

Australian Property Institute Limited

PROVISIONAL MEMBERSHIP WITH RESIDENTIAL PROPERTY VALUER EXPLANATORY NOTES

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| Reference | Provisional Membership with Residential Property Valuer Explanatory Notes |
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1.0 Definition of Provisional Member

1.1 Definition

- 1.1.1 Provisional Member is a membership class with voting rights at Divisional level only.
- 1.1.2 Provisional Members may use the appropriate post nominals PMAPI.
- 1.1.3 Provisional Members can stand for election on Institute Boards and Councils at a Divisional level only.
- 1.1.4 Provisional Members who have fulfilled specified academic and professional experience requirements can apply for the designation of Residential Property Valuer.
- 1.1.5 Provisional Members must fulfil the annual Continuing Professional Development requirements.

2.0 Provisional Membership Applications

2.1 Applicants must supply all of the following:

- Completed application form
- Evidence of academic qualifications including full transcript of tertiary results
- Application fee – payable at time of application.

2.2 The application process may take from 1 to 3 months.

2.3 Applicants must:

- Be of good character and repute
- Satisfy the academic requirements (as outlined in Section 3.0); and for Residential Property Valuer designation, also
- Satisfy the approved professional experience requirements (as outlined in Section 4.0).

2.4 Applicants for Provisional membership who are applying for the designation *Residential Property Valuer* must:

- Provide evidence of employment history including, if available, a professional diary and/or a certificate of employment from current and previous supervisors. Employment history should indicate full or part time employment. If part time, please provide details.
- Provide evidence of professional association membership and licenses as stated on the application form.
- Successfully complete the Future Property Professionals (FPP) Program, including the Risk Management Module (see www.api.org.au)
- Submit examples of their work (as outlined in Section 5.0).
- Successfully complete a professional interview (as outlined in Section 6.0).

2.5 Applicants can apply for Provisional membership with *Residential Property Valuer* designation in the one procedure provided they fulfil specific academic and approved professional experience requirements as outlined in this document.

2.6 Residential Property Valuer (RPV) Designation

- Provisional Members who have successfully gained the RPV designation can undertake valuations of residential properties on the condition that the valuation report is co-signed by the supervising Associate, Fellow or Life Fellow of the Institute who is a Certified Practising Valuer (CPV).
- Residential property valuations undertaken by the RPV do not require co-inspection by the supervising CPV.
- Provisional Members with RPV can assist a CPV in undertaking valuations of non-residential properties on the condition that the supervising CPV inspects the subject property and is the primary signatory to the valuation report.
- Provisional Members without RPV can assist a CPV in undertaking valuations of residential or non-residential properties on the condition that the supervising CPV inspects the subject property and is the primary signatory to the valuation report.
- Where States and Territories have licensing requirements no person can undertake a valuation without satisfying the legislation in that particular State or Territory.
- The Australian Property Institute's Code of Professional Conduct need to be read in conjunction with the Explanatory Notes.

2.7 Definition of 'Residential Property'

A Provisional Member who holds the designation of Residential Property Valuer may undertake the valuation of residential property for the purposes of –

- Mortgage security valuations.
- Rating and Taxing Valuations.
- Valuing entitlements under a Strata Scheme or similar group title scheme.
- Other private residential property uses, excluding –
 - Land or a lot that is used wholly for non residential purposes
 - Real Property valuations for compensation and resumption purposes
 - Valuations related to the provision of expert evidence or Family Law Court related proceedings

The Institute has clearly defined the term 'residential property' in regards to professional conduct of Provisional Members, as follows:

- Land on which is situated (or in the course of construction) not more than 2 dwellings and any other improvements incidental thereto.
- Vacant land on which the construction of a single dwelling is not prohibited by law.
- A lot or lots (including a proposed lot or lots) under a Strata Scheme or other group title scheme comprising not more than one dwelling and other improvements incidental thereto whether constructed or in the course of construction.
- Includes Rating & Taxing valuation, mortgage security valuations and valuations of other private residential properties.
- Includes the ability to value individual entitlements under strata title or similar.

- Residential use must be the highest and best permitted use.

It does **not** include;

- land or a lot that is used wholly or predominantly for non residential purposes.
- land that is capable of being sub-divided into more than two parcels.
- real Property Valuations for compensation or resumption.
- provision of any expert evidence and Family Law Court related valuations.

