



FIG/FAO Round Table on VGGT and Valuation Standards

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LOCAL PERSPECTIVE:

Institutional Framework of the Valuation Profession in Malaysia

1. Legislations

Valuers, Appraisers & Estate Agents 1981 (Act 242)

- regulations & setting up of a regulatory Board
- Valuers, Appraisers & Estate Agents Rules 1986

2. Regulatory body

Board of Valuers, Appraisers & Estate Agents Malaysia (BoVAEA)

- Code of conduct
- Ethics
- Standards:
 - 1 Malaysian Valuation Standards
 - 2 Malaysian Estate Agency Standards
 - 3 Property Management Standards
- accreditation of degrees and diplomas

Functions of the BoVAEA

- ▶ To keep and maintain the Register of
 - Valuers, Appraisers and Estate Agents,
 - Probationary Valuers
 - Probationary Estate Agents and
 - firms of Valuers, Appraisers and Estate Agents

- ▶ To hold disciplinary proceedings

- ▶ To hear & determine disputes relating to professional conduct or ethics
- ▶ To prescribe Scale of Fees from time to time
- ▶ To set standards of professional practice
- ▶ To conduct professional examinations

Malaysian Valuation Standards (MVS 2006)

Valuation Standard	Brief descriptions
1	Use of market value as a basis of valuation
2	Other basis of valuation other than mkt value
3	The stds expected when preparing valuation reports for financial reporting
4	When valuing properties as collateral for lending
5	Valuer qualifications, experience, competency and expertise
6	The conditions of engaging a valuer: purpose of valuation, date of valuation, the interest, basis of valuation, assumptions, fees payable

Valuation Standard	Brief description
7	The various purpose of valuation and its basis
8	Inspection and referencing of property
9	Valuation report – assumptions, limiting conditions
10	Revaluation reports
11	Update valuation
12	Methods of valuation

Valuation Standard	Brief description
13	The use of assumption in valuations
14	Valuation of plant and machinery
15	Adherence to Securities Commission standards/guidelines
16	Adherence to Guidelines on Asset Valuations
17	Limiting conditions

Valuation Standards: Benefits

- ▶ To protect the public interest by ensuring that professional valuers observe high standards of professional and ethical conduct;
- ▶ To increase the supply and demand for qualified professional valuers in sectors or markets where there is currently no professional infrastructure.

- ▶ To improve the credibility of the valuation profession and enhance public trust in the profession;
- ▶ Strengthening the ability of the valuation profession to provide more competent services in an increasingly complex, globally-interconnected and rapidly changing commercial world.

Malaysian Estate Agency Standards

CONTENTS:

1. Introduction
2. Definitions
3. Part I – Core Values
4. Part II – Statements of Standards
 - ▶ Standard 1 - The Estate Agency Office
 - ▶ Standard 2 - Negotiators
 - ▶ Standard 3 - Types of Estate Agency
 - ▶ Standard 4 - Estate Agency Fees
 - ▶ Standard 5 - Terms of Engagement / Buyer Agency
 - ▶ Standard 6 - Marketing/Advertisements / Promotions
 - ▶ Standard 7 - Co-Agency Practice
 - ▶ Standard 8 - Viewing of Property
 - ▶ Standard 9 - Clients' Account
5. Part III – Forms

3. Higher Education – real estate programmes

Degree: public universities –
PhD, Masters (taught & research), BSc
(UM, UiTM, UTHM, UTM)
private universities/institutions
of higher learning

(UTAR, IMPERIA)

Diploma: public universities :
(UiTM, UTM)
private universities/institutions
of higher learning (IMPERIA)

Certificates: National Institute of Valuation

Higher education – real estate degrees:

- ▶ Entry Requirements for Professional Valuation Education Programmes
- ▶ Technical Competence
- ▶ Professional Skills – appropriate mix of skills (intellectual, technical, personal, interpersonal and organisational)
- ▶ Practical Experience

Valuation Professionals:

- ▶ Practical experience
- ▶ Assessment of Professional Competence
- ▶ Professional Values, Ethics and Attitudes
- ▶ Continuing Professional Development

4. Professional bodies

RISM	V, PM,EA
MIPPM	PM
PEPS	V, PM, EA
MIEA	EA
Fiabci	V, PM, EA
RICS	V, PM, EA

(V – Valuation,
PM – Prop Mngt,
EA– Estate Agency)

API, NZPI, SISV, HKIS

5. International / regional bodies

- Asia Pacific Real Estate Association (APREA)
- Asean Valuers Association (AVA)
- Fiabci
- CASLE
- RICS
- IVSC
- IPMS

International Property Measurement Standards (IPMS) are the missing link

6. Valuation & Property Services Department

- stamp duty
- compulsory purchase and compensation
- rating
- research – NAPREC
- data collection and dissemination:
Property Market Report (PMR)
Malaysian House Price Index series
KL Office Rent Indices

7. Training courses, workshops, CPDs, conferences, seminars

- RISM
- PEPS,
- MIPPM
- MIEA

- Fiabci
- RICS

8. Academic / Education associations
Conferences / Seminars / Symposiums:
IRERS by INSPEN

IRES

PRRES

AsRES

AREUEA

RICS

Thank you

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