

**Associazione
delle Società
di Valutazioni
Immobiliari**

Response to IVSC public consultation Agenda setting for valuation standards development – 2017

Milan, July 2017

A brief introduction

As representatives of ASSOVI (the Italian “Association of Real Estate Valuation Companies”) we appreciate the opportunity to respond on the IVS Agenda Consultation 2017, as we believe that Standards have been a key factor over the past ten years in driving the Italian property market towards greater transparency in the field of valuation, especially for secured lending.

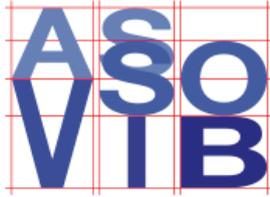
ASSOVIB is the association representing the Italian property valuation Companies that provide independent valuation services. ASSOVI keeps its focus on the property valuation and the independence from other sectors and interests. ASSOVI goal is promoting and spreading professional standards for the independent valuation of properties offering to the main sector players processes which guarantee valuations objectivity and transparency. The Association’s activities are performed either by setting ethical principles or by implementing in-depth initiatives on the scientific and technical valuation level, also in collaboration with institutions, entities and other market players.

We would like, as a premise, to detail the following characteristics and commitments that a Valuation Company must have to adhere to ASSOVI.

A Valuation Company must:

- manage the entire valuation process in a precise and organized way, from the engagement to the delivery of the valuation report to the Client;
- rely on a network of Valuers to carry out the inspection of the asset and its valuation and ensure that each Valuer it employs (or contracts) adheres to the company’s Code of Ethics;
- carry out all assignments free from any conflict of interest;
- perform a regular critical review of all valuation reports before they are delivered to the Client, besides managing an ongoing monitoring service of the entire process;
- in the field of valuation for secured lending, select valuers for valuation engagements in a manner which will guarantee total independence and detachment from the credit decision process, the credit monitoring process, and the commercial process of the loan;
- guarantee continuity and the application of homogenous standards wherever the firm operates;
- ensure precise and realistic timeframes to guarantee control of the process and quality of service;
- carry out the selection, initial and ongoing training of its network of Valuers;
- have an adequate insurance policy which will cover its professional risks;
- have processes and procedures properly certified (ISO 9001).

Based on these premises, we would like to bring to your attention the following general comments.



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Introduction

Question 1 - Are the valuation topics described in this ITC areas for which there is potential for significant improvement as compared to IVS 2017?

Answer - As an Association of Real Estate Valuation Companies we are principally focused on Property Valuation topics. Therefore, our answers will be concentrated on some topics as Automated valuation models and data analytics, Price vs Value, Development value and Valuation in market susceptible to change. We agree that there is potential for significant improvement on these topics.

Question 2 - What is the priority of addressing each topic?

Answer - The priority of the topics we are interested in is: Automated valuation models and data analytics, Price vs Value, Development value and Valuation in market susceptible to change.

Question 3 - What should be IVSC's next step to address each topic? For example, should IVSC issue a discussion paper, an exposure draft, or take some other action?

Answer - We suggest a discussion paper for Automated valuation models and data analytics and Price vs Value and to include the other topics within the Standards.

Question 4 - Are there other major valuation topics not described in this ITC that the IVSC should consider adding to its agenda?

Answer - We would appreciate if you could add to your Agenda a topic on:

- a. Energy Efficiency focusing on:
 - the impact of green building on the corresponding real estate values;
 - how to integrate 'green value' in property valuation.
- b. The use of asking prices for Real Estate Evaluation: how, where, when, why...

IVS Gap Analysis

Questions for Respondents

Question 1 - Do you agree with the current categorization and timings of the topics contained in the gap analysis and if not why?

Answer - Yes, we do.

Question 2 - Are there any other topics which you believe should be included or deleted from the IVS gap analysis and if so why? (Please state the relevant specialism, categorization and timing for any proposed additional topics).

Answer - We would suggest including the two topics described on point 4 above. Prioritisation: Medium Term