

IVSC TAB Meeting Update May 2025

Items shown in bold italics should include links to the relevant documents

This IVSC Update highlights preliminary decisions of the IVSC Tangible Assets Board (Board). Projects affected by these decisions can be found on the **IVSC Publication Schedule**. The Board's final decisions on IVS® Standards and Amendments as set out in the **IVSC Standards Review Board Due Process and Working Procedures**.

The Board met remotely on 14 May 2025. The topics in order of discussion were:

Administration

- Administration. Welcome and Attendance
(2025.05.14. IVSC TAB Conference Call Agenda PDF)
- IVSC TAB Meeting Update April 2025
(IVSC TAB Meeting Update April 2025)
- IVSC New Technical Board Members Introduction
 - Ayda Chamcham
 - Massimo Gozzo

Global Insights & Markets Update

Around the World – Markets Update and Agenda Items for Prague Meeting

- Africa – Molefi Kubuzie
- North America –Brendan Gallagher, Kyle TenHuisen
- South America – Eduardo Rottman
- Asia/Oceania –Sandip Kumar Deb, Kim Hildebrandt, Leo Lo
- Europe – Ayda Chamcham, Becky Gaughan, Charles Golding, Ludmila Simonova, Massimo Gozzo, Paakow Winful, Paloma Arnaiz
- Middle East – Ron Cohen-Seban

IVS SRB Update

- IVS SRB General Update and London Drafting meeting
- Private vs Public Markets
(2025.04.07.IVSC - Draft Perspectives Paper - Exploring the divergence in public and private real estate markets clean)
- Use of Technology in Valuation
(2025.05.06. Draft Use of Technology in Valuation Perspectives Paper with track changes)
- Valuation Risk
(2025.04.25. Valuation Risk Draft clean)

- IVS Glossary
(2025.04.25. IVS Glossary TAB comments)

IVS Exposure Draft Update

- IVS General Standards
IVS 300 (2025.05.09. IVS 300)
IVS 400(2025.05.09. IVS 400 and IVS 410)

Prudential Value Update

- Prudential Value Update
(2025.04.30. Final EMSRC Statement on Prudential Value PDF)

IVSC TAB Working Groups

- IVSC TAB IVS 400 and IVS 410 Working Group
- IVSC TAB AI working Group
- IVSC TAB Inspection Working Group
- IVSC TAB Valuation Review Working Group

Prudential Value Update

- Prudential Value Update

IVSC TAB Prague Meeting

- IVSC TAB Prague Meeting Agenda Discussion
 - (Monday 9th June – Wednesday 11th June 2025 (AM))
 - Agenda
 - Key Speakers?

Administration

- Stakeholder Engagement/Outreach
(2025.04.30. IVS Presentation List 2025
 - RICS UK Valuation Conference
 - Australian Tax Office
- Follow Up on RICS and DCF Article
- (Defining a Fully Explicit Discounted Cash Flow (DCF) Model for Real Estate Valuations and the Observation of Potential Mispricing in Existing Methods)
- IOSCO Engagement Discussion
- AOB

The Board was asked if there were any conflicts of interest in relation to the proposed topics and no conflicts were declared.

Administration

Administration. Welcome and Attendance (2025.05.14. IVSC TAB Conference Call Agenda PDF)

KH welcomed the Board and advised them that there was a lot going on in the world in addition to the US tariffs.

KH welcomed Ayda Chamcham and Massimo Guzzo as new members to their first TAB.

KH added that the TAB would get the opportunity to meet them in person in Prague.

Next steps

AA to reach out to non-attending Board members on request to provide a Board update.

IVSC TAB Meeting Update April 2025 (IVSC TAB Meeting Update April 2025)

The Board reviewed the IVSC TAB April meeting update and agreed that it was an accurate report of the meeting. There were no further revisions suggested, and the meeting update was approved by the TAB.

Next steps

No action required.

Global Insights & Markets Update

Around the World – Markets Update and Agenda Items for Prague Meeting

- *Africa Molefi –Kubuzie*
- *North America –Brendan Gallagher, Kyle TenHuisen*
- *South America – Eduardo Rottman*
- *Asia/Oceania –Sandip Kumar Deb, Kim Hildebrandt, Leo Lo*
- *Europe – Ayda Chamcham, Becky Gaughan, Charles Golding, Ludmila Simonova, Massimo Gozzo, Paakow Winful, Paloma Arnaiz*
- *Middle East – Ron Cohen-Seban*

- *North America*

Brendan Gallagher,

- BRG advised that Canada had recently had their elections, and the main market focus was on potential tariffs and dealing with the US.
- BRG further advised that most valuation firms were waiting to see the potential tariffs before considering impairment and restructuring.
- BRG also advised that valuation firms are currently focussed on analysing different scenarios for their clients.

