

### 25<sup>th</sup> VGP Council 2011-2013

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### VGP Networking Session

The Valuation and General Practice (VGP) Council held a networking session with members on 10 February 2012 to update members on the current issues and to discuss the future direction for VGP. An interesting discussion was held. President, Dr Lim first briefed members on the following issues: Appraiser Licence, Cash over Valuation, Endorsement of Indicative Valuations, Non-recognition of RICS designation, Accreditation of Property Managers among others. As more of our valuers are practising business, and plant and machinery valuations, VGP will be working with the World Association of Valuation Organisations (WAVO) to conduct courses to upgrade members.

First Vice-President Eric Chan then briefed members on the proposals made by the SISV Workgroup 2011 to give individual Divisions of the Institute greater autonomy. Members present overwhelmingly supported the proposal and urged that the proposal be implemented as soon as possible.

### Greater Co-operation between SISV and IOVI

President Dr Lim was invited by the Institution of Valuers, India (IOVI) to give the keynote address at its annual congress held from 24 to 26 December 2011 at Jaipur, India. Hon Secretary Ms Gan Bee Ghee and Council member Tan Choi Heng joined Dr Lim in this visit. IOVI has some 23,000 members and is the largest valuation organisation in India. The Singapore delegation was warmly welcomed and established good rapport with our Indian counterpart. Both SISV, VGP Division and IOVI agree to organise joint activities and visits among their members in future.

### International Valuation and Appraisal Week

At the 5<sup>th</sup> WAVO Congress held in Singapore on 24-26 November 2010, WAVO launched the "International Valuation and Appraisal Week" to raise the profile and awareness of the important role of valuers and appraisers to the global community.

As a world valuation body, WAVO seeks to promote best global valuation practices and consistent standards for robust growth of valuation practice in the region and the world at large. It provides an international platform for the learning, sharing of experiences, and knowledge and debates on valuation practices. With rapid pace of globalisation, it is pertinent for valuers to work collaboratively, not in isolation.

To commemorate the significance of valuation and appraisal practice in the global marketplace, WAVO has designated the first week of November to be declared as the "International Valuation and Appraisal Week" each year. SISV, VGP Division participated in this global initiative. WAVO believes such annual recognition will serve to benefit members of the valuation fraternity worldwide.

## Updates

### Review of the Building Maintenance and Strata Management Act (BMSMA)

The Building and Construction Authority (BCA) is conducting a public consultation on the review of the Building Maintenance and Strata Management Act ("BMSMA"). The BMSMA came into operation on 1 April 2005, integrating part of the Land Titles (Strata) Act (LTSA) and the former Buildings and Common Property (Maintenance and Management) Act (BCPA). It provides a legal framework for the management and maintenance of strata properties, and spells out the duties and obligations among the different stakeholders such as Subsidiary Proprietors, Management Councils and the Managing Agents.

### The Housing Developers (Amendment) Rules 2012 [HD(A)R]

The Housing Developers (Amendment) Rules 2012 [HD(A)R] was gazetted on 18 April 2012 and will take effect on 18 May 2012. The details HD(A)R will be available for viewing for 5 days at [www.egazette.com.sg](http://www.egazette.com.sg) with effect from 18 April 2012. The changes will enhance transparency for in the real estate industry and enable home buyers to make better informed decisions when buying a new home.

The URA is in the process of finalising the changes to the HDCLA, which include requirements on setting up showflats to depict the actual units accurately and the publication of more detailed prices on developer sale prices on a weekly basis. According to URA, the legislative amendments to support the changes will be implemented in the second half of 2012.

### Endorsement of Indicative Valuations

The Institute has recently expressed concern regarding the unhealthy practice of valuers providing written endorsements of indicative valuations for completed properties not inspected beforehand, such as endorsements being given in response to requests made by the financial institutions. Discussions have been held with the Monetary Authority of Singapore, the Inland Revenue Authority of Singapore, and the Ministry of National Development. Arising from the discussions, the Institute issued an advisory to all members practising valuation to halt the practice of indicative valuation endorsements for completed properties without inspection with effect from 9 July 2011.

## PROPERTY UPDATES

### New guidelines on land use for religious activities

With immediate effect, religious organisations will be allowed to make use of industrial space for their activities.

The Urban Redevelopment Authority (URA) and the Ministry of Community Development, Youth and Sports (MCYS) on Tuesday issued new guidelines on land development and use of space for religious activities.

The latest guidelines allow religious groups to make use of industrial premises zoned Business 1 for their activities on a limited and non-exclusive basis.

