THE ROLE OF VALUATIONS IN BUILDING FINANCIAL LITERACY

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STRUCTURED ABSTRACT

Problem/Purpose
Residential property investment has become an asset of choice following the Global Financial Crisis as part of Australians superannuation. With investor participation increasing in determining how money is invested for retirement, the quality of advice and the role of that advice in determining the price paid for residential investment property through the use of valuation advice, is the focus of this paper.

Design/methodology/approach
In undertaking this study the opinions of several professions involved in the property purchase and investment process have been gauged through the use of surveys and semi-structured interviews with the results of the surveys analysed using SPSS.

Findings
The paper finds that direct residential property investment has increased as an asset in the investment portfolios of retirees and that a valuation undertaken by investors prior to purchase is an important step in building financial literacy. Further, it defines the importance of a regulatory framework which governs the investment advice process of which valuation advice forms part of the essential advice among investors taking residential property into retirement.

Originality/value
The emerging trend following the Global Financial Crisis is that more Australians are including residential property within investment as a retirement asset in taking greater control of their financial destiny. It further highlights that valuations are increasingly being commissioned prior to purchase and provides key information in the property purchase process.

Keywords: Valuation, residential property, financial literacy

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Introduction
As direct property investment increases and more investors take greater financial control of their investment decisions, the quality of advice and the source of those who provide it will contribute to improving the financial literacy of investors. In determining the role of valuers and valuations in contributing to financial literacy in property investment, the emerging roles of the professions involved in the provision of advice and the importance of financial literacy is examined in this paper. Contrary to the view that price and value are the same, Wyman, Zeldin and Worzala (2011) highlight that the efficient market theory is not without limitations and that valuations play an important advisory role in the decision making of property investors.

In Australia, Chapter 7 of the Corporations Act 2001 includes the broad and overarching regime of investment advising of all financial products. Financial product advice as distinct from the investment vehicle it applies and is clearly defined under the provisions of the Act. In view of these provisions, it is not the knowledge of the product itself that is the focus of the legislation, but the recommendations made in relation to the investment vehicle and the bearings such recommendations have on the client and their circumstances that is the objective of the legislation.

In the case of property investment advice, the financing of property, which property is best suited to an investor and whether an investor should buy, sell or refinance a property, is not the domain of the property professional. This is the domain of the investment advisor, also known as the financial planner, or increasingly accountant's. These professions have progressed to become licensed under the Corporations Act 2001 by the Australian Securities and Investment Commission.

Whilst focus has centred on the fallout from the GFC, what has not been accounted for, are the many thousands of investors who have directly purchased investment property through a variety of medians that have been provided advice in relation to property purchased and its value. This advice has been provided by suitably licensed advisers, who in turn have sought the advice of property professionals including valuers. What remains unanswered and is addressed in this paper, is the role of valuers and valuations in building the financial literacy of property investors and to what extent they are accepted by the professions involved in the property investment and purchase process.

Financial literacy and valuations in residential property investment
The following is a review of the role financial literacy plays in informing the consumer when making property investment decisions which impact investment and retirement planning. Altman (2012:677) provides a standard definition of financial literacy as “having the knowledge, skills and confidence to make responsible financial decisions.” This said, Huston (2010) states that there is no standardized instrument to measure financial literacy and that research was needed to better measure this. The OECD (2012) further highlights that most people in developed economies had difficulties in answering questions about compound interest, inflation or risk diversification and have difficulties in understanding financial information in general.

In Australia, the 2008 financial literacy survey conducted by the ANZ Bank (2008) found that only 52% of people would not take up “an investment advertised as having a return well above market rates and no risk”.

In the case of outright homeownership, Gathergood (2012) states that over indebtedness was more apparent in households with lower rates of outright homeownership in which debt is a known factor impacting financial
sustainability. This brings in the first link with financial literacy through the use of debt in funding property investment through finance and lending. Calcagno and Monticone (2015) found that investors with higher levels of financial literacy are more likely to seek financial advice than less knowledgeable investors and this extends to include advice on finance and investment decisions, which extends to all forms of investment including property.

