



Scheme Number SCM7671 - Land and Asset Valuation

Land Value Advisory and Objection Review Services

Standard Specifications

1. Standard Specifications

- 1.1. These standard specifications apply to all agreements unless specifically amended in a request for quote/tender (RFx) or contract document.

2. Statutory, policy and professional requirements

- 2.1. All land value services must comply with the provisions of the *Valuation of Land Act 1916* (the Act), the current Valuation of Land Regulation and other statutes to the provision of land values for rating and taxing purposes.
- 2.2. All land value services must comply with the current Valuer General Policies - <http://www.valuergeneral.nsw.gov.au/publications/policies>
- 2.3. Compliance with the Practice Standards in the API Professional Practice Guide (or equivalent as deemed by Property NSW) is mandatory. Whilst compliance with Guidance Notes or equivalent is not compulsory, they represent 'good practice' and should be followed.

3. Valuation Report Quality Assurance and Feedback

- 3.1. Any valuation report may be reviewed, audited and/or scored by Property NSW (PNSW) with feedback provided to the service provider.
- 3.2. An issues register will be maintained by PNSW to keep track of and investigate concerns, report on and store resolutions to such investigations.
- 3.3. PNSW reserves the right to withhold payment for the service should the quality of the service not meet its requirements. PNSW has sole discretion in this regard.

4. Monitor Service Providers Performance

- 4.1. The Act requires the Valuer General *to monitor the standard of valuation services provided under valuation service contracts*. PNSW will monitor and record service provider performance regarding compliance with the Contract, statutory, policy and professional requirements.
- 4.2. Valuation report scores may be used to assist PNSW in procuring future services.
- 4.3. Instances of non-compliance will be recorded in a form approved by PNSW.
- 4.4. The service provider will be informed of its recorded performance.
- 4.5. A grade for the service provider's performance may be established and may be published in a public forum determined by PNSW.

5. Definition of 'Customer'

- 5.1. A land/property owner or its agent will be described as a Customer for the purpose of these specifications.

6. Land Value Advisory Services

- 6.1. Land value advisory services are services provided under the Act, other than Objections Review Services, and include, but are not limited to: Certificates of Land Value, special land valuations, advice in relation to land values, customer conference support and general property advice.
- 6.2. Each land value advisory service is unique. Therefore individual technical specifications will be provided at the time of each RFx.

7. Objection Review Services

7.1. Information Provided by PNSW

- 7.1.1. PNSW will provide objection documentation together with sales analysis information prepared by the PNSW rating and taxing valuation service providers.
- 7.1.2. PNSW valuation staff are available to provide technical guidance to Service Providers on the application of Valuer General's Policies and applicable statutory interpretation, where required, to assist service providers to understand their application. PNSW staff cannot provide legal advice, however.
- 7.1.3. An appropriate level of access will be made available to Service Providers to obtain information from the Valuation Portal (Property NSW).
- 7.1.4. Certificates of Title and Deposited Plans shall be provided to the Service Provider upon request.
- 7.1.5. Worksheets maintained by the rating and taxing service provider will be provided on request.
- 7.1.6. Added value of improvements (AVOI) tables will be maintained by the rating and taxing service provider via an online portal.
- 7.1.7. An appropriate objection review report template will be provided for each objection, either a Desktop Review or Full Review.

7.2. Relativity to Surrounding Land Values

- 7.2.1. Service providers shall be aware of land values of adjoining properties and the impact to land value consistency which any recommendation to vary a land value will have in the immediate area, general locality or the whole local government area of the property the subject of the objection review.
- 7.2.2. Land values shall remain unchanged unless the service provider can substantiate through sales evidence that the valuation is incorrect. Recommendations by service providers to change land values or allowances by nominal amounts should be avoided unless it is to bring a land value into alignment with surrounding land values considered to be correct.
- 7.2.3. Value changes of less than 5% should only occur where required due to the sale of the subject property (being vacant land), the sale of a neighbouring property(s) (being vacant land) or on the basis of improving consistency of land values in line with the supporting evidence.