(Source: extracts from ChannelNewsAsia)

## **Indian Valuers Congress 2011, Jaipur**

### **Summary of Keynote Paper on The Role of Professional Valuers in Global Real Estate delivered by Dr Lim at the Indian Valuers Congress 2011 on 25 December 2011**

Dr Lim first provided the background to recent developments arising from the rapid advancement of technology and globalisation over the past decades. There is an emerging trend to grow and develop not just locally, but also regionally and internationally. Globally, real estate is in demand not only as space or premises for providing accommodation but also as a valuable asset for investment. Not all markets, however, are equally attractive in terms of investment prospects. Some are more attractive than others with respect to potential and growth.

India and China are two attractive investment spots because of the size of their population bases and the potential for high economic growth. India is currently attracting worldwide interest among investors. The attractiveness of India is based on its well developed legal system, and a large number of well trained English speaking doctors and engineers which are needed for growth of a middle class. India's middle class is key to growth of the consumer and investment markets. The demand for both consumer goods and real estate is rising rapidly.

Dr Lim then emphasised the important role of the valuation profession in the growth and development of the economy and the well-being of society. Valuers contribute to the various aspects of the planning, development and management of real estate, business and the global economy and typically are recognised for the important role the profession has contributed in the process of decision-making. The global financial crisis which started in 2007 has provided a valuable opportunity for valuers and appraisers around the globe to establish greater rapport and dialogue, and share their views and knowledge on handling the crisis. The changes that took place in the accounting profession have spilled over to the valuation profession so much so that the valuation profession is making adjustments to meet the emerging international financial reporting standards. There is an urgent need for valuers and appraisers to formulate their own standards and benchmarks to meet the valuation needs of a globalised world.

Dr Lim took the opportunity to speak about the role of international bodies in the development of the valuation profession. Two key international bodies relating to valuation are International Valuation Standards Council (IVSC) and World Association of Valuation Organisations (WAVO). As Chairman of WAVO, Dr Lim elaborated on its role in promoting best valuation practices and education and training of valuers in the world, and its reorganisation/restructuring plans.

The WAVO organisation attempts to get valuers and appraisers in the world to get together to speak as one voice for the profession. Dr Lim urged the Institution of Valuers, India to play a greater role in the valuation fraternity, and emphasised the growing importance of India in the world economy. A report titled, 'World Investment Prospects Survey 2009-2012' by the United Nations Conference on Trade and Development (UNCTAD) has ranked India at the second place in global foreign direct investments (FDI) in 2010 and expects India to remain among the top five attractive destinations for international investors during 2010-12. India is projected to become the world's most populated country by 2050 and is currently attracting interest among investors in the real estate sector including the hospitality and leisure industry.

Dr Lim concluded his speech by asking the valuation fraternity in India to play a useful role by contributing not only to the Indian economy but also to the global economy.

## Property Management

### Certification of Individual Property and Facility Managers

The Accredited Managing Agents (AMA) Scheme was launched in 2003 with the purpose of raising the level of professionalism in the property and facility management industry. This AMA Scheme accredits only managing agent firms that offer property and facility management services. With increasing sophistication and the need to maintain quality and competent service, it is necessary that individual personnel employed by the managing agent firms and others are trained and qualified to provide such services at a professional level.

Working in conjunction with SISV, the Association of Property and Facility Managers (APFM) has introduced an individual certification scheme known as The “Certified Property and Facility Manager” or CPFPM designation.

Two categories of certification have been introduced as follows:

CPFPM Cat 1 – Those who possess recognised degree in property and facility management and with at least 5 years of relevant experience or those with a recognised diploma in property and facility management with at least 10 years of relevant experience.

CPFPM Cat 2 – Those who possess recognised degree in property and facility management and with at least 1 year of relevant experience or those with a recognised diploma in property and facility management with at least 3 years of relevant experience.

In addition to the minimum eligibility for certification, all applicants, unless exempted, are required to undertake the following courses:

- (i) Fundamentals in Property and Facility Management
- (ii) Sustainable Facility Management
- (iii) Practice and Conduct in Property and Facility Management, and
- (iv) Basic course in BMSMA.

## Forthcoming Overseas Conferences

*Those interested please contact: Janet Han (janet@sisv.org.sg)*

### 26th Pan Pacific Congress of Real Estate Appraisers, Valuers and Counsellors

Date: 1 to 4 October 2012

Venue: Melbourne Convention Centre

Congress theme: Global Cities, Global Challenges, Global Thinking

## Editorial Board

Ms Gan Bee Ghee (Hon Secretary), Mr Tan Choi Heng (Council member)

## Editorial Contributions

All contributions of suitable articles are welcome. Article submissions should include both printed copy and softcopy in word format. Please email to Secretariat, Ms Janet Han (janet@sisv.org.sg).

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Valuation and General Practice Council