

Resources for European Valuation Standards in Europe (REVASE)

This note reflects on progress made with the REVASE training module development project.

Just to recap, the European Group of Valuers' Associations (TEGoVA) represents 63 Valuer Associations from 34 countries in Europe. It has published European Valuation Standards "The Blue Book" for a number of years, the eighth edition was published in May 2016: this features further important new sections and the Book is effectively a summary of the accumulated knowledge and experience of European practice and valuation and is an impressive document. However, it does not provide practical information on how to conduct a property valuation nor does it provide associated training material.

As mentioned in previous articles, funding has been obtained from the ErasmusPlus programme of the European Commission to develop learning material which will be used both in a training context and as a guide for professional practice in the industry in order to meet this need. The project started in January 2016 and is due to come to an end in February 2018. The project partners are:

Institute of Professional Auctioneers and Valuers (IPAV)
Institute of Revenues, Rating and Valuation (IRRV)
Polska Federacja Stowarzyszen Rzeczoznawcow Majatkowych (PFVA - Poland)
Latvijas Ipasumu Vertetaju Asociacija (LIVA - Latvia)
TEGoVA is also a partner, representing other members of the grouping

What is currently being undertaken is:

- Training modules to incorporate the newly developed standards
- Training plans
- The finalisation of the Training Needs Analysis tool
- Production material including hard copy, DVD and web based

The modules being written reflect the contents of EVS2016 and are pivotal in providing an understanding of the context of EVS2016. They are complementary to the standards and provide practitioners with a building block to enable them to apply them. In order to provide structure to the modules, they are allocated to units defined by headline areas.

These units are as follows:

The Units Headings are:

1. Introduction
Module 1 - General

Module 2 - Minimum Educational Requirements

Module 3 - TEGoVA Residential Valuer (TRV)

Module 4 - Recognised European Valuer (REV)

2. Glossary - Module 1

3. European Codes

- Module 1: EC1 - European Valuers' Code of Ethics and Conduct
- Module 2: EC2 - European Code of Measurement

4. European Valuation Standards

- Module 1: EVS1 - Market Value
- Module 2: EVS2 - Valuation Bases other than Market Value
- Module 3: EVS3 - The Qualified Valuer
- Module 4: EVS4 - The Valuation Process
- Module 5: EVS5 - Reporting the Valuation

5. European Valuation Guidance Notes

- Module 1: EVGN1 - Valuation for the Purpose of Financial Reporting
- Module 2: EVGN2 - Valuation for Lending Purposes
- Module 3: EVGN3 - Property Valuation for Securitisation purposes
- Module 4: EVGN4 - Assessment of Insurable Value and Damages
- Module 5: EVGN5 - Assessment of Investment Value
- Module 6: EVGN6 - Cross-border Valuation
- Module 7: EVGN7 - Property Valuation in the Context of the Alternative Fund Managers Directive
- Module 8: EVGN8 - Property Valuation and Energy Efficiency
- Module 9: EVGN9 - EMF and TEGoVA Commercial Loan

Specification

- Module 10: EVGN10 - Valuations: Compliance with EVS

6. Technical Documents

- Module 1: EVIP1 - Sustainability and Valuation
- Module 2: EVIP2 - Valuation Certainty and Market Risk
- Module 3: EVIP3 - Apportionment of Value between land and buildings
- Module 4: EVIP4 - Valuation and Other Issues for Recurrent Property Tax Purposes
- Module 5: EVIP5 - Valuation Methodology
- Module 6: EVIP6 - Automated Valuation Models
- Module 7: EVIP7 - European Property and Market Rating: A Valuer's Guide
- Module 8: EVIP8 - Fair Value Measurement under IFRS 13

7. European Legislation and Property Valuation (All one module)

- General Introduction
- Health and Safety

- Energy
- Environment
- Common Agricultural Policy

The following is in process:

- Feedback questionnaires being completed by organisations affiliated to each partner. These provide valuable feedback on usability and relevance to partners, an essential element of the project which enables the partners to take the project forward beyond the period of EU financial intervention.
- Support for partner countries to undertake their own modifications to the material to enable them to comply with local standards and requirements;
- Training and dissemination sessions being organised by partners to promote the project to their own members.
- Dissemination activities to enable the project to be promoted beyond the partners involved in developing the material for the project.
- The development of plans to enable updating of the outputs from this project thus ensuring sustainability into the future after the period of project funding comes to an end.

In the short term, it is expected that project will make available to partners a comprehensive training resource pack which will enhance the understanding and the application of the European Valuation Standards. Longer term, the pack will be available to each TEGoVA member, reaching a potential audience of over 70,000 individual practitioners.

However, the overriding objective is that the resource pack will give participants the knowledge and understanding of the application of European Valuation Standards which will improve their skills and competence as valuers, enhance the status of valuation as a profession, and widen the base of career opportunities for valuers.

The project will develop and enhance the overall understanding and application of the European Valuation Standards across the whole of Europe and the wider use of the standards will be an inevitable outcome of this wider understanding. This will in turn increase the number of policy areas in which the standards will become influential. This will be particularly evidenced in the property market where a transnational approach for valuation is important to ensure consistent transacting of properties across borders. The project is due for completion in February 2018.

Looking further ahead the establishment of the standards will provide cross border consistency in the practice and delivery of valuations of land and buildings which will assist the customer in the valuation process.

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