

FROM THE PRESIDENT

The SACPVP welcomes the new President of South Africa, Kgalema Motlanthe, to the highest office of the country. These changes take place at the time when the global economy is going through the most difficult times. We are convinced the strong fundamentals that are put in place by government will take us through this difficult period.

The global economy and the property industry has been affected by the stock markets crash in recent months. It is clear that no country is immune from economic volatility, no matter how big, stable or popular it is. It was an eye-opener to witness corporate giants like Merrill Lynch take a dive. It is hoped that timeous intervention will stem the tide of recession.

We are all aware that the property market is currently depressed as a result of several factors including the rising interest rates and tough credit regulations. During the past month economists have reported that house prices are starting to rise slowly in certain areas. We are hopeful that the Governor of the Reserve Bank will announce an interest rate cut in the near future. There must be light at the end of the tunnel!

The valuation profession is facing similar difficult times when computer aided valuation methodologies are becoming a serious threat to the long term sustainability of the profession. Many of the professionals whose businesses were largely dependent on financial institutions and municipal valuations find themselves with substantial reduction in turnover as banks and municipalities revert to computer aided valuations.

The consequence of all these changes is that the profession is not able to attract new entrants and professionals begin to cut down on professional fees, thereby cutting corners and reducing the standard of valuation reports.

The Council has now adopted the International Valuation Standards for South African professionals and it is advisable that each professional makes sure that he/she is familiar with these standards. These standards will soon be distributed to all valuers and enforcement thereof will be effected as soon as the code of conduct for professional valuers is appropriately amended and approved. It is hoped that the introduction of valuation standards will go a long way to foster professionalism in the industry.

It is also encouraging that the Council is in the process of revamping the admission requirements for registration. These changes will assist not only in bringing the profession into line with the other built environment professions but also with international norms, thus leading to international recognition of our professionals. Discussions with international bodies such as RICS and other professional bodies are currently under way for reciprocal recognition.

The biggest challenge for the professionals is to make use of the Professional Guideline Fees in quoting for their services. The non-utilisation of the Guideline Fees does not only result in undercutting and lowering of standards, but it also makes the profession less attractive to new entrants. We have started reviewing the guideline fees and a draft will soon be ready for consultation.

Soyisile Andreas Mokweni
President

PLEASE TAKE NOTE of some challenges which currently face our profession.

- The Council often receives requests from educational institutions for lecturers. If you are able to give up some of your time to lecture, please advise the Council of the subjects with which you are able to assist, so that the Council can provide the institutions with a database of lecturers.
- The new Expropriation Bill has been published. Members of the Council and the voluntary associations have submitted comments to the Department of Public Works. The Bill has been put on hold until further notice.
- The Council for the Built Environment (CBE) has released a policy document which seeks to establish a single controlling body called the South African Council for the Built Environment (SACBE) with a central administration office. It is envisaged that the various professions will become professional bodies under the auspices of this new Council.

FROM THE PUBLIC RELATIONS COMMITTEE (PRC)

The PRC of the SACPVP, whose responsibility it is to reach out to registered people and the public at large will continue to send out a bi-annual newsletter and has appointed Patricia Leitich to assist with the editing and publishing. It is hoped that the newsletter will become a quarterly publication in future.

SACPVP CONFERENCE FEEDBACK

The SACPVP organised its first National Conference in September 2007 at Hartbeespoort. The Conference was well supported, and aimed to address a number of issues affecting the valuers profession in the changing South Africa. The SACPVP would like to extend its appreciation to the valuers who attended its first conference.

A number of prominent speakers presented high quality papers and answers to burning questions encountered in the property industry, including property financing and property related legislation that affects the valuation environment. Some financial institutions have tabled plans on ways to improve the valuers profession in South Africa.

The role played by the Public Relations Committee and the staff at the SACPVP offices in organising the SACPVP conference in 2007 is greatly appreciated.

NOTE: The SACPVP did not hold a conference in 2008 as it took part in the AfRES Conference on 13, 14 and 15 August 2008 organised by the University of the Witwatersrand. The 2009 SACPVP Conference is being planned to take place in KwaZulu-Natal in May 2009. Details of the conference and venue will be communicated to all registered persons in due course.

AFRES CONFERENCES

The SACPVP has embarked on a mission to market the valuers profession throughout the African continent. Delegates representing South African valuation professionals attended

some international conferences and took with them valuable input on improving education standards.

