



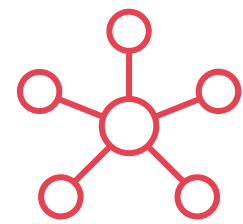
Property Valuation and Setting Standards in a Secured Lending Environment

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10th September 2024

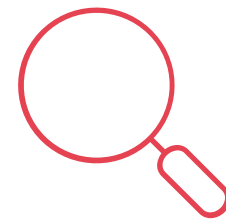
Structure of IVS

IVS General Standards



IVS 100

Valuation Framework



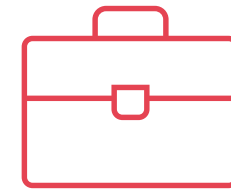
IVS 101

Scope of Work



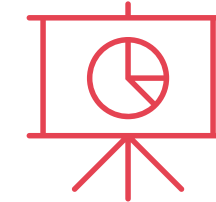
IVS 102

Bases of Value



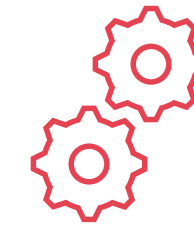
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Valuation Approaches



IVS 104

Data & Inputs



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Valuation Models



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Documentation & Reporting

IVS Asset Standards



IVS 200

Businesses & Business Interests



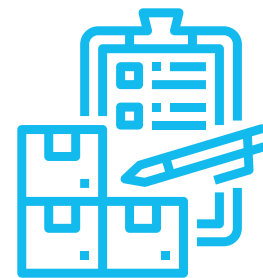
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Intangible Assets



IVS 220

Non-Financial Liabilities



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Inventory



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Plant, Equipment & Infrastructure



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IVS 100 Valuation Framework

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Compliance	40



40.04 If legal, statutory, regulatory and/or other authoritative requirements appropriate for the purpose and jurisdiction of the valuation conflict with IVS, such requirements should be prioritised, explained, documented, and reported in order to remain compliant with IVS.

IVS 102 Basis of Value

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Allocation of Value	



This section requires the *valuer* to select the appropriate *basis* (or *bases*) of value and follow all applicable requirements associated with that *basis* (or *bases*) of *value*, whether those requirements are included as part of this standard (for IVS-defined *bases of value*) or not (for non-IVS-defined *bases of value*).

IVS 102 Basis of Value Appendix



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Market Value	A30
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Equitable Value	A50
Investment Value	A60
Synergistic Value	
Liquidation Value	
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Fair Value (Legal/Statutory)	
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IVS 102 Basis of Value Definitions

Market value is the estimated amount for which an *asset* and/or *liability* should exchange on the *valuation date* between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Investment value is the value of an asset to a particular owner or prospective owner for individual investment or operational objectives.

Liquidation value is the amount that would be realised when an asset or group of assets are sold from a liquidation sale, with the seller being compelled to sell as of a specific date. Liquidation value can be determined under two different premises of value:

- (a) an orderly transaction with a typical marketing period, or**
- (b) a forced transaction with a shortened market period.**

IVS 103 Valuation Approaches

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IVS 103 *Valuation Approaches* requires the *valuer* to consider and select the most relevant and appropriate *valuation approaches* for the *valuation* of the *asset* and/or *liability* based on its intended use(s).

The *valuation methods* provided in this appendix may not apply to all asset classes or use cases. However, the appendix *must* be followed when using the applicable *valuation method*.

IVS 104 Data and Inputs

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IVS 104 *Data and Inputs* deals with the selection and use of *data* to be used as *inputs* in the *valuation*. The aim of the *valuation* is to maximise the use of relevant and *observable data* to the degree that it is possible.

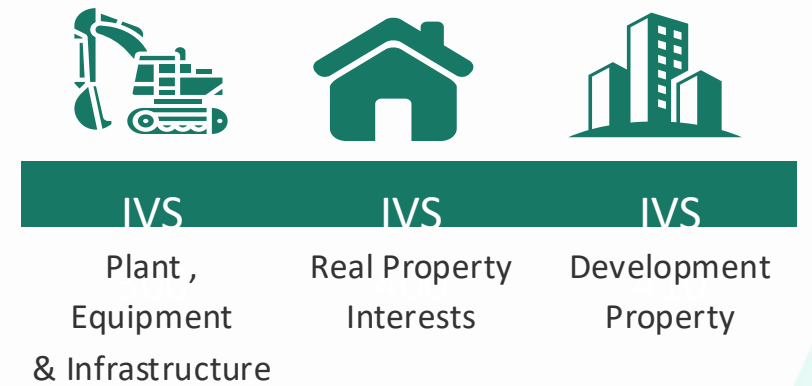
IVS 106 Documentation and Reporting

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Valuation reports and documentation are a critical and defining feature of IVS, which collectively assist in creating consistency, professionalism, transparency, comparability, and trust in *valuation* to serve the public interest.

Tangible Asset Standards



40.03 Sufficient investigations and evidence must be assembled by means such as inspection, inquiry, research, computation or analysis to ensure that the valuation is properly supported. When determining the extent of investigations and evidence necessary, professional judgement is required to ensure it is fit for the purpose of the valuation.

40.04 When a valuation engagement involves reliance on information supplied by a party other than the valuer, consideration should be given as to whether the information is credible or that the information may otherwise be relied upon without adversely affecting the credibility of the valuation. Significant inputs provided to the valuer (eg, by management/owners) should be considered, investigated and/or corroborated. In cases where credibility or reliability of information supplied cannot be supported, consideration should be given as to whether or how such information is used (see IVS 101 Scope of Work, para 20.01 (j)).

Tangible Asset Standards



100.02 In addition to the requirements contained within IVS 104 Data and Inputs there is the following hierarchy of comparable evidence, which should be followed for real property interest valuations:

- (a) direct comparable evidence,**
- (b) indirect comparable evidence,**
- (c) general market data,**
- (d) other sources.**

100.03 When applying the hierarchy of comparable evidence, the valuer must ensure that the characteristics of suitable data and inputs contained within IVS 104 Data and Inputs are fully applied.



IVSC

Thank you!

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