

MALAYSIAN VALUATION STANDARDS

STANDARD 8

INSPECTION AND REFERENCING OF PROPERTY

8.1.0 INTRODUCTION

8.1.1. A proper inspection and referencing of property is fundamental to the valuation process. Valuers are expected to carry out an adequate inspection and referencing of the property which is to be valued, collecting and collating all relevant data about the property to enable them to arrive at a reasoned valuation.

8.2.0 STATEMENTS OF STANDARD

8.2.1. The Valuer or his Designated Assistant must carry out a proper inspection and referencing of the property to the extent necessary to produce a valuation which is professional, adequate and not misleading.

8.2.2. The Valuer is required to observe the following procedures in carrying out inspection and referencing of property :-

- (a) The Valuer or his Designated Assistant must inspect and identify the property by reference to Survey Sheets or to identifiable and located boundary marks or to other available physical identification. Details such as title number, lot number, Mukim, District, State and address must be noted.
- (b) The Valuer or his Designated Assistant must identify and confirm inspection of the neighbourhood considered relevant to his valuation.
- (c) While the Valuer is not expected to undertake a structural survey nor to ascertain the adequacy of plant and equipment servicing the

building, he is required to draw attention to any visible major defects, which are obvious from visual inspection.

- (d) He must also ensure, in the inspection of buildings, that an internal as well as external inspection is carried out and details as are visible from inspection, such as use, accommodation, building construction, installations, state of repair of buildings and such installations, amenities and services are accurately reported. **Where the Valuer is aware of Any breach of statutory requirements, these should be disclosed in the report.**

In the event that an internal inspection of the building is not possible, the Valuer must state this clearly in the valuation report and that his valuation is subject to this limitation.

- (e) Where the Valuer does not himself inspect the property, he must be familiar with the locality, the type of property and the relevant market condition to enable him to satisfactorily verify his Designated Assistant's inspection report and findings. The person inspecting the property must sign and date his inspection report.
- (f) The "Uniform Method of Measurement of Buildings" of the Institution of Surveyors, Malaysia shall be used for all measurements of buildings. **For properties situated outside Malaysia, the Valuer shall use the appropriate /applicable methods of measurement.**
- (g) Where the valuation includes plant, machinery, and equipment, details such as brand name, model number, size, capacity, age and other identifying characteristics must be included in the report **as well as the requirements stated in MVS 13.**
- (h) The Valuer must ascertain the relevant title details of the property.
- (i) All relevant title details must be checked at the appropriate Land Office or Registry Office.

- (j) Where the title details of the property to be valued are not maintained, kept or are not available at the Land Offices or Registries of Title, the source of such details should be identified.
- (k) The valuation report must contain the title details, including the last registered owner, rights of way and other restrictions or encumbrances that have a bearing on the valuation.
- (l) The Valuer must state any registered transaction on the property to be valued within the last two years of the valuation.
- (m) The Valuation report must disclose any assumption(s) in relation to title details, where the title is not available. Where possible, a copy of the relevant documents must be included in the report.
- (n) Where a valuation is affected by condition(s) in the title, it must be clearly explained in the report, so as to enable the reader to understand the underlying reasons for the Valuer's findings, opinions and conclusion.

8.2.3. When the property to be valued is under MVS 44~~10~~ (Update valuations), the Valuer may exercise his discretion whether or not to inspect the property and he must state so in his report.

8.3.0 EXPLANATIONS

8.3.1. The correct valuation of a property very much depends on the collection and analysis of all relevant information. Therefore, a proper inspection and referencing of the subject property and the neighbourhood are important. The Valuer must ensure that he has taken all the necessary steps to ensure that this is done so. Though a Designated Assistant is allowed to carry out the inspection and collection of data, nevertheless, the Valuer has to take responsibility for the accuracy of all the data used in valuation.