7.3. Objection Review Consideration Requirements

- 7.3.1. The Service Provider is submitting a recommendation only.
- 7.3.2. Objection reviews and subsequent reports are to be carried out utilising one of the following methods:
 - a) Desktop Review
 - b) Full Review
- 7.3.3. PNSW will advise the method of review required. This will be determined as follows, but is subject to change on an individual property and objection basis:
 - a) Desktop Review - applicable for land with a verification risk rating 3 classification, zoned and used as a single dwelling site with no heritage restrictions and valued by direct comparison. A single dwelling site includes land containing dual occupancy development where this is permitted by planning controls and rural lands used primarily as a residential homesite. The land value will be reviewed under Section 6A(1) of the Act. If the land value needs to be reviewed on a basis other than as provided in section 6A(1), a full report will be required.

- b) Full Review - applicable for properties with a use and valuation basis other than those noted in 7.3.2(a) and when an inspection is requested by the Customer or is required to fully consider the attributes of the property and/or issues raised in the objection.

7.3.4. Any report is to be limited to the grounds of objection as permitted under the Act, section 34(1) These are:

- a) *that the values assigned are too high or too low,*
- b) *that the area, dimensions or description of the land are not correctly stated,*
- c) *that the interests held by various persons in the land have not been correctly apportioned,*
- d) *that the apportionment of the valuations is not correct,*
- e) *that lands which should be included in one valuation have been valued separately,*
- f) *that lands which should be valued separately have been included in one valuation, and*
- g) *that the person named in the notice is not the lessee or owner of the land.*

7.3.5. Desktop Review

- a) The Service Provider will undertake a desktop review utilising online technology including spatial applications.
- b) The review is to compare the issued land value, concession or allowance to market evidence provided by PNSW.
- c) The review is to confirm the existing land value or allowance is correct/supported. A fresh valuation is not to be made, therefore the recommendation of a desktop review is to disallow the objection only.
- d) A desktop review must be changed to a full review where the recommendation is to allow the objection and in accordance with Clause 7.3.6.
- e) The Service Provider will discuss with the Customer by phone or similar method the issues raised in the objection, the property attributes and the comparable available sales evidence.
- f) The Service Provider will provide a desktop review report itemising the issues raised both in the objection and provided verbally by the Customer and detailing the supporting evidence.
- g) If there are no reasons that would cause the objection to change to a Full Review Report, verbal advice to the customer indicating that the land value is supported by the sales, and that a report will be issued explaining how the land value is supported (having regard to both the Customer's concerns and the available evidence) is permitted.

7.3.6. A Desktop Review must be changed to a Full Review in the following circumstances:

- a) Where the property is not a single dwelling site, both as used and zoned;
- b) Where the property is heritage-restricted;
- c) Where the market evidence provided by PNSW is insufficient for the service provider to make a recommendation;
- d) Where enquiries made in relation to existing market evidence provided by PNSW indicate re-analysis is required;
- e) Where there is a need for a site inspection due to Customer expectations;
- f) Where there is a need to view attributes/features of the site;
- g) Where available PNSW market evidence does not clearly support the land value, concession or allowance, and
- h) Where the sales evidence indicates that the issued land value or allowance is incorrect and the recommendation will be to allow the objection.

7.3.7. Full Review

- a) The Service Provider must not give any indication of the likely outcome of the objections to the Customer, however advice that a report will be issued after due consideration of the issues and evidence is permitted.
- b) The Service Provider will undertake a review utilising an inspection and online technology including spatial applications.
- c) The Service Provider must conduct a site inspection.
- d) The Customer must be offered the opportunity to be present during the site inspection.
- e) The Service Provider will discuss the issues raised in the objection, the property attributes and the comparable available sales evidence with the Customer by phone, or other similar method, or during the site inspection.
- f) The Service Provider will provide a full review report recommending the outcome of the objection, (either to allow or disallow it), and detailing the evidence supporting that outcome.
- g) The review will compare the issued land value, concession or allowance to the market evidence provided by PNSW.
- h) If the market evidence provided by PNSW is insufficient, additional sales will be used when available, however analysis must comply with Clause 7.5.
- i) If the market evidence provided by both PNSW and additional sales evidence confirm that the existing land value or allowance is correct, a fresh valuation is not to be made but the range of value supported by the sales is to be identified.
- j) A recommendation to increase a land value may only occur if the objection stated specifically that the land value is too low.
- k) Where the evidence indicates the land value is conservative, this must be stated.
- l) If the market evidence provided by both PNSW and additional sales evidence indicates that the issued land value or allowance is incorrect, an alternative land value, concession or allowance is to be recommended, while also having regard to surrounding land values and appropriate relativities.

