

Australian Property Institute and
Property Institute of New Zealand

PRACTICE STANDARD - VALUATIONS FOR COMPULSORY ACQUISITIONS

Reference ANZPS 1 - Valuation for Compulsory Acquisitions

Effective Adoption Date: 1 March 2007

Revised Effective for NZ Members: 1 July 2017

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Contents

1	Introduction.....	3
1.1	Underlying Principle.	3
1.2	Status.....	3
1.3	Scope	3
2	The Members Role	3
2.1	Advocate.....	3
2.2	Experts Report	4
3	Departure provisions	4
4	Effective Date:	4

This Practice Standard relates to ANZ Valuation Guidance Note 5

1 Introduction

1.1 Underlying Principle.

Member undertaking a valuation as part of a compulsory acquisition process affecting an interest in land, shall observe the requirements of this Practice Standard and must conform with the Institute's Code of Ethics and Rules of Conduct and any relevant law, or regulation that may apply from time to time.

1.2 Status

Practice Standards have mandatory status.

1.3 Scope

This Practice Standard applies to a Member involved in an acquisition or the pre-acquisition process affecting an interest in land, whether acting for a public authority or a claimant.

2 The Members Role

2.1 Advocate

In New Zealand (effective 1 July 2017)

A valuer shall not act as an advocate and an expert in the same matter. A valuer acting as an advocate and not an expert must disclose the capacity in which they are working to all parties. A non-valuer member of the Institute may act as an advocate subject to the proper professional practice in conducting negotiations on a client's behalf.

In Australia:

A Member is entitled to act as a claimant's advocate during the acquisition process, however the advocacy role is subject to the proper professional practice in conducting negotiations on a client's behalf and that role must be declared to all parties. A Member may conduct negotiations on a client's behalf based on valuation principles and practice but must not act as an advocate and then as an expert in the same matter.

Ambit Claims

A Member shall not prepare a valuation, report or advice which cannot be supported by the application of market evidence and accepted valuation principles. A Member must support their clients claim by the preparation and submission of a valuation report.

2.2 Experts Report

A Member acting as an expert valuer shall prepare a valuation report as an Independent expert in accordance with this Practice Standard having regard to relevant legislation and decisions of relevant courts and which;

- addresses the elements on heads of compensation,
- explains the basis of the assessment,
- provides a description of the methodology, assumptions and calculations which have been utilised,
- rationalises the market evidence relied upon in assessing the value of the claimant's interest and,
- can be relied on as evidence of value at any stage of negotiations or as required and the settlement process by agreement, arbitration or court proceedings.

If required by the client a member shall support the assessment (with relevant support from other professionals and experts) and any discussions with the other party or its representatives or consultants and if required, present evidence in a court or tribunal.

3 Departure provisions

Where a Member considers circumstances exist that warrant departure from or non-compliance with any rule herein, the Member's report shall include a statement that outlines the reasons for the departure or non-compliance and any impact on the content of the report.

4 Effective Date:

This Practice Standard is effective from 1 March 2007.

Revised for New Zealand members effective from 1 July 2017