In Australia investment in property has again experienced resurgence since the Global Financial Crisis in which Table 1 is a snapshot of the increase in debt financing used to fund residential property investment in Australia over the past two decades. As noted, the debt to value ratio for owner occupied property increased by 32 percent, while over the corresponding period, an increase of 156 percent is noted for investment property between 1992 and 2013 (Reserve Bank of Australia 2014).

<table>
<thead>
<tr>
<th>Table 1: Housing Gearing Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Owner occupied property</td>
</tr>
<tr>
<td>1992: 35.9</td>
</tr>
<tr>
<td>2013: 47.2</td>
</tr>
<tr>
<td>% Increase in investment loans: 32%</td>
</tr>
<tr>
<td>Investment property</td>
</tr>
<tr>
<td>1992: 15.6</td>
</tr>
<tr>
<td>2013: 40.3</td>
</tr>
<tr>
<td>% Increase in investment loans: 156%</td>
</tr>
</tbody>
</table>


A new investment rationale has evolved in Australia with greater investment emphasis evolving from the 60+ age bracket. This is in contrast to the under 40s age bracket who were the largest investor group prior to the Global Financial Crisis (Murray 2014). A similar rationale is emerging in the United States with more Baby Boomers accruing more wealth through home equity than any other age group, however have accrued little other wealth outside their home. In contrast to Americans, Australians have higher levels of debt in later years of life resulting from the resurgence in residential property investment (Lusardi and Mitchell 2007).

To date, valuation advice sought by lending institutions has remained the domain of the lender. In some instances, valuations obtained by lenders are disclosed to borrower’s however in the majority of cases they are not disclosed. Since ACCC v Oceana Commercial Pty Ltd (2003) FCA, it is common practise for lenders not to disclose valuations to borrowers, in which the court held that the lender was not obliged to do so. This process will change if Recommendation 9 of the Parliamentary Joint Committee on Corporations and Financial Services (2005) is fully adopted. This recommendation endorses the disclosure of valuations by lending institutions to prospective borrowers be made mandatory.

While in the past, the services of the valuer has largely been directed to the lender, other professions are now either engaging valuers in assisting their clients in the property purchase process, or advising their clients to seek their own valuation advice prior to purchase. In recommending valuations to property purchasers and investors, questions have been raised as the limitations of the valuation itself as a point in time value. Gilbertson (2002:11) best depicts this as follows:

"Data mining is part of the science. But the client is willing to pay for the interpretation of the data to determine an opinion of value, which can be relied upon. The interpretation is the art” and adds (p12), “Imagine a photograph of a ball in flight. Is it going up or going down? That is what the client wants to know. He would really like to know where that ball will be after an agreed period of time”.

In building financial literacy, the investor while needing to know the market value, also wishes to know the direction that value is heading. As part building their financial literacy and understanding.
the benefits of commissioning the valuation prior to purchase by the property purchaser, Agarwal, Ambrose and Yao (2015) highlights the fact that in the lead up to the global financial crisis, many valuations commissioned by lenders were over inflated and used to approve loans, with purchasers unaware of the underlying value of the property. If the purchaser or investor were to commission the valuation prior to purchase and understood the valuation, the objective of building financial literacy of purchasers would be better served in guiding them on the value of the property and the state of the market they are purchasing the property in.

Research method and rationale
In assessing the role and importance of valuations in building financial literacy, the views of professional within the residential property investment and purchase process were sought. This was achieved through the development of a survey and questionnaire which targeted the role of valuations, loan contracts, building and pest inspection reports and strata reports. These surveys were sent out to the various professional groups by post and followed up with a short discussion with a sample of participants from each profession. The two key objectives of the survey was to assess which professions were viewed to be the most relevant in assisting an investor select investment property and determine its value. The second objective was to rank by relevance, the various documents obtained in the property purchase process, of which valuations were included.

The analysis has been carried out using SPSS software which sets out an ANOVA One-Way Test, using each survey statement as the Dependent List and the groups of professionals surveyed as the Factor. A significance factor or P-value test has been deduced, which Flaharty et al (1999:270) states that, “The P-value is the conditional probability of obtaining a standardised test statistic that is less likely than the observed sample outcome.”

A summary of the rationale for the selection of the various professions follows:

**Valuers** were selected in their present capacity of undertaking investment valuations and for other traditional valuation purposes. Their inclusion in the survey also provides an interesting addition as to whether valuers would support valuations prior to purchase, which might assist the purchaser and also serve the needs of the lender. In essence, the question considered is: what impact could the change of property purchasers engaging valuers prior to purchase have on the orientation of the valuer and their role?

