALpac agrees that the valuation report should contain sufficient information on the inputs used to enable the reporting entity to categorize the assets within the IFRS fair value hierarchy. However, REALpac does not believe that the valuation report should comment on which level of the IFRS hierarchy the valuation of an investment property be placed. This requirement would be contrary to the

financial reporting premise that a company's management is responsible for the company's financial statements. Experts may support management's reporting requirements and auditors may opine on the fairness of the financial statements and the accounting principles on which they are based, but management is responsible for ensuring that a company's financial statements fairly represent the financial position of the company. This includes responsibility for the measurements and classifications in the financial statements and for disclosures that provide financial statement users with transparent information regarding the financial statements.

We look forward to further discussion of the input received on the Paper.

Respectfully submitted,



Nancy Anderson
VP Financial Reporting & CFO
REALpac