

Australian Property Institute

MEMBER REMINDER

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CORRECT USE OF PROPERTYPRO PRO-FORMA FOR RESIDENTIAL VALUATION PURPOSES

Reference Member Reminder – Correct Use of PropertyPRO Pro-Forma

Effective 18 April 2018

Owner National Manager – Professional Standards

Member Reminder

PropertyPRO – A Brief Report for Single Residential First Mortgage Purposes Only

PropertyPRO Supporting Memorandum provides the basis upon which Members of the Australian Property Institute (API) will provide valuations of residential properties for first mortgage purposes using the PropertyPRO 'Residential Valuation and Security Assessment' Pro-forma Report for Mortgage Purposes (Report).

Valuations using the Report format are provided for and may be relied on by Lender-Clients and, if agreed in writing between the Valuer and the Lender-Client, their LMIs only. Any agreement by the Valuer and the Lender-Client/LMI to a third party other than the Lender-Client/LMI relying upon the Report, must be in writing and signed by both the Valuer and the Lender-Client/LMI.

The API reserves Copyright of the PropertyPRO 'Residential Valuation and Security Assessment' Pro-forma Report. This has been deemed necessary to retain the integrity and consistency of the Report format. The Report format is available through the API under the PropertyPRO Trademark.

The PropertyPRO Report is specifically designed for the purpose of providing a brief report on a single residential property for **first mortgage purposes only**.

The API is aware that some API Members are inappropriately and incorrectly using the PropertyPRO 'Residential Valuation and Security Assessment' Pro-forma Report for non-approved purposes.

The PropertyPRO Supporting Memorandum provides clear guidelines and instructions for the use of the PropertyPRO Pro-forma Report template. Only Single Residential Property, as defined, for first mortgage purposes is 'In Scope' and permitted for use on the Pro-forma Report template.

All other valuation purposes including, but not limited to, Pre-Sale, Pre-Purchase, Mortgage in Possession, financial reporting, or SMSF reporting valuations, are excluded and are subject to a long form valuation report, or other form, as agreed between Valuers and their clients at agreed fees reflecting the extent of the valuation instructions.

The API reminds Valuer Members that it is not appropriate to use a PropertyPRO template for mortgage security purposes when instructed by a private client.

Valuations of properties that are not 'single residential properties' are subject to specific separate instructions which does not include the terms contained in the Supporting Memorandum.

For any enquiries please email standards@api.org.au