**Selling agents** have been selected for their traditional role in the marketing and sale of residential property to investors. The impact of the information and advice they provide to prospective purchasers and investors is now under the scrutiny of Government. The effect of the selling agent on a more informed and experienced investor in the property purchase process is relevant to this study.

**Financial planners** are a growing profession who are recognised through licensing to provide investment advice. This advice may relate to property, or any other form of investment. They represent the sovereignty of advice giving as being a stand-alone profession. Their role in providing property investment advice will continue to emerge and grow as finance and access to funds from equity in property and other assets afford diversification of investment. In the sale of new residential property they are assuming an increasing role in the advice and recommendations they provide to investors.
Lenders, excluding mortgage brokers, have been included as the requirement for finance is integral to the property investment process. The provision of finance and the cost and structure of that finance is an important component to the success of the purchase and on-going performance and return from a property. The perspective of the lender is an important consideration in determining whether the client, as well as the lender, may be better served by valuation advice being sought prior to purchase rather than after.

Accountants, Accountants have been included as their profession was most heavily affected by the provisions of the Chapter 7 of the Corporations Act 2001. In most cases the advice accountants provide to their clients is tailored and specific to their clients circumstances and is not general advice. As a consequence, many accountants have become licensed financial advisers and they represent a large portion of the licensed advisors.

Buyer agents, assist purchasers, both investors and owner occupiers with the purchase process which includes, locating, inspecting and negotiating the purchase of the property. Their role is closely aligned with assisting the purchaser determine the price to be paid and in some cases may engage the services of the valuer in undertaking the purchase.

Solicitors, also including conveyancers are involved in the legal process of checking the property for physical and title impediments, which should be disclosed by the seller. Their role follows that of the buyers agent, where that profession is engaged.

A summary of the survey responses by profession is set out in Table 2 as follows:

<table>
<thead>
<tr>
<th>Participant / Profession</th>
<th>Surveys Sent</th>
<th>Surveys Returned</th>
<th>Invalid Surveys</th>
<th>Response % Excl Invalids</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuer</td>
<td>70</td>
<td>58</td>
<td>5</td>
<td>76%</td>
</tr>
<tr>
<td>Real Estate Agent (selling)</td>
<td>70</td>
<td>42</td>
<td>3</td>
<td>56%</td>
</tr>
<tr>
<td>Buyers Agent</td>
<td>40</td>
<td>13</td>
<td>0</td>
<td>33%</td>
</tr>
<tr>
<td>Financial Planner</td>
<td>70</td>
<td>19</td>
<td>0</td>
<td>27%</td>
</tr>
<tr>
<td>Accountant</td>
<td>70</td>
<td>20</td>
<td>1</td>
<td>27%</td>
</tr>
<tr>
<td>Solicitors / Conveyancer</td>
<td>70</td>
<td>23</td>
<td>3</td>
<td>29%</td>
</tr>
<tr>
<td>Lender (Brokers excluded)</td>
<td>70</td>
<td>33</td>
<td>0</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>460</strong></td>
<td><strong>208</strong></td>
<td><strong>12</strong></td>
<td><strong>43%</strong></td>
</tr>
</tbody>
</table>

The questions developed within the survey firstly asked each professional group, to rank the professions and specifically which profession is best qualified to provide advice in assisting an investor select an investment property and determine its value.

**Task 1**

Each professional was asked Rank the above professionals from 1 to 6 in determining which professional is most qualified to assist an investor select the most suitable residential investment property and determine its market value.
Result Summary

Table 3 – Professional ranking by all professionals across all professions

<table>
<thead>
<tr>
<th>Professional</th>
<th>Highest percentage 1st vote</th>
<th>Highest percentage 2nd vote</th>
<th>Total 1st &amp; 2nd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyers Agent</td>
<td>29</td>
<td>26.5</td>
<td>55.5</td>
</tr>
<tr>
<td>Selling Agent</td>
<td>11.5</td>
<td>14.1</td>
<td>25.6</td>
</tr>
<tr>
<td>Valuer</td>
<td>39.2</td>
<td>21.3</td>
<td>60.5</td>
</tr>
<tr>
<td>Financial Planner</td>
<td>7.9</td>
<td>14.7</td>
<td>22.6</td>
</tr>
<tr>
<td>Conveyancer</td>
<td>4.3</td>
<td>8.5</td>
<td>12.7</td>
</tr>
<tr>
<td>Accountant</td>
<td>8.4</td>
<td>14.7</td>
<td>23.1</td>
</tr>
</tbody>
</table>

N.B. Figures in Table 3 do not equate to 100 percent as the total is the sum of 1st and 2nd rankings.