The following applies to the application of the definition of Residential Property for Provisional Members (PMAPI) with the designation of Residential Property Valuer. A PMAPI:

- will be able to assess all residential properties for potential marketing purposes (noting the definition of residential property).
- will be able to value an interest in residential property that is not freehold (noting restrictions dealing with co-ownership structures).
- will be able to value some partial interests in residential property, although this will depend on the co- ownership structure.
- will be able to value rural residential land only if it is non-subdividable.
- will not be able to value a residential flat building held under a single ownership.
- will be able to undertake a rental valuation for a single residence.
- will not be able to undertake the valuation of a block of residential flats/apartments held under a single ownership structure.
- will be able to value a single residential “Company Title” apartment, as long as it is covered under the exemption provided to the API by ASIC.
- will not be able to value a single residential dwelling within a non-residential precinct as residential is not the highest and best use.
- can value single units under a Strata Title scheme. The PMAPI cannot undertake valuations as part of setting-up the Strata Title scheme.
- cannot undertake the valuation of a whole Strata Title scheme.
- will be able to undertake an insurance valuation for a single residential dwelling.
- will not be able to undertake insurance valuations on behalf of an owners corporation for a strata scheme.
- will not be able to value common property within a residential strata scheme.
- will be able to value a residence on a separate title above a retail shop (assuming residential is the highest and best use).
- will be able to undertake progress payment work for a single residence in the course of construction.
- will not be able to value residential timeshare interests.

- will be able to value serviced apartments provided they are a single lot in a scheme and not a hotel/motel type apartment.
- will not be able to value residential dwellings within a retirement village.
- can be called as a witness but cannot hold themselves out as an expert to provide expert evidence.
- can value a single residential dwelling (including a waterfront property).
- cannot value a factory/strata warehouse unless they are assisting a Life Fellow, Fellow or Associate Member of the API who is a CPV.
- will not be able to value a business.
- will not be able to value plant and machinery.
- will not be able to value personal effects.
- will not be able to value livestock.

3.0 Required Academic Qualifications encompassing Residential Property Valuer Designation

3.1 API Endorsed TAFE Advanced Diploma of Property – Valuation

- 3.1.1 Applicants who have completed an API endorsed TAFE Advanced Diploma in Property (Valuation) course will satisfy the academic requirements for Provisional Membership of the API.

OR

3.2 API Endorsed Degree (or equivalent)

- 3.2.1 Applicants who have completed an API endorsed Degree or equivalent course will satisfy the academic requirements for Provisional Membership of the API.
- 3.2.2 An equivalent course is:
- 3.2.2.1 A recognised TAFE Advanced Diploma of Property – Valuation together with an endorsed postgraduate qualification. Please note that if wishing to obtain certification/designation, the relevant post graduate endorsed course must be undertaken.
 - 3.2.2.2 A partially qualifying degree together with an endorsed postgraduate qualification. Please note that if wishing to obtain certification/designation, the relevant post graduate endorsed course must be undertaken.
 - 3.2.2.3 A non endorsed or non partially qualifying degree, together with an endorsed postgraduate qualification. Please note that if wishing to obtain certification/designation, the relevant post graduate endorsed course must be undertaken.
 - 3.2.2.4 A course that is accepted for the equivalent to Associate membership in line with comparable professional associations with whom the API has reciprocity.

- 3.2.2.5 An approved overseas Property Specialist Degree other than qualification satisfying 3.2.2.4 above.

3.3 Advancement to Associate Membership

- 3.3.1 For applicants who satisfy 3.2.2.1, 3.2.2.2, 3.2.2.4 and 3.2.2.5.

After a total of two years approved professional experience gained within the four years immediately prior to the date of application, the degree holder, or equivalent, can advance to Associate Membership with or without certification through the successful completion of the Professional Interview and other membership requirements.

Please note that applicants under 3.2.2.4 and 3.2.2.5 must include a minimum one year's Approved Professional Experience gained within Australia during the period and with respect to 3.2.2.5, successfully complete an Australian Property Law subject delivered by an API endorsed Higher Education provider. These requirements do not apply to applicants from New Zealand.