AfRES conferences take place every year in Africa. The 2007 event was held in Zambia and was attended by the SACPVP President and the Registrar, Matsobane Seota. Council members, Jerry Margoliuss and Kathy Evans, delivered papers at the conference.

At AfRES we learnt that valuers from other African states attend international conferences to search for answers to problems relating to the valuation process, including municipal valuations. The SACPVP believes that South African valuation firms need to provide these answers, as South African valuers understand valuation in an African context best. AfRES experience shows that there is a shortage of valuation expertise on our continent. This is an ideal opportunity for valuers to reach out with their expertise and resources, tap into the African market and extend business opportunities. Valuers are encouraged to attend future AfRES conferences to extend their valuation and property networking opportunities in the African continent.

The 2009 AfRES conference will take place in July 2009 in Lagos, Nigeria. Papers for the conference may be submitted to the South African AfRES Committee.

VALUATION PROFESSIONAL AWARENESS

During January 2008 the SACPVP met delegates from Botswana at the SACPVP offices. Botswana wants to start a regulatory body like the SACPVP and is keen to improve administration of this new body. In Cape Town, Jerry Margoliuss gave a presentation to delegates attending a workshop on sectional title.

The Public Relations Committee continues to create awareness of the profession. Members of the Council have been engaged in radio and television shows to promote the profession. Hamid Bray took part in a radio discussion on Radio 702 and Cape Talk on the implication of the new rating legislation in Cape Town. Soyisile Mokweni appeared on the Property television show hosted by Kura Chihota on market value issues.

NOTE: Information posters are being planned and it is anticipated that these will be produced and distributed to stakeholders such as education institutions, corporate and public bodies during 2009.

PRC ROLE: THE MUNICIPAL VALUATION PROCESS 2007 - CITY OF CAPE TOWN

In March 2007 the first valuation roll based on the new MPRA, which replaced the old Property Rates Act of 1993, was published by the City of Cape Town. The values reflected in the new roll shocked rate payers and prompted the objection process. The valuation roll made headlines in daily newspapers and became the talk of the town. About 735 000 properties were valued, of which 120 000 were sectional title owned. Many were first time home owners who had probably not seen a municipal valuation or rates before. Confusion overtook the rate payers of Cape Town.

Property owners and the general public were unsure about the objection process to be followed if their valuations were too high or not market related. The objection deadline for the General Valuation Roll (of 2007) was 24 March 2007. In an effort to clarify the situation, Hamid Bray of the SACVPV, gave a 15 minute talk on the new rating system used by the City of Cape Town. Hamid answered questions and explained the valuation methodology (CAMA) on the community Radio 786 Cape Town. Hamid also addressed about 100 people at the Islamic Unity Convention on 18 March. The following day Hamid and Chris Gavor, Chief Valuer of the City of Cape Town, addressed the Thornhill Residents' Association and answered questions of owners in the greater Athlone area. On 20 March the SACVPV, represented by its President, Soyisile Mokweni, and Hamid, together with Chris Gavor, were interviewed by Fagrie Hassan of Radio 786 on this issue. Jerry Margolius was invited to address sectional title owners on how they would be affected by the new process.

The joint input of the SACVPV, the SAIV and the Black Valuers Association of South Africa caused the City of Cape Town to extend the objection date to the end of April 2007.

FROM THE EDUCATION COMMITTEE

The following events took place with success during the year.

- CET was implemented during the 2007/08 financial year.
- Road shows were conducted.
- The accreditation policy was finalised and accreditation visits to educational institutions were carried out; some institutions were fully accredited while others were given conditional accreditation.

The Education Committee has expressed concern about the high failure rate of examination candidates. A refresher work session on Time Value of Money was introduced and it produced good results. The SACVPV is considering re-introducing practical examinations as part of the registration requirements. The required format and the commencement

date will be communicated to registered persons during the course of next year.

FROM THE REGISTRATION AND COMPLAINTS COMMITTEE

This Committee continues to be plagued by challenges. As the public scrutiny of valuers' work increases, the Committee receives complaints of negligence. The Council endorses the International Valuation Standards as guidelines for valuers and all valuers should ensure that they familiarise themselves with the standards. Workshops are being planned for 2009 on the Standards and will be held in various centres.

The "reservation of work" project continues and the CBE has now assisted by providing the built environment councils with templates to standardise the process. This is an essential requirement for all built environment professions as it will assist in ensuring that only registered valuers conduct property valuation work. With regard to "Recognition of Prior Learning" (RPL), the CBE held a conference in Midrand in May 2008 to launch its programme. A draft policy document on this programme will be issued.