Table 4 – Lowest ranking of a profession by another profession

<table>
<thead>
<tr>
<th>By</th>
<th>On</th>
<th>6th Ranking %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling Agent</td>
<td>Conveyancer</td>
<td>41</td>
</tr>
<tr>
<td>Financial Planner</td>
<td>Accountant</td>
<td>42.1</td>
</tr>
<tr>
<td>Conveyancer</td>
<td>Buyer Agent</td>
<td>35</td>
</tr>
<tr>
<td>Conveyancer</td>
<td>Financial Planner</td>
<td>40</td>
</tr>
<tr>
<td>Accountant</td>
<td>Valuer</td>
<td>63.2</td>
</tr>
<tr>
<td>Lender</td>
<td>Selling Agent</td>
<td>60.6</td>
</tr>
</tbody>
</table>

Result summary and discussion

The survey determined valuers to be the most qualified profession by all other professions combined in assisting the investor select the most suitable investment property and determining its value. Buyer’s agents were determined the next most qualified profession to perform this task, as set out in Table 3. In contrast to this, accountants ranked the valuer the lowest ranking on a single profession basis, followed by lenders, ranking selling agents the second lowest and third lowest ranking was financial planners, ranking accountants as the least qualified as set out in Table 4.

Whilst the above provides an interesting analysis of professions on the perspectives of other professions, this analysis it set aside as the requirement to provide property advice, which includes the selection of a specific property investment that is no longer governed by professional perception alone, but also by qualifications. The former process of any self-determined profession giving property advice is now under review, as property is currently being considered as an asset class to be included under Chapter 7 of the Corporations Act 2001.

Identified as a limitation of the valuation profession by accountants and to a lesser degree financial planners, was that while valuers were best qualified to determine the value of the property, they were not qualified to comment on the circumstances of the investor and how the property would meet the investors financial needs. In recognising this limitation as set out in Table 4 however, accountants and financial planners did recognise that the valuers role was important in ensuring the investor did not overpay for the property, relative to the sell price of other property.

The distinction drawn between the professions however, is that property valuers are more asset-centred in contrast with investment advisers who are client-centred. As accountants have skill-up to continue to provide tailored advise or have added the provision of tailored advice to their skill-base and services, similar potential opportunity exists for property professionals to expand their role in qualifying their advice further. This is in
line with the comments of Gilbertson (2002), who suggests giving more context to the information valuations provide through the direction of the value at the point of purchase, would benefit the investor.

Discussions with accountants has indicated that the complex nature of superannuation structures and investment vehicles in which property may be held is within their domain, not the valuers. In addition, it is also highlighted valuers, whilst having a good understanding of property values, are not equipped to advise on any more than a point-in-time value to the client. Advice as to the ongoing performance of the property and specifically in relation to a client’s circumstances is seen as the role of the investment adviser.

Task 2

The second survey task required each profession to rank the importance of the various pre-purchase investigations available to property purchasers. The following survey statements were given to each participant of which the median of each professional group was used to rank the importance of each investigation of which the results are set out in Table 5.

A Likert Scale has been used to measure responses for the statements posed in the survey of which the scale comprises a range of 1 to 7 to measure responses on the following gradient:

1 - strongly agree, 4 – unsure, 7 - strongly disagree

The statistical test used comprises two analyses, the first being the mean distribution for each professional group in which the mean has been compared against each of the other professional groups. In addition, an analysis of the range distribution within each group has also been measured and plotted using a mean distribution graph. The analysis has been carried out using SPSS software which sets out an ANOVA One-Way Test, using each survey statement as the Dependent List and the groups of professionals surveyed as the Factor.

