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“ I have enjoyed my career in property valuation and have managed to gain a broad range of valuation experience over almost 35 years. In the United Kingdom, I valued property for statutory purposes, taxation purposes, and compulsory acquisition. In Australia, I have also undertaken valuations for many purposes including statutory, mortgage security, financial reporting, insolvency, and more. The variety of property types has included residential, retail, industrial, an oil refinery, sewage treatment works, hotels, a casino, and a battleship simulator. My more recent experience in setting up and providing compliance services to clients has led me to take a keen interest in rules, standards, instructions, and guidelines.”





# THE GLOBAL VALUATION ECOSYSTEM AND ITS IMPORTANCE IN UPHOLDING VALUATION STANDARDS

*A PERSONAL PERSPECTIVE*

The V20's mission is to support informed decision-making by the G20 through trusted, reliable, and transparent valuation advice.

We know that valuation professionals, like many other professionals, face a myriad of challenges that require them to continuously adapt, innovate, and consistently uphold the highest professional standards. Despite the challenges, we should also have confidence that there is an important, influential, and effective valuation ecosystem that helps sustain and support the V20's mission.

While I'm not claiming that all challenges can be foreseen and that the ecosystem doesn't need to be constantly assessed, updated and in some cases challenged, it is important that we understand the various elements of the valuation ecosystem and why each one is important in terms of upholding the public interest by building confidence in valuation.

Regulatory changes, environmental concerns, and advancements in data and technology are continually impacting and reshaping our valuation ecosystem. The digital age is bringing forth new tools and platforms that

can assist the valuer in the valuation process but has also raised concerns about whether they can be relied on as part of a valuation. This is particularly the case where systems are not transparent or understood by the valuer, or the valuer has not inspected the property.

Valuation professionals must not only understand and adapt to these technological advancements but also ensure that their practices remain compliant with valuation and ethical standards.

It is important to remember that although the environment in which we operate is evolving, the fundamental principles and concepts of valuation have not changed.

So what are the main elements of the valuation ecosystem and why do they matter?

For the purpose of this Conference Souvenir, I have highlighted what I believe to be the three main elements: first being global standards, secondly Valuation Professional Organisations, and lastly, valuation firms.

## FIRST - GLOBAL STANDARDS

The International Valuation Standards Council (IVSC) sets global valuation standards to enhance the quality and credibility of valuation practice. The IVSC's mission is to ensure that valuation professionals, investors, and stakeholders can trust and rely on valuation standards across borders globally to foster confidence and transparency in valuation.

The Royal Institution of Chartered Surveyors (RICS) also plays a vitally important role through its publication of the RICS Global Valuation Standards ('Red Book') which applies the IVS within a broader framework of RICS standards as well as applying additional and important safeguards and protections to promote the highest levels of valuation professionalism and quality around the world.

To ensure that the overarching principles and concepts in valuation standards remain relevant, the various standards setters continuously review and update rules, standards, and guidelines. The IVSC released an exposure draft of the IVS in April 2023 and is currently considering feedback from stakeholders, including discussions at its recent meeting in Paris. The RICS is currently conducting a survey of views on the scope, application, and structure of the next edition of the Red Book.

Other relevant international standard setters include the International Property Measurement Standards Coalition and the International Ethics Standards Coalition.

## SECOND - VALUATION PROFESSIONAL ORGANISATIONS (VPOS)

VPOs play a vitally important role in communicating rules, standards, and guidelines. Communication occurs through assessment, education, training, and a

continual professional development framework. Many also play a critical role, some in conjunction with legislation or government bodies, in providing regulation to ensure compliance with professional, technical, and performance standards.

VPOs include the RICS as well as VPOs that are specific to a country or other jurisdiction such as the Australian Property Institute (API) in Australia, and many other organisations internationally like the Assessors and Registered Valuers Foundation (AaRVF) and the Practising Valuers Association (India).

These VPOs perform the essential role of setting and updating rules and valuation guidelines. They provide a local home for valuation professionals.

RICS is the global professional body for chartered surveyors that operates in countries around the world. RICS promotes and enforces the highest international standards in valuation as well as the development and management of land, real estate, construction, and infrastructure.

RICS assesses and certifies valuation professionals and provides valuable resources, training, and guidance to ensure that its members stay up to date with the latest industry developments and adhere to stringent ethical standards.

Through its extensive network of members and continuous research efforts including the Global Construction Monitor and Global Commercial Property Monitor, RICS also fosters an environment of collaboration and knowledge sharing among valuation professionals at a national and international level. This enables them to collectively address challenges and innovate their practices while maintaining the trust and confidence of clients.

RICS provides substantive support to uphold the quality

of valuers through its continual professional development requirements, the Valuers Registration Scheme (which is mandatory in more than 200 countries), and Standards and Regulation work which provides an independent disciplinary regime that helps remove those valuers who do not comply with the rules.

The Australian Property Institute (API) plays a similar role alongside RICS in the Australian context. The API established the APIV Professional Standards Scheme (APIV) which is approved under professional standards legislation. The APIV scheme is required to monitor and enforce the compliance obligations of its corporate and individual valuer members. As a national professional body, the API is in the process of reviewing and updating its Code of Ethics and Rules of Professional Conduct.

National and local valuation professional organisations, like the API and RICS, play a vitally important role by adopting and promoting international standards, providing local perspectives, assessing, and certifying members, and providing professional development and local market and industry research.

These organisations all stand at the forefront of this dynamic industry, ensuring that valuation professionals not only meet but exceed the expectations of their clients and stakeholders helping to deliver and support the V20's mission.

### **THIRD - VALUATION FIRMS**

As the National Director of Group Risk and Compliance at Herron Todd White Australia (HTW), one of the largest property valuation firms in Australia, I think it is essential to highlight the role of valuation firms in promoting and upholding valuation standards.

Valuation firms are another critical element in the valuation ecosystem. At HTW we strive to exemplify the commitment to excellence to which valuation

professionals should aspire. We have a robust framework to provide policies, procedures, education, and quality assurance to lift the standard of our valuers and the valuations that they undertake. Valuers at HTW undergo rigorous training and adhere to the highest professional and industry standards. This ensures that clients can rely on their valuations for making informed decisions.

HTW has a deep-rooted focus on professionalism and a dedication to delivering professional valuation services for all classes of property from individual residential, agribusiness properties and commercial and government portfolios.

John Ruskin once wrote "Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction, and skillful execution; it represents the wise choice of many alternatives."

It is the continued commitment to each of these elements by individual valuers that feeds up into a true quality global valuation profession in which we can all have confidence.

Kevin Brogan FRICS FAPI is the National Director of Group Risk and Compliance at Herron Todd White, the Chair of the RICS Australasian Advisory Board, a member of the RICS APAC World Regional Board, and a contributing member of API standards working groups providing feedback to IVSC and drafting the API Code of Ethics and Rules of Professional Conduct.