
Overview

This unit covers the assessment of value of residential property for secured lending purposes, and the preparation and submission of valuation reports.

Element 36.1 requires you to collate and analyse all information relevant to the assessment of property value i.e. relating to: social and economic factors, market trends, legal and regulatory requirements and constraints, location and environment, and property condition. You must select and apply appropriate valuation methods (e.g. comparative, residual), and you are expected to use your professional judgement and expertise to form an opinion of the value of property and its suitability for mortgage purposes to the client. You must be able to assess the value of a broad range of properties that vary in terms of: location, age, type, construction, size and plot, and condition.

Element 36.2 covers the preparation and submission of your valuation report. You are expected to work in accordance with client requirements and relevant standards, guidance and protocols, such as those outlined in the RICS Appraisal and Valuation Standards (the 'Red Book') and, in particular, UK Appendix 3.2 (RICS Mortgage Valuation Specification). In addition, you must carry out relevant post-valuation activities as requested by the client e.g. re- inspection, re-valuation, complaint handling.

Throughout your work, you must keep accurate, complete and up-to-date records of your decisions, recommendations and dialogue with the client.

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Performance criteria

Assess the value of property

You must be able to:

- P1 assemble and collate all relevant **information** required to assess the value of **property**
- P2 analyse and evaluate **information** relevant to the valuation
- P3 select and apply appropriate **valuation methods** in accordance with client requirements
- P4 use your professional judgement to assess the significance of different pieces of evidence when determining value
- P5 form and record an opinion of the **value** of the **property**
- P6 form an opinion of the suitability of the property for mortgage purposes
- P7 keep accurate, complete and up-to-date records of any dialogue with the client prior to, and following, your assessment of value
- P8 keep accurate, complete and up-to-date records of your decisions and reasoning

Prepare and deliver a valuation report

You must be able to:

- P9 prepare a complete **report** in accordance with client requirements, relevant codes of practice and professional standards
- P10 report the results of your investigations and relevant inspection issues clearly and accurately
- P11 justify your decisions and recommendations based on the information and evidence available to you
- P12 submit your **report** to the client in a correct and timely manner
- P13 undertake all relevant **post-valuation activities** as requested by the client
- P14 comply with the auditing and monitoring requirements of the client
- P15 comply with the formal complaints procedure of your organisation
- P16 respond promptly to any challenges to your valuation made by the client or other parties
- P17 ensure that client data and valuation information is recorded correctly and stored in a suitable manner
- P18 maintain effective on-going relations with clients

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Knowledge and understanding

You need to know and understand:

Assess the value of property

- K1 the methodology, standards and codes of practice that are relevant to assessing the value of property
- K2 the range of information required to assess the value of property and how to collate it
- K3 the valuation methods that are appropriate for assessing the value of residential property, and how to apply them (including the comparative and residual methods)
- K4 how to assess the significance of different pieces of evidence when determining value
- K5 how to conduct an accurate and complete analysis of information in order to assess property value
- K6 how to determine the value of property and its suitability for mortgage purposes
- K7 the importance of keeping accurate, complete and up-to-date records of any dialogue with the client prior to, and following, your assessment of valuation
- K8 the importance of keeping accurate, complete and up-to-date records of your decisions and reasoning

You need to know and understand:

Prepare and deliver a valuation report

- K9 the client requirements, relevant codes of practice and professional standards that apply to the preparation of valuation reports
- K10 your duty of care to the prospective borrower
- K11 how to report the results of your investigations and relevant inspection issues clearly and accurately
- K12 the importance of being able to justify your decisions and your recommendations based on the information and evidence available to
- K13 procedures for submitting valuation reports for clients in a correct and timely manner
- K14 the difference between disclosed and non- disclosed valuation reports
- K15 the range of post-valuation activities that may be requested by the client, and how to undertake them
- K16 the specific auditing and monitoring requirements that relate to the valuation work you undertake on behalf of the client, and your responsibilities in complying with these
- K17 the details of the formal complaints procedure that covers your work, and any specific organisational procedures with regard to complaints
- K18 how to deal with any challenges to your valuation
- K19 how to record and store client data and valuation information
- K20 the current legislation and national guidelines that relate to data protection
- K21 the importance of maintaining effective on- going relations with client(s)

Additional Information

Scope/range

Assess the value of property

1. assemble, collate and analyse the following **information**:
 - 1.1. economic
 - 1.2. social
 - 1.3. property market
 - 1.4. legal and regulatory
 - 1.5. location and environmental
 - 1.6. property inspection and Home Condition Report
2. assess the following aspects of **value**:
 - 2.1. market value
 - 2.2. rental value
 - 2.3. market value with special assumption
3. assess the value of a broad range of **properties** that vary in terms of:
 - 3.1. location
 - 3.2. age
 - 3.3. type
 - 3.4. construction
 - 3.5. size and plot
 - 3.6. condition

Prepare and present a valuation report

4. prepare and present valuation **reports** for a broad range of properties that vary in terms of:
 - 4.1. location
 - 4.2. age
 - 4.3. type
 - 4.4. construction
 - 4.5. size and plot
 - 4.6. condition
5. undertake the following **post-valuation activities** on behalf of the client:
 - 5.1. provide copies of valuation reports
 - 5.2. re-valuation of property
 - 5.3. re-inspection of property
 - 5.4. complaint handling

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Relevant occupations Valuation Surveyor

Suite Valuation of Residential Property for Secured Lending

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