Survey statements

Statement 1: A valuation would assist an investor when purchasing residential property.
Statement 2: A strata inspection report would assist an investor when purchasing residential property
Statement 3: A building and pest report would assist an investor when purchasing residential property
Statement 4: A legal opinion of the contract of sale would assist an investor when purchasing residential property
Statement 5: A legal opinion of the loan agreement would assist an investor when purchasing residential property

Summary of Statements 1 – 5

In confirming the relevance and benefits of valuations in the property purchase process, the professionals surveyed have ranked the importance of valuations among other documents obtained. Table 5 is a summary of Statements 1-5 of the survey which has resulted in the following ranking of documents that would assist investors purchase property. In compiling Table 5, the combined median for each statement by all professionals was used to determine an industry ranking of the importance of each document in the purchase process.
Table 5: Professionals ranking of property related documents (e = equal)

<table>
<thead>
<tr>
<th></th>
<th>Valuer</th>
<th>Selling Agent</th>
<th>Buyer Agent</th>
<th>Financial Planner</th>
<th>Solicitor/Conveyancer</th>
<th>Accountant</th>
<th>Lender</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation</td>
<td>2</td>
<td>1.7</td>
<td>1.4</td>
<td>2.2</td>
<td>2.6</td>
<td>1.3</td>
<td>1.9</td>
<td>3e</td>
</tr>
<tr>
<td>Strata report</td>
<td>2</td>
<td>1.6</td>
<td>1.2</td>
<td>2.2</td>
<td>1.7</td>
<td>1.2</td>
<td>1.9</td>
<td>2</td>
</tr>
<tr>
<td>Building &amp; pest</td>
<td>1.9</td>
<td>1.6</td>
<td>1.5</td>
<td>2</td>
<td>1.7</td>
<td>1.1</td>
<td>1.6</td>
<td>1</td>
</tr>
<tr>
<td>Sale contract</td>
<td>2</td>
<td>1.9</td>
<td>1.8</td>
<td>2.4</td>
<td>2</td>
<td>1.1</td>
<td>1.9</td>
<td>3e</td>
</tr>
<tr>
<td>Loan contract</td>
<td>2.3</td>
<td>2</td>
<td>2.7</td>
<td>2.5</td>
<td>2.1</td>
<td>1.4</td>
<td>2.4</td>
<td>4</td>
</tr>
</tbody>
</table>

Response commentary

The above table confirms that valuations do have a place among the information needed to guide purchasers, of which valuations is ranked equal third with advice on the contract of sale. In relation to each of these documents, a brief summary is provided. It is shown in Table 5, that valuation advice ranks equal third with the sale contract as important advice in the property purchase process. It is the Building and pest report followed by the strata report, which ranks above valuation advice. This result highlights the importance of built environment attributes among professionals, however also highlights that valuation advice does have a place in the advice sought by purchasers in the property purchase process.

Statement 1: Valuation report

Discussions with conveyancers provided some basis for the result. Overall valuations are seen to be based on another person’s view of value, even though a valuer is a recognised professional. The conveyance of property is seen as a process of imparting information on to buyers. It is an integral part of the buying process. The valuation is seen to go beyond the scope of providing information, due to the fact that a valuation is an opinion of value, not a definitive statement of fact. In many ways, whilst it is recognised that a valuation may assist an investor not to pay beyond the value for a property, a trade-off is made between this and the potential for a valuation to provide an additional issue that may thwart or impact on the purchase. Traditionally, the valuation has not been a recommendation made by conveyancers and at present has been met with some resistance by this profession.

Of particular note is the comparison between the selling agent, who acts for the seller, and the valuer, who at present can be identified as acting for the lender as most valuations at present would be commissioned by the lender rather than the investor. In the present case, the mean of the valuer’s range is similar to the mean of the selling agent. In the present valuation process, the valuer will contact the selling agent to discuss the method of sale and bona fides of the transaction and parties to it. This primarily occurs as the valuer is traditionally engaged post-purchase to analyse the transaction and confirm value within the context of what the purchaser has paid for the subject property. This is in contrast to the valuer determining the relativity of the value of the property against other property sold prior to purchase which contributes to improving the financial literacy of property purchasers.