For applicants who satisfy 3.2.2.3

After a total of three years approved professional experience gained within the five years immediately prior to the date of application, the degree holder, or equivalent, can advance to Associate Membership with or without certification through the successful completion of the Professional Interview and other membership requirements.

- 3.3.2 Provisional Members who hold an API recognised Advanced Diploma in Property (Valuation) qualification will be required to complete a qualification upgrade at Higher Education level to meet educational entry requirements for Associate Membership and CPV. The qualification upgrade course is required to be an API CPV accredited course and cover the Advanced Valuation and Statutory Valuation subjects as part of the upgrade should they wish to apply for the CPV certification.
- 3.3.3 All current relevant courses are listed on www.api.org.au

3.4 Overseas Qualified Applicants

See Appendix 1.

3.5 Assessment of Overseas Academic Qualifications

- 3.5.1 Overseas academic qualifications are considered individually and an assessment fee, if required to be assessed by NOOSR, may be charged.
- 3.5.2 Enquiries and applications on the assessment of overseas academic qualifications should, in the first instance, be directed to:

National Manager – Education
Australian Property Institute
6 Champion Street
DEAKIN ACT 2600
Tel (02) 6282 2411
Fax (02) 6285 2194
Email education@api.org.au

4.0 Approved Professional Experience in Valuation of Residential Property

4.1 Approved Professional Experience

- 4.1.1 Applicants are required to have a minimum of one year's Approved Professional Experience in the valuation of residential property within two years of the date of application.
- 4.1.2 Overseas applicants need to satisfy requirements in accordance with Appendix 1.

4.2 Code of Professional Conduct

- 4.2.1 A Provisional Member who holds the designation of Residential Property Valuer can undertake the valuation of residential properties on the condition that the valuation report is co-signed by the supervising valuer, who must be an API member who holds the certification of Certified Practising Valuer.
- 4.2.2 A Provisional Member who holds the designation of Residential Property Valuer can undertake the valuation of non-residential properties on the condition that the subject property is co-inspected (by the supervising valuer) and the valuation report is co-signed by the supervising valuer. The supervising valuer (primary signatory) must be an API member who holds the certification of Certified Practising Valuer.
- 4.2.3 Applications should familiarise themselves with the API Code of Professional Conduct which can be found at www.api.org.au.

4.3 Experience Journal

- 4.3.1 Applicants will need to record details of their professional experience for at least one of the two years immediately prior to applying for the designation of Residential Property Valuer.
- 4.3.2 Members who have already commenced achieving their minimum Approved Professional Experience are required to record (in the Experience Journal format provided) their experience for the time remaining up until applying for membership.
- 4.3.3 Applicants need to review the "Guide for Applicants for Provisional (RPV) or Associate Membership – Experience Journal" document together with the "Sample Experience Journal Report Format".

5.0 Valuation Reports to be supplied for Professional Interview

5.1 Three Valuation Reports

- 5.1.1 Three recent (6 months or less) valuation reports, one of which may be a short form valuation report (however, the applicant will need to have solid background information and knowledge on this report) are to be submitted by applicants.
- 5.1.2 Two valuation methodologies, e.g., direct comparison and cost, must be illustrated in the valuation reports.
- 5.1.3 Confidential information can be removed from the reports and all information supplied is treated confidentially by the Institute and the Examiners. All reports are returned to the applicant.

5.1.4 If the required reports cannot be supplied from the applicant's recent work then the applicant can be required to prepare these reports.

5.1.5 Work samples must be signed by the candidate before being submitted to the API.

6.0 Areas Examined in the Professional Interview

6.1 Broad Outline of Depth of Knowledge Required

In the context of the one year of Approved Professional Experience, a broad outline of the depth to which applicants are expected to show a practical application is as follows:

6.1.1 The applicant must demonstrate a high level of knowledge of and skill in the valuation of residential property which the applicant has been recently undertaking.

6.1.2 The professional interview is not a test of rote learning. The applicant is not expected to recite specific details, for example, parts of acts. However, the applicant must demonstrate knowledge of basic concepts and where and how to locate specific information.

6.1.3 The applicant must be capable of illustrating the application of property knowledge with sound reasoning.

6.1.4 Professionalism in the approach of the applicant to his/her work and the professional interview will be considered as part of the application.