7.4. Re-analysing Analysed Land Values Published by PNSW

- 7.4.1.** Re-analysis of sales data provided by PNSW should only occur when a Full Review is being undertaken.
- 7.4.2.** An alternative analysed land value to that supplied may be provided and in any such case the analysis must be provided in the objection review report.
- 7.4.3.** Re-analysing a sale can have broader implications for the Register of Land Values which must be approved by the District Valuer, Valuation Manager or Senior Valuation Manager responsible for the local government area.
- 7.4.4.** Sales are only to be re-analysed where an analysed land value change exceeds ten per cent (10%).
- 7.4.5.** The Service Provider must use the rating and taxing service provider's AVOI table (provided by PNSW) to determine the added value of improvements on any sale.
- 7.4.6.** A Service Provider may propose to use an added value outside of the range provided in the rating and taxing service provider's AVOI table with the approval of the District Valuer, Valuation Manager or Senior Valuation Manager responsible for the local government area. In doing so, the Service Provider will provide supporting evidence for how the added value has been determined as per Clause 7.4.2. Evidence may include but is not limited to:
 - consideration of the value that improvements add to the land, not replacement cost;
 - paired sales analysis(preferred); and
 - replacement cost approach (for commercial properties).

7.5. Analysis of Land Values Not Previously Analysed

7.5.1. Additional analysed land values should only be provided when a Full Review is being undertaken.

7.5.2. Analysed land values for properties not included in Clauses 7.3 and 7.4 may be provided and in any such case it is required that the analysis be provided in the objection review report. Such sales analysis should only be undertaken where:

- there are insufficient analysed land values to inform a recommendation, or
- where unanalysed sales near the subject property are identified by the Customer as comparable, or
- they provide a better guide to land value than the sales provided by PNSW and/or would result in a different outcome.

7.5.3. Further, such analysis should be consistent with the analysis of sales provided by PNSW (refer to AVOI tables as provided by PNSW for added value ranges).

7.5.4. A Service Provider may propose to use an added value outside of the range provided in the rating and taxing service provider's AVOI table. In such a case, approval must be obtained from the District Valuer, Valuation Manager or Senior Valuation Manager responsible for the local government area. Supporting evidence is to be provided and may include but is not limited to:

- consideration of the value that improvements add to the land, not replacement cost;
- paired sales analysis, (preferred); and
- replacement cost approach (commercial or unique property).

7.6. Deliverable timeframe

7.6.1. All Objection review reports are to be provided within twenty-eight (28) days of issuing instructions or the time period specified by each RFQ.

7.6.2. A service provider may seek additional time for a Full Review, due to capacity constraints, as part of the RFQ response only.

7.6.3. No additional time will be provided for Desktop Reviews.

7.6.4. Extension requests that are due to report complexity, based on property or basis types, due to delays in policy direction or where Customers wish to make further submissions may be granted when made as part of the RFQ response or prior to the due date where such issues become apparent after tender award.

7.7. Interviewing Property Owners/Agents (Customer)

7.7.1. A minimum of five (5) attempts to contact the Customer must be made. This includes leaving phone messages, text messages and email. If contact was not made, the review report can be completed based on the available evidence and addressing the issues raised by the Customer in the objection. The report should detail the time and date of each attempt to contact the Customer.

7.7.2. When undertaking a Desktop Review, contact must be made (as in 7.7.1) with the Customer prior to completion of the report. The resulting interview is to allow a 180-degree discussion on the Customer's concerns, seeking clarification of issues and providing real time feedback. Details of the discussion are to be recorded in the report. The record is to include and identify issues raised that are additional to those contained in the objection.

