

**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 5 April 2020.<sup>1</sup>

**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 draft 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.

---

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

## Appendix C

### SUPERVISION GUIDELINES FOR APIV LIMITED MEMBERS

- 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 Primary Valuer

- 6.1 A Primary Valuer must not undertake Valuation of Real Property where the Primary Valuer 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 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 Primary Valuer must:
- make full disclosure to the client prior to commencing the Valuation of Real Property; and
  - comply with these Guidelines.

#### Guideline 7 – Example Countersignatory Declaration by Supervising Member

- 7.1 The Supervising Member must include a statement in the Valuation Report to the following effect:

*‘Whilst not having inspected the subject property, I the countersignatory, acting in the capacity as a Supervising Member, have reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), I am satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.’*

- 7.2 For the purpose of this declaration:

**‘valuation process undertaken’** means the Primary Valuer has:

- inspected the subject property; and
- looked at and analysed sales/rental evidence (as applicable) for the valuation undertaken; and
- prepared a draft Valuation Report that is appropriate for the type of asset class and purpose of the valuation.

**‘methodology adopted by the Primary Valuer’** means the Primary Valuer has:

- adopted and utilised an appropriate valuation approach (market, income and/or cost approach as outlined in IVS 105 Valuation Approaches and Methods) in the valuation; and
- applied an appropriate method of analysis consistently between the sales/rental evidence (as applicable) and the subject property being valued.

## Appendix C

### SUPERVISION GUIDELINES FOR APIV LIMITED MEMBERS

#### 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, undertook the valuation and prepared the valuation report, 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 and working papers from the file; 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 valuation process undertaken and methodology adopted by the Primary Valuer.

'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.