



INTERNATIONAL VALUATION STANDARDS COUNCIL

IVS Agenda Consultation 2020

Invitation to Comment

Issued: 16 October 2020
Comments Due: 15 January 2021



IVSC Agenda Consultation 2020 Feedback form

| I: IVS Gap Analysis - Questions for Respondents | |
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| Question 1.1: Do you agree with the current categorisation and timings of the topics contained in the IVS Gap Analysis and if not why? | |
| Question 1.2: 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, categorisation and timing for any proposed additional topics). | |



| II : Automated Valuation Models (AVMs) - Questions for Respondents | |
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| <p>Question 2.1: Do you consider AVMs to be a growing area and therefore something IVS needs to address? Please provide your reasoning for your answer as this will help the Board with their deliberations.</p> | |
| <p>Question 2.2: Should AVMs be included/addressed within IVS? If you think AVMs should be outside IVS how should they be considered and what clarity will valuers require?</p> | |
| <p>Question 2.3: Do you agree with the definition of AVM shown below. If no, please provide a suggested alternative definition together with a source for this definition.</p> <p>Automated Valuation Model (AVM) <i>A system that provides an indication of value of a specified Asset at a specified date, using calculation techniques in an automated manner. An AVM may not be a Model as defined in this glossary.</i></p> | |
| <p>Question 2.4: Do you agree with the definition of Model shown below. If no, please provide a suggested alternative definition together with a source for this definition.</p> <p>Model <i>A Model is a formalised system relating several variables, assumptions, judgements and equations to calculate the Value of an Asset under a given Basis of Value.</i></p> | |
| <p>Question 2.5: Should IVS consider Hybrid Valuations as illustrated in the diagram Key Categories of Valuation Methods. Please provide your reasoning together with any examples of Hybrid Valuations currently used in your market.</p> | |



| III: Environmental, Social and Governance - Questions for Respondents | |
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| Question 3.1: What role do you see IVS having in measuring the value of ESG? Please provide details and reasoning with your response. | |
| Question 3.2: How do you consider ESG within your valuation process? Please provide details of your country, specialism and as detailed an example as possible together with any data sources used, if applicable. | |
| Question 3.3: What definitions and or framework do you currently use when considering ESG in your valuation work? Please provide the definition, framework and source. | |
| Question 3.4: What are the demands from valuation stakeholders when considering ESG? Please provide details. | |
| Question 3.5: As outlined above ESG can be subdivided into a number of issues. Can you separately account for any of these issues within the valuation process and if so please provide further details? | |



| IV: Long-term Value - Questions for Respondents | |
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| Question 4.1: Have you faced pressure from banks or other institutions to provide a prudential valuation? If so, in which market and in which specialism do you operate? | |
| Question 4.2: Do you agree that Market Value already incorporates the concept of a prudential valuation within its definition? If not, please provide your reasons. | |
| Question 4.3: Do you feel that the research in relation to a European Long-Term Value Index would be helpful or not? Please provide the reasoning for our response. | |
| Question 4.4: Should Long-Term Value be a separate basis of value or a concept to be included in a basis of value? | |
| Question 4.5: The current research for a Long-Term Value Index is currently restricted to European Markets. Do you feel that this research should be extended to your market, and if so, in which market do you operate? | |



| V: Social Value - Questions for Respondents | |
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| <p>Question 5.1: Do you agree with the proposed definition for Social Value outlined below? If not please provide your reasoning and proposed revisions to the above definition or an alternative definition, together with the source, if applicable.</p> <p>Social Value <i>Social Value includes the social benefits that flow to asset users (social investment) and the wider financial and non-financial impacts including the wellbeing of individuals and communities, social capital and the environment, that flow to non-asset users.</i></p> | |
| <p>Question 5.2: Are you currently required to address Social Value within your valuations, and if so, what is your specialism and in which country are you located?</p> | |
| <p>Question 5.3: How do you address Social Value within your valuation process? Please provide as detailed an example as possible together with any data sources used, if applicable.</p> | |



| VI: Uncertainty and Risk - Questions for Respondents | |
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| Question 6.1: Do you feel that IVS should include a section on Uncertainty and Risk? Please provide the reasoning for your response. | |
| Question 6.2: Do you feel that it would be possible to provide an overarching section on Uncertainty and Risk which applies to all specialisms? If not, please indicate where you think it does not apply and provide your rationale | |
| Question 6.3: Do you feel that the text provided above in relation to the difference between valuation Uncertainty and Risk is sufficiently detailed for inclusion within IVS? If not, please provide details of the other elements you would like to be included and your rationale for including these elements. | |



| VII: Data Management - Questions for Respondents | |
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| Question 7.1: Do you feel that IVS should include an overarching standard in relation to data management within IVS 105 <i>Valuation Approaches and Methods</i> ? If no, please provide your reasoning. | |
| Question 7.2: How detailed should IVS be in relation to data management, and are there any elements that you feel should be included or excluded from this standard? | |
| Question 7.3: How should market uncertainty and risk impact the exercise of professional judgement when market data is not observable? | |