

IVS – Exposure Drafts

IVS 101 – Scope of work

- a) *Do you agree that it is the valuer's responsibility to communicate the scope of the assignment to all parties to the valuation engagement? If not, why?*

Yes I do but perhaps rather than refer to "all parties" why not "the Client and any third parties who, with the valuer's consent, may rely upon the valuation report?"

- b) *Do you agree that a written scope of work for each valuation engagement is not always possible or necessary, if not, why?*

I do not agree, I think that the scope of work should always be in writing, even where the valuation is to be undertaken for the Employer. Where something as important as a valuation instruction is not summarised and confirmed in writing, there remains scope for confusion as to what is intended to be undertaken. One exception would be where there is a framework agreement between a client and a valuer that covers a large number of different aspects of work that the valuer or the valuer's firm may undertake for the client.

IVS 101 – Investigations and compliance

- c) *Do you agree that a valuer must perform sufficient investigations and procedures to assess the appropriateness of all inputs and assumptions? If not, why?*

No, I don't agree, I think that the use of the Assumption convention as per the Red Book definition should be adopted where appropriate. This will allow the valuer to rely upon certain information without the need for verification.

- d) *Do you agree that significant limitations that impair a valuer's ability to assess the appropriateness of the inputs and assumptions, should result in the valuation not being compliant with IVS? If not, why?*

I think that we have to rely on a valuer's professional judgement to assess if inputs/assumptions are appropriate but yes, if a valuer thinks they are unable to make such an assessment, then the valuation may be non-IVS compliant. However, we need to be careful because, for example, a valuer has to rely upon opinions from third parties such as lawyers, quantity surveyors, building surveyors and so on. A valuer should not be asked to assess if the information so provided by qualified third parties is appropriate if indeed a purchaser in the market would also rely upon such information from third parties as being correct.

IVS 103 – Reporting

- e) *Do you agree with moving from a prescriptive to a principle based reporting format? If not, why?*

I agree that it is a good idea to make this move, subject to my comments on the Draft IVS 103.

- f) *Do you accept that a report can take any form providing it sets out a clear and accurate description of the scope of the assignment, its purpose and intended use and discloses significant inputs and assumptions? If not, why?*

Yes, I agree, subject to my comments on the Draft IVS 103.

IVS 400 – Real property interests

- a) *Do you agree with the removal of the commentary label?*

Yes, I do, but subject to the removal of the items referred to under (d) below.

- b) *Do you agree with Section 20.5 that it is the valuer's responsibility to state the extent of investigations and source of information relied upon?*

Yes I do, but I think IVS should include the ability for a valuer to make Assumptions in the context of the Red Book approach. I am concerned that 20.5, as drafted, implies the valuer should be responsible for verifying matters outside of their expertise.

- c) *Can the standard be applied to all real property interests for all purposes? Do you agree? If not, for what purposes do you not believe this standard can be applied? Why?*

I'm not sure how to answer this question because IVS 400 seems to me to be mainly commentary as opposed to a standard. However, if it is regarded more as a commentary, then yes it is applicable to real property interests for all purposes of valuation.

- d) *Are there any further topics to add or remove from IVS 400?*

I have indicated on the Draft IVS 400 those sections which I think could be removed or dealt with elsewhere in IVS.

IVS 410 – Development property

- a) *The word "commentary" has been removed from the exposure draft. Do you agree with the removal of the commentary label?*

I agree that there should be clarity between mandatory requirements and commentary but it seems to me that the majority of IVS 410 is commentary and methodology, rather than mandatory requirements.

- b) *The application of the exposure draft to both commercial and residential development property regardless of the purpose of the valuation – do you agree?*

Yes I do.

- c) *Any further topics that should be added or removed to IVS 410?*

As referred to above, I think there is far too much commentary and methodology in the exposure draft. Very little of the content seems to be mandatory requirements.