

Report submitted to Advisory board valuation standards

Introduction

Valuation standards are essential for ensuring transparency, consistency, and fairness in the valuation process. This report highlights the need for valuation standards, the importance of separating commercial and technical aspects, and the benefits of adopting a uniform format.

Need for Valuation Standards Valuation standards are necessary to:

1. **Ensure consistency:** Standardized valuation methods and formats promote consistency in valuation reports.
2. **Promote transparency:** Clear and concise valuation reports facilitate understanding and trust among stakeholders.
3. **Prevent disputes:** Standardized valuation processes reduce the likelihood of disputes and errors.
4. **Enhance credibility:** Adherence to valuation standards enhances the credibility of valuers and the valuation process.

Commercial and Technical Aspects of Valuation

Valuation can be broadly categorized into two parts:

1. **Commercial Valuation:** Focuses on the market value of the property, considering factors like location, demand, and supply.
2. **Technical Valuation:** Examines the physical characteristics of the property, including its condition, age, and construction quality.

Land and Building Valuation

Valuation of land and buildings requires consideration of the following factors:

1. **Land Value:** Determined by factors like location, zoning, and market demand.
2. **Building Value:** Influenced by factors like age, condition, and construction quality.
3. **Plinth Area Rates:** Used to calculate the value of the building based on its plinth area.

Uniform Format for Valuation Reports

A standardized format for valuation reports ensures consistency and clarity. The format should include:

1. **Introduction:** Background information on the property and the purpose of the valuation.
2. **Property Description:** Details of the property, including its location, size, and physical characteristics.
3. **Valuation Approach:** Explanation of the valuation method used, including any assumptions and limitations.
4. **Valuation Conclusion:** Summary of the valuation findings, including the estimated value of the property.

Standardization of Values

Standardization of values is essential to ensure consistency and accuracy in valuation reports. This can be achieved by:

1. **Adopting standardized valuation methods:** Using widely accepted valuation methods, such as the income approach or sales comparison approach.
2. **Using standardized data sources:** Relying on credible and consistent data sources, such as government records or industry

- reports.
3. **Establishing clear guidelines:** Developing and disseminating clear guidelines for valuers to follow.

Issues in Design of Building

Designing a building requires consideration of various factors, including:

1. **Plinth Area Rates:** Used to calculate the value of the building based on its plinth area.
2. **Land Value Standards:** Adopted to ensure consistency in land valuation.
3. **Building Codes and Regulations:** Must be complied with to ensure safety and accessibility.

Land Acquisition and Compensation

Land acquisition and compensation involve complex issues, including:

1. **Fair Compensation:** Ensuring that landowners receive fair compensation for their land.
2. **Market Value:** Determining the market value of the land to calculate compensation.
3. **Dispute Resolution:** Establishing mechanisms for resolving disputes related to land acquisition and compensation.

Code of Ethics for Valuers

A code of ethics for valuers is essential to ensure professionalism and integrity in the valuation process. The code should include principles such as:

1. **Independence:** Valuers should remain independent and impartial in their valuation work.
2. **Objectivity:** Valuers should strive to provide objective and unbiased valuation reports.
3. **Confidentiality:** Valuers should maintain confidentiality and protect sensitive information.
4. **Professional Development:** Valuers should commit to ongoing professional development and stay up-to-date with industry developments.

Technical Experts' Qualification and Empanelment

Technical experts, including valuers, should possess the necessary qualifications and experience to undertake valuation work.

Empanelment of technical experts involves:

1. **Qualification and Experience:** Ensuring that technical experts possess the necessary qualifications and experience.
2. **Training and Development:** Providing ongoing training and development opportunities to enhance technical experts' skills and knowledge.
3. **Code of Ethics:** Ensuring that technical experts adhere to a code of ethics and conduct themselves professionally.
4. **Empanelment Process:** Establishing a transparent and rigorous empanelment process to select qualified technical experts.