Statement 2: Strata report

The relevance of the strata inspection report is of lower relevance in the present study, as this work is primarily looking at new residential property, of which there would be little or no information relating to the history in the case of residential strata units and townhouse development. Despite this fact, overall, the strata inspection report provides a wealth of information in relation to the financial, physical and personality of the property, where a history does exist. An additional aspect that is relevant to the new residential development
exists where the property is sold new with a sinking fund included with the scheme. Ultimately, the purchaser would pay for this, but may be comforted in knowing that the provision for capital expenditure has been considered from the outset of the development.

**Statement 3: Building & pest report**

The benefits of the building and pest reports provide an interesting variety of responses, particularly from buyer agents, valuers and conveyancers. The building and pest report was ranked the most important advice to be obtained by purchasers and results from the key information needed focusing on the physical adequacy and compliance of the building. A variety of opinions within the professional group, compared with selling agents who have the equal second lowest confidence interval with lenders.

The last profession for comment are valuers, who registered the second highest mean of all professions. In many valuations undertaken by valuers, the use of disclaimers for structural and building defects is a requirement of professional indemnity insurers. Whilst valuers will note obvious building defects, these are outside their scope of expertise, which in part is reflected in their survey responses when compared with other professionals.

**Statement 4: Sale contract**

The contract of sale and terms and conditions of sale, whilst important, impact on the transaction and the implications for the purchaser more specifically. This is due to the contract of sale being prepared by the seller. In the case of new residential property, the contract of sale is crucial in articulating whether the sale price of the property is GST inclusive or exclusive. The contract of sale may also provide penalty provisions for non-performance and late settlement provisions, which may also be prohibitive. Adjustments for land tax and payments of land tax for property purchased off the plan may also be accrued and charged to the purchaser. These matters, among others, need to be considered when assessing the purchase price for a property.

**Statement 5: Loan contract**

The implications of the mortgage agreement may impact on the borrower for the term of the loan. One particular issue of note is the proliferation of mortgage brokers over the past decade. With brokers tapping into sources for lending, real estate practitioners are of interest to mortgage lenders and brokers, particularly professionals involved with investors and purchasers who may require finance to purchase investment property. With the competitive lending market, greater efficiencies are being achieved by purchasers which go well beyond the rate of interest charged. The fixed monthly cost of loans, penalty provisions and break costs are now high on the radar of property investors.

**Conclusion**

It is concluded in this paper that the role of valuers and valuations do contribute in building financial literacy of investors. While the role of valuations have traditionally been to underwrite loans by lenders, their role in assisting investors is a growing use and purpose. While the professional groups agree with the role valuations play in assisting investors determine the value and purchase price of property, there are limitations to this advice. That being that questions are raised as to the role and adequacy of the valuers in advising the investor of which property best suits their needs. Accountants and financial planners question the skill set of the valuer and role of the valuation which is not client but asset focused. Once the objectives and financial position of the client is known to the valuer, the valuer may play some role in selecting the most suitable property, however the valuer is not qualified to determine the investors circumstances.
In the second task, it is noted that all professionals had mean distributions on the affirmative side of the median rating of 4 of the Likert Scale and agreed with the five statements to varying degrees. At present the evolving regulation of Financial Service Reforms has not been fully synthesised by property and other professions directly and indirectly involved in property marketing, transaction and information based services. As greater reliance is placed on professions involved in investment advising and retirement planning, the relevance of investment advice and the quality of that advice will continue to come under greater scrutiny. This aside, advice on the physical attributes of the property rank highest with the role of valuations being ranked equal third with the contract of sale. Further the differences in the ranking between the various information sought is not significant and hence the role of the valuation is further conformed in contributing to the financial literacy of investors.

As direct property investment is forecast to continue to grow as part of wealth creation and retirement planning, it is necessary for the profession to grow the service and expertise of property professionals and valuers. Despite the need for a paradigm shift in expanding the range of services provided by property professionals, with specific reference to property investment advising activities, opportunity exists for valuers. In particular, valuers may expand their services and consolidate their position as property experts through the use of pre-purchase valuations. This shift whilst lucrative and potentially prestigious for the valuation profession, would require re-skilling and additional experience in understanding the needs and objectives of the clients. To date this issue has been a specific weakness of the valuation profession as very few, in fact no property has ever litigated the valuer, but many clients have. To this end, it may be asserted that valuation is a client focused profession in which the valuation profession operates.

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