6.2 Knowledge of the Institute

6.2.1. All applicants must have an understanding of their responsibilities to the profession (including practice requirements under state valuers registration if relevant), the Institute, clients and the public having regard to the Institute's Constitution and By-Laws.

6.2.2 All applicants should be familiar with the Australia and New Zealand Valuation and Property Standards document which includes the Code of Professional Conduct and Practice Standards.

6.2.3 All applicants should be familiar with the Continuing Professional Development requirements of the Institute as well as having a full understanding of the limitations as a member of the Institute in being granted the designation Residential Property Valuer.

6.3 Knowledge of Valuation of Residential Property

6.3.1 Applicants may be examined on the matters which relate to the experience listed on their application form and as also outlined in Table 1.

7.0 Professional Interview Procedures

7.1 The professional interview is conducted by at least two Institute members who hold the certification of Certified Practising Valuer.

7.2 The examiners are appointed by the Division.

7.3 The interview will typically take up to 45 minutes.

7.4 At the conclusion of the applicant's participation in the professional interview, the examiners confer privately on the results of the professional interview. They may decide if a practical (e.g. submission of further documentation) or any further test is desirable or necessary. If so, they will arrange the conduct of it in consultation with the Divisional staff.

7.5 If no further test is suggested, the examiners make their recommendation to the Board.

8.0 Appeal Process

8.1 An applicant who fails the professional interview will have a right of appeal to the Membership Standards Committee and will be allowed twenty-eight days after formal notification in which to exercise this right.

- (a) The Membership Standards Committee will call for submissions from the applicant and examiners and may seek further input from the Member Services Manager or Member Liaison Officer. The applicant's submission should clearly outline the reasons they believe the decision reached was incorrect. It must also be explicit as to whether they are:
 - (i) challenging the decision in its entirety, or;
 - (ii) seeking a reduction in the deferral period before their new interview can take place.
- (b) Should an appeal be sustained in relation to Section 22.2(a)(ii) and a reduction in the deferral period be granted, the Member Services Manager or Member Liaison Officer will arrange for a new professional interview to be conducted as soon as possible.
- (c) The Member Services Manager or Member Liaison Officer will appoint at least two persons (but excluding those who conducted the original professional interview) to conduct the second professional interview.
- (d) New work samples are not required for the second professional interview, on the basis the reports have already been deemed satisfactory by the Membership Admissions Committee.

8.2 An applicant who fails the professional interview, and does not exercise their right of appeal, will not be permitted to present for another professional interview until a period prescribed by the examiners between one (1) and six (6) months has elapsed from the date of the previous professional interview.

- (a) The Member Services Manager or Member Liaison Officer will appoint at least two persons, excluding those who conducted the original professional interview, to conduct the second professional interview.
- (b) The same reports will be used in the second professional interview, on the basis the reports have already been deemed satisfactory by the Membership Admissions Committee.
- (c) If the applicant elects to present for professional interview after a six-month period they must commence a new application process.

8.3 An applicant who fails the second professional interview will have a right of appeal to the Membership Standards Committee and will be allowed twenty-eight days after formal notification in which to exercise this right.

- (a) The Membership Standards Committee will call for submissions from the applicant and examiners and may seek further input from the Member Services Manager or Member Liaison Officer. The applicant's submission should clearly outline the reasons they believe

the decision reached was incorrect.

- 8.4** An applicant who fails the second professional interview, and does not exercise their right of appeal, will not be permitted to present for a new professional interview until a period of six months has elapsed from the date of the previous professional interview.
- (a) The Member Services Manager or Member Liaison Officer will appoint at least two persons (but excluding those who conducted the first or second professional interviews) to conduct the third examination.
 - (b) New professional work samples will be used in the third professional interview, which are to be reviewed by the Membership Admissions Committee prior to being granted a professional interview.
- 8.5** An applicant who fails three attempts at the professional interview must show cause to the Board of Directors and be subsequently recommended by the Board of Directors to be able to sit for another professional interview.