The new REGISTRATION CERTIFICATE has been approved and is being sent to all registered persons. Organisations should be informed that a new certificate has been issued. The new 'Registration Card' project is complete and cards have been sent to all registered persons. The cards will be renewed on an annual basis upon payment of an annual fee. The purpose of the registration card was explained in the letter posted with the card. The card will serve as an identification document when valuers visit clients.

An advertising campaign will be launched through a media advertisement (ad-editorial) in December 2008. Please support the campaign as it is in the interest of all professionals.

Please visit the SACVPV website - www.sacvpv.co.za - for further information to keep abreast of information from the office.

77 Kariba Street, Lynwood Glen, PRETORIA 0081 • PO Box 114, MENLYN 0063 • t: +27 12 348 8643 • f: +21 12 348 7528 • e: info@sacvpv.co.za • w: www.sacvpv.co.za

COUNCIL MEMBERS

Mokweni SA (President)
 Serfontein M (Vice President)
 Bray AH
 Evans K
 Lehobye TI
 Margolius J
 Mavhangu SZ
 Nkomo D
 Sarvari W
 Seota MC (Registrar)

MZANSI PROPERTY VALUER LIVE!

November 2008



FROM THE EDITOR

2008 has been a hectic year for us all, with important events taking place in our beautiful country, many of which have an impact on the valuers profession. While sipping your hot or cold beverage in your cosy corner which is of course 'property', take some time to think about the built environment around you. Exciting times continue! The Council is faced with many challenges in the foreseeable future as we bring you 'the cold facts' about this profession. The SACVPV newsletter is alive with a new fresh look and ideas, hence the new name meaning *The True South African Valuer*.

The following developments, which are significant for valuers, have taken place since the first newsletter:

- Valuation rolls compiled in terms of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (MPRA) have been successfully executed by some local authorities, so we have some practical stories to tell regarding the success or failure of the Act.
- Several road shows targeting South African valuers took place in different provinces of Mzansi (South Africa) during 2007. The responses in all centres were positive; members of the Council had the opportunity of meeting many valuers and learning about issues that required further attention.
- Several well organised seminars have taken place in different parts of the country. The Council encourages valuers to attend these seminars as they provide opportunities for you to maintain CET requirements.
- Examinations have been written successfully throughout the country and some candidates have registered as professional associated valuers. Congratulations and a very warm welcome to those new professionals!
- Valuation tenders have been awarded for projects being undertaken in different parts of the country, such as the Gautrain project, land restitution projects and municipalities for MPRA purposes.
- The long awaited Continuous Education and Training (CET) Policy has been finalised and successfully implemented. All registered persons were required to submit an overview of their progress to the Council by 30 June 2008. CET forms were enclosed with annual fee accounts.
- The accreditation process of education institutions providing valuation education is now complete. The process culminated in visits by representatives of the SACVPV who met both staff and students at universities. Interesting facts were gathered during these visits. Before embarking on your studies in valuation, please confirm that the courses being offered by your chosen education institution have received the Council's accreditation.

- The SACVPV continues to build relationships with some government departments, financial institutions and other property organisations.
- The new registration certificate and registration card have been sent to all registered persons. This certificate is a colour certificate. If you have not received your certificate, please contact the Council offices. Only persons with valid SACVPV registration status will receive a certificate.

The SACVPV would like to thank registered persons who attended road shows, and encourages all registered persons to attend future road shows. These road shows are well planned and their aim is to engage you as a registered person to participate in all decisions that need to be taken which affect your career as a valuer. They are specifically intended to attract valuer participation. Feedback received through the road shows is excellent and has paved the way for good communication between registered persons and the SACVPV.

The SACVPV congratulates those local authorities that have succeeded in publishing their valuation rolls. Some local authorities faced unexpected challenges arising out of the new MPRA and we proudly say "well done". Many valuers were given the opportunity of participating in the process and continue to provide guidance to municipalities. They coped with challenges of new standards set by the Act.

The International Valuation Standards (IVSC standards) have been adopted by both the SACVPV and the South African Institute of Valuers (SAIV). Awareness seminars will take place during the first half of next year.

WE ARE PROUD OF YOU - KEEP ON WITH THE GOOD WORK OF THE PROFESSION!

Zodwa Mavhangu
 Editor