

Appendix C

SUPERVISION GUIDELINES FOR APIV LIMITED MEMBERS

These Supervision Guidelines ('these Guidelines') apply to all APIV Members undertaking Valuation of Real Property. All APIV Members must ensure that they, and if applicable, their employee(s) / contractor(s), strictly comply with these Guidelines at all times.

These Guidelines supersede all prior versions and are effective as of 1 March 2019.¹

Guideline 1 – Who can undertake Valuation of Real Property

Valuation of Real Property may be undertaken by a person who is eligible to be a Primary Valuer, subject to these Guidelines.

Guideline 2 – Student Member or other API member without RPV or CPV

- 2.1 Valuation of Real Property must not be undertaken by a Student Member or any other member of the API who does not hold the RPV or CPV certification.
- 2.2 A Student Member or any other member of the API who does not hold the RPV or CPV certification must not sign a Valuation Report in any way that identifies them as a 'valuer'.

Guideline 3 – Valuations of Real Property by PMAPI with RPV

- 3.1 All Valuation of Real Property undertaken by a PMAPI with RPV must be subject to a Review by a Supervising Member.
- 3.2 Valuation Reports signed by a PMAPI with RPV as the Primary Valuer are only acceptable if:
 - the Supervising Member has undertaken a Review of the Valuation Report; and
 - the Valuation Report is countersigned by a Supervising Member, who is appointed by the valuation firm.
- 3.3 The Supervising Member is not required to inspect the property. However, the Valuation Report should clearly state the capacity in which the Supervising Member is acting.

Guideline 4 – Valuation of Real Property by APIV Member with CPV

- 4.1 Where the Valuation of Real Property is for a sum greater than **\$2 million** and the Primary Valuer is an APIV Member with CPV, irrespective of the job position/title of the Primary Valuer:
 - the Valuation Report must be signed by the Primary Valuer; and
 - a Supervising Member must undertake a Review of the draft Valuation Report; and
 - the Valuation Report must be countersigned by the Supervising Member, who is appointed by the valuation firm.
- 4.2 The Supervising Member is not required to inspect the property. However, the Valuation Report should clearly state the capacity in which the Supervising Member is acting.

Guideline 5 – Where countersigning by Supervising Member is not required

- 5.1 Where the Valuation of Real Property is for a sum of \$2 million or less and the Primary Valuer is an APIV Member with CPV, only one signature is required.
- 5.2 Where the Primary Valuer is operating as a sole practitioner and is an APIV Member with CPV, only one signature is required.

¹ Older versions of these Guidelines can be found at <https://www.api.org.au/resources/apiv-limitation-of-liability-scheme-resources>.

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- 5.3 Where a valuation firm has only one APIV Member who is eligible to be a Supervising Member and that APIV Member is also the Primary Valuer, only one signature is required.

Guideline 6 – Competence of APIV Member

- 6.1 An APIV Member must not undertake Valuation of Real Property, or act as a Supervising Member, where the APIV Member does not have competence in either or both:
- the type of Valuation of Real Property being undertaken, including the basis of Valuation of Real Property (ie. valuation methodology); or
 - the geographical area of the property being valued.
- 6.2 Where 6.1 applies, the Valuation of Real Property by the Primary Valuer, and the Review by the Supervising Member if applicable, may be undertaken in consultation with an APIV Member who has the required competence prior to the completion of the Valuation of Real Property.
- 6.3 In the case of 6.2, the APIV Member must:
- make full disclosure to the client prior to commencing the Valuation of Real Property; and
 - comply with these Guidelines.

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Definitions

'API' means the Australian Property Institute Ltd.

'APIV' means the Australian Property Institute Valuers Ltd.

'APIV Member', for the purposes of these Guidelines, means a member of the of the APIV who is a participant in the APIV Professional Standards Scheme and is a financial and practising member of the API.

'CPV' means the API's certification of Certified Practising Valuer.

'draft Valuation Report' means the written report of Valuation of Real Property prepared by the Primary Valuer but prior to its release/delivery to the client.

'Primary Valuer' means an APIV Member, with an appropriate qualification in Valuation of Real Property, who inspected the property and is:

- (a) a Provisional Member of API (**'PMAPI'**) with RPV, or
- (b) an Associate Member of API (**'AAPI'**) with CPV, or
- (c) a Fellow Member of API (**'FAPI'**) with CPV, or
- (d) a Life Fellow Member of API (**'LFAPI'**) with CPV.

'Review' means the process where the Supervising Member has:

- reviewed the draft Valuation Report, working papers and any additional documents from the file relevant to the value opinion; and
- based upon the Review and appropriate questioning of the Primary Valuer who undertook the Valuation of Real Property, is satisfied that there is a reasonable basis for the value opinion contained in the draft Valuation Report.

'RPV' means the API's certification of Residential Property Valuer.

'Supervising Member' means an APIV Member who holds CPV and has been appointed by the firm to undertake the Review of, and countersign, the Valuation Report.

'Valuation of Real Property' has the same meaning as in the APIV Insurance Standards for the APIV Professional Standards Scheme.

'Valuation Report' means the written report of a Valuation of Real Property undertaken and prepared by a Primary Valuer and, unless Guideline 5 applies, countersigned by a Supervising Member in accordance with these Guidelines and has been released/delivered to the client.