Kyle TenHuisen,

- KTH advised that in the US the main market focus was also on the potential tariffs.
- KTH further advised that there had been a lot of back and forth re China and tariffs.
- KTH also advised that recently it appeared that there had been some favourable movement, and it appeared that an agreement could be reached between China and the USA.
- KTH added that in the USA valuations firms are also focussed on analysing different scenarios for their clients.
- KTH further added that in the early stages some initial impairment had taken place, but valuation firms were still adopting a wait and see approach.

- *Asia/Oceania*

Sandip Kumar Deb

- SKD advised that the potential war between India and Pakistan had stopped, and the market had not been affected.
- SKD further advised that in India the market was stable.
- SKD also advised that the South Asian market was currently not good.
- SKD added that Sri Lanka was currently in recession and there was currently trouble in Bangladesh which was effecting the market.

Kim Hildebrandt

- KH advised that Australia had recently had their federal elections, and the existing Labor government had been re-elected.
- KH further advised that Australia was also focussed was on potential tariffs and dealing with the US.
- KH also advised that he had recently presented IVS to the Australian Taxation Office, who were particularly interested in IVS requirements for site inspection and issues around that topic.

Leo Lo

- LL advised that he was currently in Philippines as the recent proposed US tariffs had resulted in Chinese investors looking for overseas direct investment.

- LL further advised that he had received number of enquiries from Chinese investors in relation to cross border investments for both cold and dry storage.

Kim Hildebrandt

- KH advised that he caught up with the National Bank of Australia and received positive comments on the IVSC Perspectives Paper on ESG and Real Asset Valuation.
- KH further advised that he discussed Prudential Value for mortgage lending with them, but it seemed that this issue was confined to Europe.
- KH also advised that Australia was also affected by the proposed US tariffs.

- *Europe*

Ayda Chamcham

- AC advised that she was based in Germany and worked a real estate investment bank.
- AC further advised that the potential US tariffs had had a significant impact on transactions.
- AC also advised that investors with loans with low exposure below 100 million are either being renegotiated or are surrendering their assets and leaving early.
- AC added that loans with large exposure are currently not being renegotiated but are on hold until the US tariff issue has been settled. AC further added that the hotel market has decreased and that people are beginning to return to the office.
- AC advised that the main issue in Europe is Prudential Value.
- AC added that she had shared the recent statement issued by IVS with banks and the banks found this statement very helpful.
- AC further added that different banks had been in touch with the ECB for additional guidance, and as banks are asked to do valuation requests for Prudential Value.

Becky Gaughan

- BG advised that there was currently a lot of market confusion in relation to the proposed tariffs from the USA.
- BG further advised that from a risk management point of view the market commentary section with their valuation reports now included reference to potential tariffs in a market conditions clause.
- BG also advised that the market conditions clause refers to the 2nd April 2025 and to the Tariff announcement.

- BG added that the UK market was not as effected as the European market, where markets such as Germany had been severely effected by the US tariff announcements.

Charles Golding

- CG advised that the RICS UK Commercial Property Market Monitor had recently come out.
- CG further advised that the UK market was also focussed on the effect of US tariffs and many valuers were adopting a wait and see approach.
- CG also advised that some valuers had mentioned potential US tariffs within their macroeconomic commentary.
- CG added that there had been a recent Court of Appeal decision in relation to valuer negligence where the following was stated:
 - *A finding of negligence can only be made if the valuer failed the Bolam test, namely, to reach the standards of a reasonably competent professional in that field;*
 - *But it is a precondition of liability that the valuation falls outside an acceptable bracket.'*
- CG further added that additional details on the case were contained in the following links:
 [From DAC Beachcroft Summary] [Bratt v Jones \(2025\) EWCA Civ 562](#)
 Full court of appeal case: [Bratt v Jones \(2025\) EWCA Civ 562 \(02 May 2025\)](#), which largely upheld the earlier high court case containing more detail: [Bratt v Jones \(2024\) EWHV 631 \(Ch\) \(22 March 2024\)](#), Cour of appeal hearing also available on YouTube: [Bratt \(claimant/appellant\) v Jones \(defendant/respondent\)](#)
[The Court of Appeal clarifies the test for valuers' negligence – Bratt v Jones \[2025\] EWCA Civ 562](#)
- CG also added that further the court ruling a valuer can only be found negligent if he fails the Bolam test and that a valuer needs to be competent and follow standards.
- CG advised the litigation provided acceptable levels of variance in standard residential valuation was $\pm 5\%$.
- CG further advised that this could be up to 40% for complicated developments, 15% for exceptional hotels and also mentioned as examples was that for more unique and challenging assets an acceptable variance could be up to 25%
- CG also advised that this court ruling was especially pertinent when considering valuation risk and valuation uncertainty.

