

## **Commission 9 – Valuation and the Management of Real Estate**

### **Annual Report 2015**

#### **1. Title**

#### **VALUATION AND MANAGEMENT AT THE CORE OF SUCCESSFUL LAND POLICY**

#### **2. Terms of Reference**

- Valuation, being the estimating of value of all kinds of real estate by valuers and appraisers for various purposes, including market value, property taxation, eminent domain, investment, redevelopment and refurbishment, and for both public and private purposes;
- Investment in real estate, investment planning and real estate investment vehicles;
- Real estate finance, development finance, land use feasibility planning;
- Real estate economics, markets and market analysis;
- Management of all kinds of real estate at all levels;
- Asset management for corporate private and public sectors;
- Management of the use of buildings to ensure optimum benefits to occupiers.

#### **3. Mission Statement**

The mission of Commission 9 is:

- To advance the professional practice of valuers and property managers working in all areas of real estate valuation and management;
- To research and publish “best practice” for the benefit of valuers and property managers in different jurisdictions and sectors of the industry. This will benefit of the surveying community and improve our services to the wider public;
- To facilitate and generate the exchange of information, knowledge and experience between surveyors for the benefit of the profession, our clients and the wider public;
- To publicise and promote the work of surveyors to the public, particularly to young people, governments and non-government organisations and to enhance the value and perception of the value of surveyors and the services they can deliver, especially in support of the global sustainability agenda and the Millennium Development Goals;
- To co-operate and work with fellow surveyors in all specializations of the profession to further the broader objectives of FIG.

#### **4. Themes**

This work plan focuses on three highly relevant themes, Property Taxation, Real Estate Market Policy Frameworks, and Valuation Methods and Standards.

Following on the successful previous four years of study, Commission 9's Working Group 9.2 focuses on the efficient use of mass appraisal valuations. This continues to address international and pressing need in the use of property taxes for the benefit of local communities and demonstrates an important opportunity for FIG to continue to use the international experiences of its members to contribute to and inform the global debate on property taxation.

Working Group 9.1 will expand the debate surrounding the United Nations published the *Policy Framework for Sustainable Real Estate Markets* booklet. The aim of Working Group 9.1 is to discuss, analyse and expand upon the 10 principles within this text, to allow for greater understanding and applicability in their implementation. This should benefit all interested actors, government organizations, and non-government organizations.

Round Table Discussions 9.3 will identify the commonly used standards in different markets and study the valuation methodologies adopted. Local actors will share and discuss templates and techniques used so that the industry can broaden its base of knowledge, enhancing the ability of practitioners to support their local economies and professional organizations.

All of the Working Groups and Round Tables have the goal of expanding the knowledge bases and skill sets of our professional organizations, their individual members, national governments, non-government and international aid organizations, and by extension the global economy.

## **5. Working Groups**

### **Working Group 9.1 – Expanded Policy Framework for Sustainable Real Estate Markets**

In 2010, the United Nations published the *Policy Framework for Sustainable Real Estate Markets* booklet. This document provides a short discussion of 10 Principles and related guidance for the development of a country's real estate sector. The aim of Working Group 9.1 is to discuss, analyse and expand upon these 10 principles, to allow for greater understanding and applicability in their implementation. In effect, this Working Group will broaden the discussion surrounding the individual 10 principles to include more specific details, as well as outline possible economic and social impacts. This should benefit all interested actors, government organizations, and non-government organizations as it relates to regulating, improving or developing a sustainable national real estate market.

In 2015 the early data gathering and analysis of the Policy Framework had begun. In 2016, comprehensive analysis and round table discussions at the FIG Working Week will be the platform for expanded applicability and transparency of these Framework components.

### **Working Group 9.2 – Mass Appraisal Systems**

This working group will investigate and publish appropriate guidelines for the development of mass appraisal techniques to support property tax assessments, including the appropriateness original data sources (property characteristics, sales, rents, yields, costs asking prices, or valuations) and of indices to monitor the property market, which will be particularly useful during the current economic climate.

This analysis has begun and will leverage off past FIG efforts. In 2016, case studies will be explored showing where and when implementation was and was not successful so that key elements for a successful system can be identified.

### **Round Table 9.3 – Valuation Methods and Standards Worldwide**

There is an abundance of valuation report templates and techniques for the analysis of differing property types. However, few valuation professionals have access to more than a handful of these templates, limiting their ability to creatively address a specific appraisal problem.

In 2015 templates were considered and gathered for analysis in 2016. At the 2016 FIG Working Week, roundtable discussions will bring together real estate professionals (valuers, managers, brokers, state and private ownership organizations) to share templates and techniques used to value and analyse specific property types.

#### **6. Co-operation with Other Commissions and organisations**

Commission 9 will support and contribute to FIG task forces, and, in particular, to the Property Markets Task Force, the Young Surveyors Network, the United Nations organizations, UNECE, WPLA, REAG, FAO, UNHABITAT, GLTN, ECE, and the World Bank. It is envisaged that such international organisations will be particularly interested in the work of the Working Group 9.1 and 9.2. The possibility of joint events will be investigated.

#### **7. Co-operation with United Nation Organisations, Sister Associations and other Partners**

Commission 9 is co-operating with FAO, UNECE, GLTN and UN-HABITAT on Commission 9 related issues. We have also worked with the Economic Commission for Europe in 2015 to help find solutions to the Greek crisis.

Over the coming years, Commission 9 will investigate co-operation opportunities with a range of relevant international organisation, including the Internal Property Taxation Institute (IPTI), International Association of Assessing Officers (IAAO) and the Lincoln Institute of Land Policy.

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