7.7.3. For both Desktop and Full Reviews, the detail of the interview must be recorded in the objection review report, including the name of the interviewee plus the date and time. The record is to include and identify issues raised that are additional to those contained in the objection. This may require details of more than one interview.

- 7.7.4.** When undertaking a Full Review, it is mandatory that the service provider make a reasonable attempt to contact the Customer at least five (5) days prior to inspecting the property and if necessary up to the date of inspection (see 7.7.1). The Customer shall be offered the opportunity to attend the property when inspected and interviewed either during phone contact or at the inspection to discuss issues raised in its objection.
- 7.7.5.** When interviewing the Customer the Service Provider is required to:
- explain the function of the Valuer General;
 - explain the methodology of the valuation process in general and specifically how the mass appraisal system is conducted in NSW;
 - advise the objection process is an independent review of the land value for their property; and
 - explain that the interview is an opportunity for the Customer to elaborate and provide more detailed information on the specific issues raised in the objection.
- 7.7.6.** Where the Customer raises additional issues to those provided in the original objection, these should be included in the objection review report and a response provided.
- 7.7.7.** Where the Customer raises additional grounds of objection to those provided in the original objection, these should be detailed in the objection review report and a response provided. The recommendation should also address the additional grounds.
- 7.7.8.** If a Customer contacts the service provider after an objection review report has been completed and returned to PNSW, the service provider must not engage in discussion with the Customer, but should refer the Customer to Valuation Services Customer Service at the earliest possible time.
- 7.7.9.** The Service Provider is not aware of the individual path any objection workflow will take following a completed report being electronically delivered to Valuation Services. Therefore the Service Provider shall not discuss with the Customer either the objection workflow timeline or specifically when Valuation Service will issue the preliminary objection review report.
- 7.8. Inspections**
- 7.8.1.** Desktop Reviews do not require an inspection. However, it is expected that the Service Provider will make efforts to familiarise itself with the subject property and relevant sales evidence through available on-line systems prior to contacting the Customer. It will sometimes also be appropriate to consult local agents familiar with the area and recent sales transactions. Details (including dates) of investigation and information sourced on sales other than as supplied by PNSW should be noted in the review.
- 7.8.2.** Inspections are mandatory for Full Reviews unless there is a clear agreement with the Customer that an inspection is not required and:
- a) the Service Provider is certain that the Customer's concerns will still be adequately addressed, and/or
 - b) an inspection is not physically possible.
- 7.8.3.** Where it is agreed that an inspection is not required, this must be noted in the objection review report, together with the name of the person with whom the agreement was made and the time at which it was made.
- 7.8.4.** The level of inspection should fully identify attributes that affect the land value. Roadside inspection alone is insufficient, unless the Customer agrees that all of its concerns will be adequately addressed using this method.
- 7.8.5.** A roadside inspection must be noted in the objection review report which must also indicate the name of the person and time that this agreement was made.

7.8.6. When properties are subject to Full Reviews, the Service Provider shall:

- Use the inspection to verify issues that have been raised in the objection;
- Take photographs showing significant features of the property and including significant issues raised by the Customer; and
- Record the date of the inspection in the objection review report.

7.9. All objection review reports must be signed by an accredited valuer. See Clause 7.10.

7.10. Accreditation of Valuers

7.10.1. A valuer is deemed to be accredited if it can prove to PNSW that:

- it is a qualified valuer, and
- it has completed the API Rating Valuation Practice module and has completed a Customer Service training module as required by PNSW from time to time, or
- it has had at least 5 years (cumulative) experience working on a Rating and Taxing Contract in New South Wales and/or the State Valuation Office and/or PNSW Valuation Services and has completed a Customer Service training module as required by PNSW from time to time, or
- it has completed all modules of an Accreditation Course focused on customer service and the on the Act as required by PNSW from time to time.

7.10.2. PNSW will not accept objection review reports that are not signed by an accredited valuer.

7.10.3. PNSW may update accreditation requirements from time to time. This may require a valuer to complete additional training modules or other relevant courses, as advised by PNSW.

7.11. Objection Review Report

7.11.1. The Service Provider shall complete an objection review report for each property. Where one Customer is requesting a review to multiple properties, it may be more effective to provide one report with schedules. The use and format of this report style shall be agreed to by PNSW.