Ludmila Simonova

- LS advised that the market in Ukraine was still effected by the ongoing war with Russia and in addition there was an effect from the planned US tariffs.
- LS further advised that the US was a big supplier of agriculture to Ukraine.
- LS also advised that in real estate there had been some increase in prices emanating from the expectation that the war will end.
- LS added that this Ukraine had now entered its 4th year of crisis with Russia and many people want to come to Ukraine to show their support.
- LS further added that there was an increased demand for real estate in Kiev and many refugees coming from the East were interested in buying in Kiev.
- LS also added that Ukraine is currently discussing making IVS the official standard so valuers can state that they are using IVS in international courts.

Massimo Gozzo

- MG advised that he had just returned to Italy after a number of years abroad and now led the tangible assets team.
- MG also advised that IVS had not yet been adopted in Italy and that there was a lack of valuation standards within the market,
- MG added that Italy did not attract too much interest from auditors and that there were some interesting discussions on obsolescence in a few sectors.

Paakow Winful

- PW advised that he generally agreed with BG's and CG's comments in relation to the UK market.
- PW further advised that in past few months it had appeared that a general 10% tariff had been agreed on most UK goods entering the US.
- PW also advised that the deal reduces tariffs on specific sectors like cars and steel.
- PW added that It's a non-binding agreement, meaning it sets the general terms for future negotiations, and the final deal is still being worked out.
- PW further added that many markets are seeing this as the lowest possible US tariff.
- PW also added that in the UAE there is no issue with US tariffs as they have recently agreed a \$600 billion trade deal with the US.
- PW advised that the market in the KSA is still heating up by 10/15% per annum on real estate developments.

- PW further advised that in some markets within the KSA this increase can be as much as 25%.

Paloma Arnaiz

- PA advised that that in Spain the real estate market had shown continuous growth and there was quite a dynamic landscape.
- PA further advised that house prices were predicted to rise by 5% as there is a limited supply and strong demand in urban and coastal regions.
- PA also advised that the government is trying to increase the amount of social housing available.
- PA added that the government is trying to guarantee affordability by restrictions on rent rises and restrictions on foreign investors.
- PA further added that Spain currently had a 100% tax on foreign investment.
- PA also added that Spain is currently trying to mitigate the effect of potential US tariffs.
- PA advised that Spain is currently waiting for their revised National standard for secured lending to become public.
- PA further advised that the publication of the National Standard had been delayed since Christmas.

- *Middle East*

Ron Cohen-Seban

- RC advised that April was a quiet month due to the Jewish festival of Passover.
- RC further advised that he was advancing the establishment of the Israel Real Estate Forum (IREF), who were holding their first annual meeting on the 8th May 2025.
- RC also advised that the results of the Israel Real Estate Index would be presented at the IREF meeting.
- RC added that the results for 2024 show good returns when compared to other markets.
- RC further added that the total returns for commercial real estate was 9.4%, which represent an increase from 2023 returns of 8.9%.
- RC advised that he will share the returns in the TAB WhatsApp Group.
- RC further advised that he added the new TAB members to the WhatsApp group.

Next steps

RC to post the Israel Real Estate Index on the TAB WhatsApp.

IVS SRB Update

IVS SRB General Update and London Drafting meeting

The Board was advised that AA and DS had met in London between 6th May and 9th of May to draft preliminary revisions to the IVS General Standards.

The Board was further advised that the main proposed revisions were in relation to the incorporation of concepts from IVS 500 Financial Instruments and further sections on quality control.

The Board was also advised that AA was still in the process of drafting revisions to the IVS General Standards and were asked to provide AA with any potential revisions.

The Board was informed that the TAB would have a chance to review the proposed revisions to the IVS General Standards at the TAB Prague meeting.

Next steps

TAB to advise AA of any potential revisions to the IVS General Standards.

Private vs Public Markets (2025.04.07.IVSC - Draft Perspectives Paper - Exploring the divergence in public and private real estate markets clean)

The Board was advised that the perspectives paper on “*Private vs Public Markets*” had been approved for publication at the SRB meeting on the 30th May 2025.

The Board was further advised that the perspective paper would be published over the course of the next few weeks.

Next steps

AA to share the final draft of the “*Private vs Public Markets*” perspectives paper with the TAB.

