

Desktop Valuations

DEAR MEMBER,

At the API National Council meeting on the 27 August 2004, Councillors considered in detail the concept of "Desktop Valuations" currently being piloted by the Commonwealth Bank of Australia and potentially other Banks/Lenders.

After considering the issues National Council has resolved the following:

The process of "Desktop Valuations, Assessments or Reviews" does not in any way comply with the Professional Standards adopted by the Australian Property Institute in its Professional Practice Manual 2004. National Council formally advises Members who are engaging in this process that they are operating below the standards set by the Australian Property Institute. Accordingly, all Members engaging in these practices must cease this practice forthwith.

Furthermore it is National Council's formal position that any departure provisions contained with "Practice Standard 2 – Valuation for Mortgage and Loan Security Purposes" and "Guidance Note 2.1 – Valuation for Mortgage and Loan Security Purposes", do not include circumstances where a valuation is undertaken without an inspection either by way of a full internal and external inspection or external inspection only in the case of a Restricted Access Assessment.

I will be writing to the Commonwealth Bank and all other major lenders advising them of the API's



Clyde Eastaugh, API National President.

position. I am also writing to known Professional Indemnity Insurance Brokers and Underwriters, Mortgage Guarantee Insurers and the Australian Prudential Regulatory Authority. During the coming weeks API will also be arranging visits with head of credit assessors in each of the major lending institutions, Professional Indemnity Insurance Brokers and Underwriters, Mortgage Guarantee Insurers and APRA to restate the API's position on the matter.

Forward any queries you may have regarding Desktop Valuations to:

Mark Howland, National Director
Australian Property Institute
6 Champion Street, Deakin ACT 2600
Telephone: 02 6282 2411
Email: mark.howland@propertyinstitute.com.au

Clyde Eastaugh
API National President

Australian Property Journal Letters to the Editor

API MEMBERS are invited to write to the *Australian Property Journal*. Forward your letters to the editor, your comments, ideas and suggestions to:

The Managing Editor
Australian Property Journal
6 Champion Street, Deakin ACT 2600
Email: national@propertyinstitute.com.au

First Joint NZPI and API Conference

A Huge Success

THE INAUGURAL joint New Zealand Property Institute and Australian Property Institute's Property Conference in July was a huge success.

The conference was held over two days in Queenstown, New Zealand. The program included 37 speakers and was attended by 560 registered property professionals, ending with the "Southern Muster" dinner, complete with horses and dogs, attended by 675 people.

Chris Seagar, New Zealand Property Institute President said, "This was an excellent concept and conference. We are very pleased with the feedback we have received. We tried to stretch minds and provide useful information and we achieved that.

"It was excellent to have our Australian friends in attendance, especially after last weeks rugby game.

"The conference was an important step in the development of unified property market practice between the two countries," said Mr Seagar.

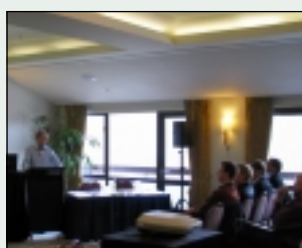
Clyde Eastaugh, Australian Property Institute National President said, "This was the first joint effort between NZPI and API and we are very pleased with the outcome."

"The speakers were excellent and addressed relevant property issues. It was great to have a mix of Australian and New Zealand property professionals. We do have a lot in common and can learn much from each other," said Mr Eastaugh.

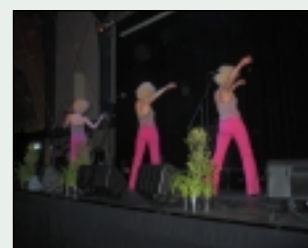
Plans for the second API/NZPI Joint Conference to be held in Australia in 2006 are currently underway.



The NZPI/API Conference was attended by 560 registrants.



Left: Bob Connolly, Bolton Connolly Pty Limited presented changes to International Accounting Standards to an attentive audience.



Right: Guests at the "Southern Muster" dinner were entertained by The Big Girls.



Above: Mark Howland (second from the right), API National Director with conference attendees at the conference dinner.

Below: Sally Allen, National Education Director with conference organisers, Jenny, Sandra, Miriam and Lynelle, celebrate a job well done at the conference dinner.



Papers from the NZPI/API joint conference, *Thrills, Spills and Adventure in Property*, are now available from API-National Office.

Contact: API-National Office
 Telephone: 02 6282 2411
 Email: national@propertyinstitute.com.au
 Cost: \$20 (inclusive of 10% GST, postage and handling)



Comment on API's Streaming Paper

API invites property professionals to comment on its "Draft Streaming Paper"

API RECOGNISES that property has broadened as a profession in recent years. Many members have developed diverse property career paths which have taken them to other fields of property expertise and leadership.

