API/APIV

VALUATION PROTOCOL – REQUESTS FOR VALUATION MODEL SHARING

Reference:	API/APIV Valuation Protocol – Requests for Valuation Model Sharing
Effective Date:	5 April 2026, earlier adoption permitted and encouraged
Owner:	Manager Professional Standards

API/APIV Valuation Protocol
Requests for Valuation Model Sharing

Introduction

The purpose of this Valuation Protocol (*VP*) is to;

- provide guidance to *Valuers*[1] when requested by a *client*[2],or others, to share a *valuation model*[3],
- inform them of the potential risks of *valuation model sharing*[4], and
- set standards that maintain the integrity of the profession and the services *Valuers* provide.

For the purpose of this *VP*, *valuation model sharing* may take a variety of forms but typically entails the *Valuer* uploading a *valuation model* to a third party portal, or similar.

> This *VP* does not apply to some requests from a statutory authority (e.g., the Valuer-General) for the *Valuer* instructed by the statutory authority to share a *valuation model*.
>
> It may be necessary for a *valuation model* to be shared, to enable the statutory authority to effectively adopt the opinion(s) contained within the *valuation report*[5]. The *Valuer* and the statutory authority must agree that this 'sharing' forms part of the valuation services, and such agreement should limit the use of the *valuation model* only for the purpose of the statutory authority to adopt the *Valuer's* opinion(s).

Defined Terms in this Paper

The definitions included as footnotes and elsewhere in this *VP* have been included for the interpretation and understanding of certain stated terms within this *VP*.

Whilst defined terms may have a common meaning, or interpretation, their use in this *VP* is in accordance with the definitions included in the footnotes to this *VP*, which take precedence.

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1 '***Valuer***' means a *Member* who holds *API* certification of *CPV*, *CPV (Residential)*, … or *RPV*. (API Rules of Professional Conduct)

2 '***client***' means any person including the client's representative or other entity authorised by the *Member* to rely on the "written report, opinion or advice" (*report*). (API Rules of Professional Conduct)

3 '***valuation model***' includes, but is not limited to:
(i) a spreadsheet. or similar, containing formulas, data and inputs;
(ii) Forbury, Argus Estate Master and/or Argus Enterprise (or similar); and
(iii) any other proprietary model, system, spreadsheet, database (or similar);
that informs or supports the *Valuer's* opinion(s).

4 '***valuation model sharing***' relates to the provision of any *valuation model* by a *Valuer*, or their employer, to their *client*, or others, and/or uploading of data/inputs to an external portal or platform that enables others to replicate or 'mirror' the *Valuer's* valuation calculations.

5 '***valuation report***' means a *report* that has been prepared by a *Primary Valuer* following a *valuation process*. (API Rules of Professional Conduct)

Where a defined term is included, in this *VP*, it is identified as an italicised term. Where not italicised the ordinary meaning of the word or phrase applies in the context in which it is used.

Where a defined term is included, in this *VP*, in the singular form, it should also be interpreted to include the plural form, and vice versa, unless the context in which it is included clearly indicates otherwise.

Risks

Valuation model sharing presents a real and on-going risk to *Valuers*, valuation firms and the valuation profession. Risks to the *Valuer* and the valuation profession, without limiting other possible risks not set out below, include:

- The unauthorised alteration or manipulation of the inputs in the *Valuer's* model may compromise the credibility of the *Valuer* and the integrity of the valuation profession;
- Providing a working *valuation model* may give the recipient access to the *Valuer's* intellectual property, including the data, methodologies, and analyses developed through their expertise and professional judgment;
- Impacting the professional integrity of the valuation profession due to inadequate protection of the intellectual property that goes into undertaking a *valuation process*[6] and the preparation of a *valuation report* (and any annexures or other supporting information); [i]
- The unauthorised alteration or manipulation of the inputs in the *Valuer's* model may expose the *Valuer* to unmeritorious litigation, notwithstanding that the *Valuer* did not authorise any such alteration and manipulation.
- Serious compromise of the ability of the *Valuer* and, as such, the *Valuer's* professional indemnity insurer to conduct a successful defence of a claim arising out of the fact that the *Valuer* provided the *client,* or others, a comprehensive version of the *Valuer's valuation model* [ii]
- Loss of control regarding the distribution, use and reliance on the *valuation model* if the *valuation model*, or parts thereof, is shared by the *client* with third parties. This significantly increases the risk of exposure and liability to the *Valuer* to unintended and potentially unknown third parties;
- Potential breaches of privacy, confidentiality and/or copyright due to the *Valuer* losing control of the distribution, use and reliance of *valuation models*, and or any data and inputs contained within;
- If *model sharing* is permitted, this may result in a loss of independence and the increased likelihood of unauthorised external interference and manipulation leading to the erosion of valuation standards and potentially compromising the integrity of the *Valuer's* work and professionalism;
- Potential reduction in external valuation frequency (being requested by the *client*), which may impact the prudential integrity of the finance industry and compromise the public interest.

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6 '***valuation process***' means all the necessary enquiries, investigations, procedures and processes, including the physical inspection of the tangible asset by the *Primary Valuer*, which is a pre-requisite for a *valuation*, required to fully inform the *Valuer's* reasoning and analysis in accordance with the practice accepted as proper by the *API*. (API Rules of Professional Conduct)

API/APIV Recommendations

The API/APIV does not consider it appropriate for *Valuers*, or their employers, to share a *valuation model*.

***Valuers* should seek independent legal and insurance advice prior to entering into an agreement to share a *valuation model,* or similar.**

Where the *Valuer* has agreed to provide inputs of a *valuation model* (including *valuation output sheets*[7]) to the *client*, or others, it is recommended that the *Valuer* only provides non-editable, data or inputs in a format that does not included formulas, or other proprietary information. *Valuers* should avoid the wholesale provision or transfer of data or inputs that enables others to replicate or 'mirror' the calculations within the *Valuer's valuation model*.

Valuers are further reminded that *valuation model sharing* (in any form) may also result in a breach of the *Privacy Act 1988* and API Rules of Professional Conduct if confidential or personal information is shared without the consent of the owner of said information.

The API/APIV recommend that *Valuers* decline requests to share a *valuation model*.

Failure to consider what is contained in this *VP*, including recommendations, may prejudice professional indemnity insurance cover for *Valuers*, and their corporate employer's, in the event of a professional negligence claim.

If there are any comments or feedback regarding this Valuation Protocol, please contact us.

Endnotes:

i Whilst the sharing of one input cell in a *valuation model* is considered to be of little importance, the wholesale sharing of data inputs relinquishes the intellectual property, skill and knowledge comprised within a *valuation model*, (including formulas and calculations), that has, in many cases, taken decades to accumulate.

ii Amongst a number of issues, depending upon the circumstances giving rise to a claim, a waiver of legal professional privilege attaching to what is provided to a *client*, or others, might occur. A further consideration could be a breach of the terms of the *Valuer's* professional indemnity insurance policy through the *Valuer* having provided the *valuation model* to the *client*, or others.

7 '***valuation output sheet(s)***' is any output, that is selected by the *Valuer*, generated by the *valuation model* that comprises information in a "values only" format.