Use of Technology in Valuation (2025.05.06. Draft Use of Technology in Valuation Perspectives Paper with track changes)

The Board was advised that the IVSC SRB Use of Technology in Valuation working group had met on the 13th May 2025.

The Board was further advised the working group was still in the process of finalising the perspectives paper and would present the updated perspectives paper to the SRB at their Prague meeting in June.

Next steps

None.

Valuation Risk (2025.04.25. Valuation Risk Draft clean)

The Board was advised that the perspectives paper on “*Valuation Risk*” had been approved for publication at the SRB meeting on the 30th May 2025.

The Board was further advised that the perspective paper would be published over the course of the next few weeks.

Next steps

AA to share the final draft of the “*Valuation Risk*” perspectives paper with the TAB.

IVS Glossary (2025.04.25. IVS Glossary TAB comments)

The Board was advised that the IVSC SRB Glossary working group had been working on revisions to the IVS Glossary.

The Board was further advised that a red line version of the Glossary had been circulated so the TAB could review the proposed changes.

The Board was also advised that everything in the Glossary needed to work for all asset classes.

The Board was asked review the Glossary to ensure that the proposed revisions to existing definitions or new definitions were equally applicable to tangible assets valuation.

The Board was further asked to send any feedback to AA and KH so one central document could be prepared.

The Board was advised that the comments would be sent to the working group for consideration and review.

Next steps

The Board to send AA and KH any proposed revisions or comments in relation to the attached “2025.04.25. IVS Glossary TAB comments”.

IVS Exposure Draft Update

IVS General Standards

The Board was advised that the IVS General Standards were in the process of being revised to include additional sections on Quality Control.

The Board was further advised that the IVSC had received a lot of feedback from stakeholders requesting further clarity around quality control.

The Board was also advised that following on from discussions during the Hong Kong Board meetings the Board had agreed that some of the content from IVS 500 could be moved to the IVS General Standards.

The Board was informed that as per the previous Agenda item the SRB was currently discussing revisions to the IVS General Standards.

The Board was further informed that the revisions to the IVS General Standards would be the main focus of the SRB over the next few months.

Next steps

None.

IVS 300 (2025.05.09. IVS 300)

The Board was advised that IVS 300 had been reviewed and revised prior to publication of IVS (effective 31 January 2025).

The Board was further advised that with exception to the additional requirements in relation to site inspection no further revisions were required.

The Board was also advised that a review of IVS 300 would be a key agenda item for the TAB June Prague meeting.

Next steps

IVS 300 to be included as an agenda item for the TAB June Prague meeting.

IVS 400 (2025.05.09. IVS 400 and IVS 410)

The Board was advised that the IVSC TAB IVS 400 and IVS 410 working group had been working on combining IVS 400 and IVS 410.

The Board was further advised that IVS 400 and IVS 410 would be a key agenda item for the TAB June Prague meeting.

Next steps

The merger of IVS 400 and IVS 410 to be included as an agenda item for the TAB June Prague meeting.

Prudential Value Update

Prudential Value Update (2025.04.30. Final EMSRC Statement on Prudential Value PDF)

The Board was advised that the IVSC had just issue a Statement Regarding Prudential Value for Real Estate.

The Board was further advised that the statement was issue by Christian Luft of the EMSRC stated as follows:

“At this point in time, valuation stakeholders should note that there is no agreed interpretation of the definition, nor an agreed implementation methodology for Prudential Value.

More recently, a baseline consensus on a number of principles seems to emerge in EU mortgage markets and be shared by valuation stakeholders and lending institutions. In summary, three types of valuation practice are being transposed to produce Prudential Value:

- *Mortgage Lending Value valuations*
- *Adjusted Market Value where the adjustments are determined by the individual valuer*

- *Adjusted Market Value where the adjustments are provided by credit institutions or third-party data providers, valuers being instructed to provide a Market Value valuation only.”*

The Board was also advised that the statement was positively received within the market.

PA advised that she had also discussed this topic with Peter Cosmetatos of the Commercial Real Estate Finance Council Europe (CREFC) and it would be good to connect him to the IVSC.

PA offered to introduce Peter to KH.

Next steps

PA to introduce Peter Cosmetatos of the Commercial Real Estate Finance Council Europe (CREFC) to KH.

IVSC TAB Working Groups

IVSC TAB IVS 400 and IVS 410 Working Group

The Board was advised that the working group had finalised initial revisions to IVS 400 to incorporate IVS 410.

The Board was further advised that the review and approval of the revised IVS 400 would be an agenda topic at the IVSC TAB June Prague meeting.

Next steps

AA to include the revised IVS 400 as an agenda topic at the IVSC TAB June Prague meeting.

