



Key Steps For Credential And Comprehensive Valuation Report Writing (land and building).

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ABSTARCT :-

The valuer receives request from financial organisations and clients to carry out proper valuation of land and building. There are various purposes for valuation of immovable properties. Report writing is a communication-narration of incidence. Hence for a valuer his/her report should be a marketing tool for him/her it will reflect valuers hard work. The valuation report should be unbiased and balanced for credential and comprehensive valuation report writing there are key steps to be followed by a valuer. The valuation report should reflect purpose of valuation method adopted for valuation, location, ownership of property etc.

Key Words :- Credential,Comprehensive,Income approach,Market approach,Scope

I-INTRODUCTION :

Valuation report is one the technical report based on that report , Takes property financial decisions. Therefore report writing requires skill of expressing fact and opinions in clear and narrated language a valuation report should not make any confusion in taking decision. As there are various purposes of valuation , a valuer should adopt correct and related valuation method.



Fig.1

II-OBJECTIVES

1. Technical and communication skill in report writing .
2. Preseverance and hardwork of valuer.
3. Attitude and skill requirement in valuation.
4. Professional integrity and accountability

III-THE IMPORTANT CONTENT OF VALUATION REPORT.

1. Client identification
2. Purpose of valuation
3. Subject of valuation
4. Interest of valuation to be valued.
5. Classification of property and type of property.
6. Valuation method adopted.
7. Date and location of valuation.
8. Status of valuer and disclosure.
9. Any assumption related to property.
10. General notes on valuation report.
11. Signature with date of valuers.
12. Attach Annexures and certificates.



Fig.2

IV-QUALITIES OF VALUATION REPORT

Orderly and well organized:-

- a) The valuation report should be written in systematic order in which points like information/data/facts, findings, conclusions. This order of report writing should be a definite, systematic and with logical sequence value should describe a report in series of paragraph.
- b) Continuity:-
The report should be in continuation, no break should be failed between any parts of the whole report.
properly arranged.
The report should be arranged properly so that client can easily refer any particular part of the report as and when required.
- c) Brief and concise:-
the valuation report should be brief and only to the point. The report should contain related information, facts, and opinion with reasoning.
The report should not be very descriptive and very long because it may create unnecessary confusion.



Fig.3

V-THE KEY STEPS TO PREPARE ACREDIBLE AND COMPREHENSIVE VALUATION REPORT.

The following key steps will surely help in writing acredible and comprehensive valuation report.

1. **scope of the valuation :-**
The first step in preparing a quality valuation report is to define properly the scope of the valuation. the scope includes purpose of valuation, data of valuation, standard Adopted and the method of valuation. The purpose will determine why valuation is being done and who will use the concern report. The data of the valuation defines the point on which time the value of the property is valuated. The standards of value specifies the type of value such as market value, auction, value value or investment value. The basis of value indicates the level of ownership.
2. **Choosing proper method of valuation:-**
The next step is to choose the proper and related appropriate valuation method. For these a value should take into consideration the subject and the purpose of valuation mainly there are three approaches of valuation. The market approach the income approach the asset approach. The market approach values by Considering prevalent prices. The income approach values by considering income through the property the asset approach consider the net value of asset and liabilities.
3. **Collection and analysis of data:-**
The third step evaluation report writing is to collect and analyse the relevant data. The data may be financial statement, industry report, market, data and future positions. Then analysis of data collected is to be done for projected performance, growth, profitability and risk.
4. **Value estimation:-**
The fourth step is to estimate the value of the subject by properly choosing valuation method. A valuer should apply the appropriate valuation, multiples, discount rates, capitalization rates, and other factors. Then valuer can derive the proper value of asset. The income approach is the most accurate valuation method, but it requires factual data and inputs.
5. **Conclusion and reconciliation :-**
The final step is to reconcile and conclude the value of the property.
6. **Report presentation:-**
The last step is to present the report in a clear, concise, and professional manner. The report should include and support all the necessary documents. The report should follow the relevant standard, guidelines and best practises of valuation.



Fig.4

VI-Brief Explanation of Format of Property Valuation

A property valuation report is a comprehensive document prepared by a professional appraiser or valuer to estimate the fair market value of a property. The format and content of such a report can vary depending on the purpose of the valuation, but here are some common points and details that are typically included:

1. **Title Page:**
 - Report title.
 - Property address.
 - Date of valuation.
 - Appraiser's contact information.
2. **Executive Summary:**
 - Purpose and effective date of valuation.
 - Property overview and value estimate.
3. **Property Details:**
 - Property description and legal information.
 - Condition and inspection date.
4. **Valuation Methodology:**
 - Explanation of chosen approach (e.g., sales comparison, income, cost).
 - Market analysis and data sources.
5. **Valuation Results:**

- Estimated property value.
- Supporting calculations and adjustments.
- 6. **Supporting Documentation:**
 - Photos, maps, relevant documents.
- 7. **Appraiser's Qualifications:**
 - Appraiser's certifications and qualifications.
- 8. **Certification and Signatures:**
 - Compliance statement and signatures.
- 9. **Appendices (if necessary):**
 - Additional data or information.

It's important to note that the format and content of a property valuation report may vary by region, country, or organization. Additionally, the specific requirements for a valuation report can differ depending on the purpose of the valuation, whether it's for mortgage lending, tax assessment, estate planning, or other purposes. Therefore, it's essential to follow any guidelines or regulations applicable in your jurisdiction when preparing or reviewing a property valuation report.

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