



# Resilient Homes Fund Voluntary Home Buy-Back Program Valuation Guidelines



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## 1. General Matters

### 1.1 Valuer Qualifications

For the purpose of the Voluntary Home Buy-Back program (VHBB), Valuers engaged in undertaking valuations must be registered by the Valuers Registration Board of Queensland and certified as a Certified Practising Valuer by the Australian Property Institute (API).

### 1.2 Professional expectation

Valuers must:

- Meet the above Valuer Qualification requirements prior to undertaking the valuation;
- Comply with the API Rules of Professional Conduct and any other professional obligations published or adopted by the API;
- sign a declaration of interests and notify the instructing party immediately if the Valuer discovers or is made aware of a conflict of interest or potential conflict of interest;
- Ensure that they are compliant with the requirements of membership of the API. For example, the API has requirements regarding Continuing Professional Development (CPD)
- Report and comment on all headings as mentioned within these valuation guidelines, on the basis that these comments are to be restricted to those which in the Valuer's opinion affect value;
- Include the 'Date of Issue' of the report, which is the date that the Valuer sends the Report to the Client or a third-party intermediary;
- sign the report as the Primary (inspecting) Valuer; and
- State in the Report the Primary (inspecting) Valuer and counter signatory's name, API membership certification and Valuer's API membership number and State registration number (where applicable), together with the valuation firm details.

## 2. Valuation Assessment

### 2.1 Valuation Report

A Valuation Report must be prepared in accordance with these Valuation Guidelines, to assist in the consideration of the property under the VHBB.

### 2.2 Assignment of Valuation

The Valuation Report must be prepared for the private and confidential use of both the Queensland Reconstruction Authority and relevant Local Government Authority.

### 2.3 Basis of value – Market Value

The Valuation Report must be issued in accordance with the following instruction and must include the relevant details of the last sale of the property. Market Value has the meaning set out in this Valuation Guideline and Market Value assessments must be provided in a long form format, excluding goods and chattels that may be sold independently of the property.

### **Homeowners who owned the eligible property at the date of impact/inundation from the Eligible Disaster Event.**

The Valuer is to assess the Market Value of the eligible property, as at two relevant dates of valuation:

- Date Immediately Prior to the Eligible Disaster Event (as detailed below) and
- Date of Valuation Inspection i.e. having consideration of the effects of the disaster event

## **Homeowners who did not own the eligible property at the date of impact/inundation from the Eligible Disaster Event.**

The Valuer is to assess the Market Value of the eligible property, as at one relevant date:

- Date of Valuation Inspection i.e. having consideration of the effects of the disaster event

The relevant dates immediately prior to the Eligible Disaster Event for valuations are as follows:

1. **9 November 2021** – for Central, southern, and western Queensland rainfall and flooding – 10 November to 3 December 2021 (AGRN986).
2. **28 December 2021** – for Ex-tropical cyclone Seth – 29 December 2021 to 10 January 2022 (AGRN998)
3. **21 February 2022** – for South-east Queensland rainfall and flooding – 22 February to 5 April 2022 (AGRN1011)
4. **5 May 2022** – for Southern Queensland flooding – 6 to 20 May 2022 (AGRN1020).

### **2.4 Definition of Market Value**

The definition of Market Value as stipulated by the International Valuations Standards Council and adopted by the Australian Property Institute is:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.*

### **2.5 Basis of Value – Highest and Best use**

For the purposes of the VHBB, Highest and Best use is to be capped at a single residential basis, disregarding subdivision potential or higher zoning capability.

### **2.6 Value component**

Market Value of the eligible property (‘As Is’), where the value reflects the property as inspected at the date of inspection/valuation.

Retrospective Market Value, where the value reflects the market value one day prior to the relevant Disaster Event.

## **3. Sales Evidence**

### **3.1 Sales Evidence**

Valuers should use the most relevant observable market sales (or transactions) and must perform analysis to evaluate their suitability and appropriateness for inclusion in the Valuation Report.

The Valuer must provide an adequate description of all recent sales evidence utilised and provide pertinent details of the sale, including its comparability to the subject property. For the purposes of the retrospective component, the valuer should source sales evidence prior to the relevant valuation date.

### **3.2 Minimum Requirements for sales evidence**

Each Valuation Report must include five settled transactions within six months of the date of valuation and of a comparable type, location, age, condition, and size to the subject property.

Where one or more of the above requirements for sales evidence is unavailable, the Valuer should provide explanatory comments in the Additional Comments section.