IVSC TAB AI working Group

The Board was advised that the TAB AI working group was on sabbatical until the IVSC SRB Use of Technology in Valuation working group had published their perspectives paper.

The Board was further advised that the revised perspective paper would be considered for publication at the SRB June Prague meeting.

Further to discussion it was agreed that the IVSC TAB AI working group would be reactivated post publication of the SRB perspectives paper.

Next steps

AA to reactivate the IVSC TAB AI working group post publication of the SRB perspectives paper.

IVSC TAB Inspection Working Group

The Board was advised that the TAB Inspection working group had finalised the proposed revisions to IVS 300 and IVS 400.

The Board was further advised that the working group would be placed on sabbatical until responses have been received from the IVS (effective 31 January 2028) Exposure Draft consultation.

Next steps

IVSC TAB Inspection Working Group to be placed on sabbatical until responses have been received from the IVS (effective 31 January 2028) Exposure Draft consultation.

IVSC TAB Valuation Review Working Group

The Board was advised that the TAB Valuation Review working group had considered revisions to the IVS General Standards and to IVS 300 and IVS 400.

The Board was further advised that further to working group discussions. And discussions with the SRB it was agreed that no changes were needed at this point in time.

Next steps

IVSC TAB Valuation Review Working Group to be placed on sabbatical until responses have been received from the IVS (effective 31 January 2028) Exposure Draft consultation.

IVSC TAB Prague Meeting

IVSC TAB Prague Meeting Agenda Discussion

The Board was advised that the TAB would be meeting in Prague between Monday 9th June – Wednesday 11th June 2025 (AM).

The Board was further advised that the Agenda and attachments were still being discussed and would be sent to the TAB in advance of the Prague meeting.

The Board was also advised that it was unlikely that there would be any key speakers as the main focus of the TAB would be on revisions to IVS.

Next steps

AA to send the IVSC TAB Prague Meeting agenda and attachments over the course of the next few weeks.

Administration

Stakeholder Engagement/Outreach (2025.04.30. IVS Presentation List 2025)

AA advised that he had presented IVS Valuation Approaches and Methods at the RICS UK Valuation Conference.

AA further advised that his co-presenter was Natalie Bayfield.

KH advised that he had presented to the Australian Tax Office with Nicolas Konialidis of the BVB.

The Board was advised to inform AA and KH of any stakeholder engagement/outreach so the IVS Presentation List could be kept up to date.

Next steps

The Board was advised to inform AA and KH of any stakeholder engagement/outreach.

Follow Up on RICS and DCF Article (Defining a Fully Explicit Discounted Cash Flow (DCF) Model for Real Estate Valuations and the Observation of Potential Mispricing in Existing Methods)

The Board was advised that the DCF Article stated the method of calculating the terminal value within cashflows was inconsistent and mathematically incorrect.

KH advised that the overall difference shown in this paper for a portfolio valuation was actually 0.1%, which was quite positive from a valuation perspective.

AA advised iVS did not prescribe any method for calculating the terminal value and stated as follows:

“A20.22 The valuer may apply any reasonable method for calculating a terminal value. While there are many different approaches to calculating a terminal value, the three most commonly used are:

- (a) Gordon growth model/constant growth model,*
- (b) market approach/exit value (appropriate for both deteriorating/finite lived assets and indefinite-lived assets), and*
- (c) salvage value/disposal cost (appropriate only for deteriorating/finite lived assets).”*

The Board generally discussed the article, and no further action was required at this point in time.

KH thanked CG for distributing this article to the TAB and asked CG to advise the TAB of any follow up in relation to this topic.

Next steps

CG to advise the TAB of any RICS follow up in relation to the DCF article authored by Natalie Bayfield.

IOSCO Engagement Discussion

The Board was advised that engagement with IOSCO was a key project for the IVSC.

The Board was further advised that IOSCO engagement would be a prominent agenda item over the next few years.

The Board was also advised that IOSCO Engagement would be a key Agenda item at the TAB June Prague meeting.

The Board was informed that Nick Talbot would provide an update at the TAB June Prague meeting.

Next steps

IOSCO Engagement to be included as a key agenda item at the TAB June Prague meeting.

AOB

SKD raised the topic of Trade Related Property Valuation.

SKD advised that many tangible assets valuers used the Proft method for trade related property mentions but there was little mention of this method within IVS.

The Board noted that the premium profit method was included in IVS 210 Intangible Assets.

The Board agreed to include this as an agenda item in the IVSC TAB June Prague meeting.

KH asked the Board if they had any other business and as there was no other business he closed the Meeting.

Next steps

Trade Related Property to be included as an agenda item for the IVSC TAB June Prague meeting.