In order to meet the growing needs of property professionals and to provide them with a wide range of professional products and services, the API is looking at broadening its membership categories through "streaming".

What is streaming?

Streaming is the availability of different categories of API membership for property professionals to choose from, which reflect their related field/s of expertise.

What will streaming achieve?

Streaming will allow a greater diversity in membership and will provide a "home" for more property professionals. Through API initiatives and programs, a wider platform of views and ideas can be addressed – providing greater opportunities for professional

development and recognition across the property profession.

How to make your comments?

The API *Draft Streaming Paper* can be found at the API website at <http://www.propertyinstitute.com.au>

API Draft Streaming Paper

To view the *Draft Streaming Paper* visit the API website at <http://www.propertyinstitute.com.au>

Please forward your comments by
Thursday, 14 October 2004 directly to:

Sally Allen
National Education Director
Australian Property Institute
6 Champion Street
Deakin ACT 2600
Telephone: 02 6282 2411
Facsimile: 02 6285 2194
Email: sally.allen@propertyinstitute.com.au

22nd Pan Pacific Congress of Real Estate Appraisers, Valuers and Counsellors

THE 22ND PAN PACIFIC CONGRESS of Real Estate Appraisers, Valuers and Counsellors will be held from 18–21 October 2004, at the Taipei International Convention Center in Taipei, Taiwan.

This congress will bring together leaders in the field of property valuation from the Pan Pacific area to exchange their experiences.

Trends in Restructuring of Real Estate in an Economy of Transition has been chosen as the main theme of the congress.

Clearly, the Asian region, Japan, Southeast Asia and Taiwan are in the midst of an economic transformation. The causes of change are varied across the region, but one thing holds consistently true across these varied

lands – property development itself is undergoing fundamental change.

For more information visit the Congress website at <http://www.ppc2004.com.tw> or contact the Congress Secretariat:

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Round Table Professional Conference Organiser
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Technical Alert No. 2, 2004

Adoption of International Valuation Guidance Notes

Members are advised that the Institute has adopted two International Valuation Standards Committee (IVSC) Guidance Notes, IVGN 9 *Discounted Cashflow Analysis for Market and Non-Market Based Valuations* and IVGN 10 *Valuation of Agricultural Properties*, as applicable for Members. The Institute is also developing a supplementary Guidance Note to IVGN 10, which will address a range additional local matters, required to meet particular Australian requirements.

Copies of the International Valuation Standards and Guidance Notes are available through the IVSC website www.ivsc.org

Practice Standards and Guidance Notes Under Development

The Australian Valuation & Property Standards Board currently has four Guidance Notes under development. These are Assessment of Market Rental Value, Valuation of Fractional Interests, Insurance Valuations and Valuation of Rural Properties (which is to be a Supplement to IVGN 10).

It is envisaged that these Guidance Notes will be released to Members by the end of March 2005, following a rigorous development and review process.

Members are advised that Practice Standards and Guidance Notes under development are not available for use and it is the position of the API that draft Practice Standards and Guidance Notes have no formal standing within the Institute and must not be relied upon, used or published by API Members or any other party.

Members wishing to be involved in the development of a Practice Standard, Guidance Note or Information Paper are urged to contact their Division with a brief synopsis of the matter they consider should be developed into a Practice Standard, Guidance Note or Information Paper. The Division will, after due consideration, make a recommendation to the Institute's National Professional Board as to whether they support the proposal.

PropertyPro

PropertyPro Version 2.1 (including the web-enabled version), incorporating fixes to all the known technical problems that appeared following the initial release of PropertyPro Version 2, will be available from the Institute's National Office from 20 September 2004. Members who have purchased Version 2 will not need to acquire Version 2.1 as patches rectifying the technical problems are available through the Institute's website.

Members experiencing difficulties with PropertyPro Version 2 should, in the first instance, refer to the Frequently Asked Questions section under PropertyPro in the Institute's website at <http://www.propertyinstitute.com.au>, and should this not provide information to resolve your problem, then contact Prowess Development for technical support as detailed on the website.

Members utilising versions of PropertyPro Version 1 are reminded that technical support is no longer available for that version of PropertyPro and are advised that there are significant compatibility difficulties between Microsoft windows/office XP and PropertyPro Version 1. Members who are currently running PropertyPro Version 1 and who contemplating upgrading their computer environment to Microsoft windows/office XP, are urged to contact Prowess Development (PropertyPro developers and technical support) via the email address above.

Desktop Valuations

Members are urged to read the notice from the National President concerning the advent of "Desktop Valuations" which are currently being piloted by the Commonwealth Bank of Australia.

(See the first page of this issue of API E-news)
