



## **Resources for European Valuation Standards in Europe (REVASE)**

Considerable progress has been made with the REVASE training module development project since the last article was published.

Just to recap, the REVASE project is financed from the Strategic Partnerships budget of the ErasmusPlus programme of the European Commission. The funding was won on the basis of develop learning material in the form of training modules which will be used both in a training context and as a guide for professional practice in the industry in order to meet the future needs of valuers in the context of an ever more demanding professional environment which is supported by the Blue Book of European Valuation Standards. The project started in January 2016 and is due to come to an end in April 2018, including a 2 month extension which has been granted to the project.

Crucial to the success of the project is the fact that all the partners are members of the European Group of Valuers' Associations (TEGoVA) which represents 63 Valuer Associations from 34 countries in Europe. TEGoVA itself is a partner. All partners have collaborated previously through TEGoVA or on other projects and without doubt this contributes to ongoing cooperation.

It is well known that TEGoVA 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. The REVASE project aims to fill this gap.

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

There are three "Intellectual Outputs" to the project. Since the last update, the following has been achieved:

- \* Intellectual Output No 1. the first version of the training modules has been completed
- \* Intellectual Output No 2. The Training Needs Analysis tool has been developed and is now being piloted by the partners. This tool is a first for use in valuation practice, and aims to assist users in assessing their strengths and weaknesses, their knowledge, their interests and their aspirations. In achieving this, it helps to provide a focus for career development.
- \* Intellectual Output No 3.
  - Project Marketing and Dissemination activity. This is now reaching a new level of activity. All the testing and evaluation has now been completed and questionnaires returned. This has provided some valuable feedback for partners to assess the relative importance of sections of the material and where improvements could be made.
  - Training and dissemination activities have been planned and are now taking place in partner countries
  - The programme has been supported by a programme of Multiplier Events, or local promotional activities. Events have been held so far in Riga in October, and at Roscommon, Ireland in November. A previous event had been held in Brussels near the start of the project in May 2016. Future Multiplier Events will be held in London on 29th January, and then in Poland at the end of February prior to the formal conclusion of the project at the end of April 2018.

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 still needs to be completed prior to completion of the project:

- Training Needs Analysis Tool. Work is ongoing to ensure that this meets the needs of valuers across Europe. Once completed this will be a first for valuers in Europe and the project will have enabled high quality training to sit alongside a highly sophisticated tool to assist valuers with their learning and professional development.
- Ongoing training and dissemination sessions being organised by partners to promote the project to their own members.
- Ongoing dissemination activities to enable the project to be promoted beyond the partners involved in developing the material for the project. Promotional activity is now gaining momentum.
- 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.

It is worth reminding readers that in the short term, it is expected that the project on completion 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.

January 2018