## 4. Improvements

The Valuer should:

- Inspect all improvements, both internally and externally in line with normal industry practices.
- Where they are unable to internally access a portion or all of the improvements, provide appropriate qualifications and explanation of assumptions made in the Additional Comments section of the report.
- Not proceed with the valuation if the inspection of the inaccessible area is considered by the Valuer to be of critical relevance to the valuation and refer the valuation instruction back to the instructing party.
- List outdoor areas, car parking and storage areas separately from the main dwelling.

## 5. Land, Title and Zoning

### 5.1 Services

To the extent possible, the Valuer should state if the following services are connected to the property or are assumed to be connected if valued on an 'As If Complete' basis):

- Electricity (mains, solar or other).
- Water (mains or tank water).
- Gas (mains or bottle gas).
- Sewerage system (mains or on-site septic system).
- Telephone.

### 5.2 Access

The Valuer should describe vehicular access to the property and any local access issues.

### 5.3 Title details

Unless otherwise agreed or instructed, the Valuer is required to conduct a Current Title Search and provide it within the Valuation Report for aid in confirming ownership. The title search should be no older than one month from the date of valuation.

### 5.4 Zoning

The Valuer should consider and comment on any planning issues relevant to the property. Specifically, the Valuer should:

- State the current zoning and planning instrument; and
- With respect to Zoning Effect, consider and comment on the following where known:

Confirm the current zoning permits single residential property.

# Appendix A VALUATION CHECKLIST

<b>Date Reviewed:</b>	<b>Date</b>
<b>Governing Document:</b>	QRA Voluntary Home Buy-Back Program

## Valuation Report Review (QRA)

This checklist is used to review a Valuation Report received from the Valuer. It is to be completed by the Property Coordinator on every Valuation Report received for a property in QLD where the Queensland Reconstruction Authority is involved. The Valuation Report is received by the Project Coordinator from the Valuer. The Valuation Report is sent to the Project Manager for review on completion of this checklist.

The completed form and Valuation Report is to be saved in the Property/Landowner Content Manager folder. If the Valuation Report is identified as having any issues, it is to be returned to the Project Coordinator who will liaise with the Valuer.

Once the Valuation Report has been validated as being correct by the Project Coordinator an email is to be sent to the Valuation Manager advising of this. The Valuation Report will then be reviewed by the Project Manager. Until the Valuation Report has been approved by QRA it cannot be actioned by the relevant Local Government Authority for action.

<b>Property address:</b>		<b>Landowner name:</b>	
<b>Valuer:</b>		<b>Date received:</b>	Date
<b>Project:</b>		<b>Reviewed by:</b>	
<b>QRA Ref #:</b>		<b>Date of review:</b>	Date
<b>Link to Valuation Review Folder</b>			

Consideration		Compliance	Comment
1	Has the Valuer assessed the property in accordance with the Valuation Guidelines for the Voluntary Home Buy-Back program - Resilient Homes Fund?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:
2	Has the Valuation Report (or Letter of Addendum) been completed within the last three months based on the relevant valuation date?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:
3	Has the Valuer stated what services are available and or connected to the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:
4	Has the valuer included a minimum of 5 relevant/settled sales as evidence?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:
5	Has the valuer stated the Highest & Best Use of the Property?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:
6	Is the Current Title Search (less than one month old) and most recent plan been included in the report?	<input type="checkbox"/> Yes <input type="checkbox"/> No	PC: PM:

Consideration		Compliance	Comment
7	Is GST referenced within the report?	<input type="checkbox"/> Yes	PC:
		<input checked="" type="checkbox"/> No	PM:.
8	Are the property details correct and consistent throughout the Valuation Report?	<input type="checkbox"/> Yes	PC:
		<input checked="" type="checkbox"/> No	PM:
9	Land use description	<input type="checkbox"/> Yes	PC:
		<input checked="" type="checkbox"/> No	PM:
10	Zoning description	<input type="checkbox"/> Yes	PC:
		<input checked="" type="checkbox"/> No	PM:
11	Has a search of the QLD Environment Management Register been completed and attached?	<input type="checkbox"/> Yes	PC:
		<input checked="" type="checkbox"/> No	PM:

PROPERTY COORDINATOR REVIEW COMMENTS	PROJECT MANAGER REVIEW COMMENTS
<b>Consolidated comments to send to Valuers</b>	

NAME	TITLE	DATE REVIEW COMPLETED
	Property Coordinator QRA	Date
	Project Manager QRA	Date