



# Adoption of the International Valuation Standards (IVS)

Case Study:



International Valuation Standards Council

*The International Valuation Standards (IVS) are internationally agreed, high-level standards, setting best practice for the valuation of all asset types. They are developed by independent boards of world-leading experts and consulted on widely before being implemented.*

*The IVS belong to the entire valuation profession. Their use promotes trust, comparability and confidence in valuation data.*

*The adoption of IVS by standard setters and professional organisations is critical to building confidence in what is a global profession. Some of these organisations use IVS as their de facto valuation standards; others use IVS as the core standards and add additional guidance around them. The result is the same – greater transparency, consistency and professionalism in valuation.*

*This series of case studies provides an insight into how IVS is being adopted by organisations throughout the world.*





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Valuation is a core skill of many [Royal Institution of Chartered Surveyors \(RICS\)](#) professionals and forms part of the professional services provided by chartered surveyors.

RICS qualifies and regulates valuation professionals throughout the world. The RICS qualification is well respected by employers and clients alike.

Specialist valuers operate across a wide range of asset types, working in both the public and private sector, the most common asset classes include commercial, residential and rural property.



How are the International Valuation Standards integrated within the standards issued by your organisation?

Who follows the valuation standards set by your organisation?



*The International Valuation Standards are adopted in full within the RICS' Red Book. The Red Book is mandatory for all RICS qualified valuers, which means they must follow it when carrying out any valuation work, unless local laws stipulate otherwise. The IVS provide the core standards within the Red Book and are therefore mandatory for all RICS valuation professionals.*

*The RICS qualifies valuation professionals in more than 100 countries throughout the world. These valuers are required to follow the RICS' Red Book when carrying out valuation work.*



*Yes, the Red Book (and consequently the IVS) are mandatory for all RICS qualified valuers. Valuers are provided training and guidance to support compliance and the RICS has a monitoring and regulation function in place to ensure adherence.*

Are the RICS standards mandatory and if so, how are they enforced?

How are your organisation's standards updated to reflect changes in the IVS?

*The Red Book is updated routinely to reflect changes that are made to the IVS's. Changes to the guidance set out in the Red Book are issued for public consultation. Once changes are incorporated, there is a period (usually six months) over which time RICS qualified valuers are to acquaint themselves with the changes, before they become effective and therefore mandatory.*

*Yes, the Red Book also includes additional, practical details of how to apply IVS as well as stipulations on the conduct and required competencies of valuers. In many countries, the Red Book also includes market-specific guidance pertaining to local laws and regulations which must take precedence over the Red Book.*

*Essentially, IVS provides the core standards for valuation rules in the Red Book, the rest of the Red Book offers more detailed professional guidance and instructions to support the application of IVS.*

Do your standards include additional information, beyond the IVS? If so, what type of additional information is included?

Are your organisation's standards recognised in law or regulations? If so, please specify which.

*The Red Book is recognised in laws in many sectors and markets. Perhaps most notably it is set out in EU legislation under the Mortgage Credit Directive and therefore applicable to all EU member states. Beyond legal contexts, the Red Book is widely adhered to by global valuation service providers including many of the major real estate advisory firms, and has become the de facto standard applied in many markets where valuation is currently unregulated.*

*The RICS qualifies valuers in many countries throughout the world; our valuation professionals work for, or to international companies. The need for consistency in approach is therefore widely understood and welcomed by valuers and their clients alike.*

*When adopting IVS within the Red Book it was important to highlight the high-level nature of the international standards, giving confidence that they could be followed in different markets and in different contexts. The RICS was clear that the inclusion of IVS within the Red Book would only stand to enhance the role of professionally qualified valuers around the world. By adding further details and additional guidance, the Red Book has remained standalone while at the same time complying with and promoting the international standards.*

In adopting IVS within your organisation's valuation standards, how did you articulate the benefits of doing so to the users of your standards?

What challenges did you need to overcome when implementing IVS?

*Adopting IVS within the Red Book came with a few common and not unexpected challenges. We had to look at terminology in some places to ensure consistency; we needed to develop and adapt our training and guidance, as well as the educational tools which support trainee chartered surveyors; and we have needed to align our revision processes so that the Red Book could incorporate changes to IVS in a timely and expedient fashion. These ‘challenges’ are really more around process than politics or compatibility.*

*RICS has been a long time supporter of IVSC and the IVS's. Our participation made the adoption more straight forward as there were few surprises. The process of adopting IVS within the Red Book included internal discussions and approvals by several of our boards.*

*IVS was adopted in full within the Red Book for the first time in 2012 At that time we were referring to IVS 2011 Today, the RICS Red Book fully incorporates the latest IVS.*

*RICS has assisted several VPOs with a framework for adopting IVS's and we would be happy to discuss in detail how this was achieved.*

When did you start the process of adopting IVS? How long did it take to adopt IVS?