9.0 Notification of Residential Property Valuer

Applicants are notified in writing of the outcome of their application by the fourth Friday of the month following Board ratification

TABLE 1
Valuation of Residential Property

- Building Costs
- Market Trends – particularly in the applicant’s area of operation.
- Sales Analysis
Discussion on sales and factors affecting their comparability.
- Types of Valuation
Discussion of what valuations are required for and how this will influence the report and value adopted – e.g. valuation type required for security/finance, insurance, acquisition, mortgagee sales, rating valuations – municipal and water rates, rental purposes.
- Rating Valuation
Definitions, procedures and provisions of the various acts in relation to statutory valuations.
- Town Planning
Discussion on planning legislation which would include an understanding of the various planning schemes including such factors as allowable uses, non-conforming use, conservation and historic buildings, etc.
- Environment
General knowledge of the impact of the environment on property, e.g. soil contamination, historic buildings registration, asbestos, etc.
- Building conformity
Fire regulations and characteristics of good building design in various types of residential property

APPENDIX 1

Overseas Applicants for Provisional Membership with designation of Residential Property Valuer

Strategic Alliance

Property Institute of New Zealand

May apply for Provisional Membership upon completion of their studies and for *Residential Property Valuer* designation, must have at least one year of practical experience in the valuation of residential property within two years of the date of application. The experience may be gained in Australia or New Zealand. Applicants are required to submit valuation reports and be subject to a professional interview.

Reciprocity Agreements

- Appraisal Institute of Canada
- Hong Kong Institute of Surveyors (General Practice Division)
- Royal Institution of Chartered Surveyors (UK General Practice Division)
- Singapore Institute of Surveyors and Valuers (General Practice Division)

Any API Associate equivalent member of the above organisations who has experience in valuing residential property may join as a Provisional Member upon application (must be residing in Australia with appropriate immigration status) and following a minimum of one month of approved professional experience in Australia, they may apply for *Residential Property Valuer* designation. The applicant will be required to submit valuation reports from their Australian experience, provide referee reports and be subject to a professional interview.

Overseas Specialised Property Degree

Applicants who meet the requirements of 3.2 (API Endorsed Degree or equivalent), unless they satisfy the requirements of the Strategic Alliance or the Reciprocity Agreements as above, or are a member of the South African Institute of Valuers, will require a minimum of twelve months approved professional experience in Australia. For applicants from New Zealand the experience may be gained in Australia or New Zealand.

The applicant will be required to submit valuation reports, provide referee reports and be subject to a professional interview.

South African Institute of Valuers

For those members of the South African Institute of Valuers who have a property degree which has been deemed equivalent to an endorsed property degree in Australia, the following arrangements to apply :

Any API Associate equivalent member of the South African Institute of Valuers who has a minimum of two years of practical experience in valuing residential property may join as a Provisional Member upon application (must be residing in Australia with appropriate immigration status) and following a minimum of six months of professional experience in Australia, they may apply for *Residential Property Valuer* designation. The applicant will be required to submit valuation reports, provide referee reports and be subject to a professional interview.

For SAIV Associate equivalent holders of the National Diploma in Real Estate (Property Valuation), deemed equivalent by the API to a TAFE endorsed qualification in Australia, the following arrangements will apply:

Any member of the South African Institute of Valuers who has a minimum of two years of practical experience in valuing residential property may join as a Provisional Member upon application (must be residing in Australia with appropriate immigration status) and following a minimum of six months of professional experience in Australia, they may apply for *Residential Property Valuer* designation. The applicant will be required to submit valuation reports, provide referee reports and be subject to a professional interview.

Holders of the National Diploma will require a Postgraduate Upgrade in Valuations to meet CPV eligibility.

Other Overseas Applicants

To be treated on a case by case basis and if necessary apply to National Council under Clause 4.12.7b of the Institute's Constitution upon recommendation of the Divisional Council.

State Licensing Regimes

All applicants should confirm with the relevant licensing body that their academic qualifications and experience will enable them to practise in the relevant state or territory as appropriate.

Property Law Subject

Applicants who satisfy the requirements of 3.2.2.5 above are also required to complete a property law subject from one of the endorsed Universities at undergraduate or postgraduate level.

Applicants have twelve months to complete.

Should the law subject not be completed in the time frame, API Divisions have the option to automatically cancel the designation.

Future Property Professionals (FPP) Program

Applicants for RPV are required to have successfully completed selected components, including the Risk Management Module, of the FPP program in order to be granted the designation of Residential Property Valuer (RPV).

Applicants should contact the API's National Manager - Education for confirmation of the FPP modules which require completion.