

27 February 2013

IVSC Standards Board
International Valuation Standards Council
41 Moorgate
LONDON EC2R 6PP

Dear Sirs,

Exposure Draft – Valuation of Specialised Public Service Assets

On 30 November 2012 the IVSC announced the release of the Exposure Draft on the Valuation of Specialised Public Service Assets.

The Exposure Draft was issued seeking a response from interested parties by COB 1 March 2013.

The Property Institute of New Zealand Valuation and Property Standards Board comments (red) in response to the questions are detailed below:

Question 1:

Which of these views do you support?

The first.

Question 2:

Do you consider that these distinctions are clearly explained?

Yes.

Question 3:

- a) Have you had experience of the impact that a specialised public service asset has on the value of other assets or the wider community being used as a measure of the value of that asset?

An example of this in New Zealand occurs as a result of the Government policy around school zoning/enrolment. Values for residential property around highly regarded schools are in high demand and values increase. We are not aware of this higher value being directly used as a measure of the value of the school asset although the economic impact is considered by Treasury.

- b) If so, please explain the purpose for which the valuation was required.

NA

Question 4:

- a) Do you consider that all specialised public service assets are capable of reliable valuation, or that some such assets should be declared as incapable or unsuitable for valuation?

Not all but the majority can.

- b) If you have experience of valuing assets such as those identified in this question, please describe the type of asset valued and briefly describe the method or methods used.

Roading and rail corridors are especially difficult as there can be circularity between the value of the asset and the adjoining properties. Approaches we have seen used for these assets include "next most comparable use", "over the fence."

Question 5:

Do you agree with this proposal?

No. Leave it in the IVS as many historic properties are held in private ownership or create a separate TIP .

Question 6:

- a) Do you agree with the categorisation proposed?

Generally yes, however "Social" could be renamed "other" as social tends to link to social values.

- b) Do you find the categorisation and examples to be helpful?

Yes

- c) Do you consider that there are either any significant omissions or asset types that should be excluded?

Under Cultural, sports and recreational add sports facilities (stadiums, pools etc)

Yours faithfully,

A handwritten signature in purple ink, appearing to read 'Chris Stanley', with a stylized flourish at the end.

Chris Stanley
Chairman
Valuation and Property Standards Board