7.11.2. The objection review report will be either a Desktop or Full Report as determined by Clause 7.3 of these specifications.

7.11.3. All Desktop Review reports must contain the following (in a pro-forma objection review report):

- The Service Provider’s company logo.
- Identify the property (using information provided by PNSW) by stating:

Address	Local Government Area	Area of subject property
Issued Land Value	Legal Description	Land Value Basis
Valuing Year (1 st July 20XX)	Date Valuation Made	Concessions/Allowances (if applicable)

- The date(s) that contact was made with the Customer, including the name(s) of the contact(s);
- The contended land value;
- Planning controls, highest and best use and other information where relevant to land value;
- A list of matters raised by the Customer in the objection and during discussions;
- Any additional grounds of objection raised by the Customer;
- The Service Provider’s comment/response on all matters raised by the Customer and the outcome of discussions with the Customer;
- The most relevant sales, their analysed land values adjusted to 1 July of the valuing year and their comparison to the subject property including value supported by the sale;
- Valuation rationale with reference to sales information used;

- A Valuation Recommendation by either:
 - Confirmation that the existing value is acceptable by stating, “The land value is supported by market evidence and falls within an acceptable market range of value, therefore no alteration to the assigned Land Value is recommended.”
 - Confirmation that the existing value is acceptable by stating, “the land value falls below a value range supported by the market evidence and, therefore, no alteration to the assigned Land Value is recommended”;
- The Valuer’s name, professional organisation membership number, qualifications and signature of accredited valuer undertaking objection review
- Valuer name, professional organisation membership number, qualifications and signature approving issue of the objection review report following peer review by an accredited valuer; and
- A disclaimer approved by PNSW.

7.11.4. All Full Review reports shall contain the same detail as in Clause 7.11.3 above and in addition include the following (in a pro-forma objection review report):

- Greater detail on Planning controls, highest and best use and other information where relevant to land value that would be required to explain the valuation of more complex property types, including but not limited to development control plans, state and regional planning policies, and location specific controls;
- Date(s) of inspection and a description of the land;
- A description of improvements (only when used as a basis of land value such as 6A2, 26A, 14G etc);
- When necessary, additional comments about the sale properties and their comparability to the subject property based on your inspection(s);
- Valuation rationale with reference to sales information used and further calculations required to provide a recommendation on the land value;
- Valuation Recommendation by either:
 - Confirmation that the existing value is acceptable by stating, “The land value is supported by market evidence and falls within an acceptable market range of value and therefore the land value is not too high/low (as applicable) and it is recommended your objection is disallowed” or
 - Confirmation that the existing value is acceptable by stating, “The land value falls below a value range supported by the market evidence and, therefore, the land value is not too high and it is recommended the land value is disallowed”; or
 - Confirmation that the existing value is acceptable by stating, “The land value falls above a value range supported by the market evidence and, therefore, the land value is not too low and it is recommended the land value is disallowed”; or
 - Confirmation that the existing value is not acceptable by stating, “The land value is not supported by market evidence therefore it is recommended that the Land Value be amended to \$xxx”;
- Photographs of the subject property detailing features that impact land value and, if required, photographs of adjoining property features that impact the land value of the subject property; and
- The Deposited Plan.

7.12. Report Delivery

7.12.1. Where a Service Provider submits its report electronically, each objection review report shall only be submitted via Valnet 2i and in a PDF format with the naming protocol; [property number_workflow number_valuing year].pdf in the form, NNNNNNNN_NNNNNNNN_20YY.pdf (for example 12345_54321_2006.pdf).

Where online completion of the objection report is provided by Property NSW, alternate instruction will be made available to the service provider.

7.12.2. The objection review report may only be issued to the Customer by PNSW.

7.13. Property NSW Quality Assurance

- 7.13.1.** PNSW staff may quality assure the review and report to monitor Service Provider performance, or following concerns raised by the Customer, or following concerns raised by the Valuer General.
- 7.13.2.** The Service Provider must respond to any enquiries and/or provide a revised report, as required, within five (5) business days of a request being made.

7.14. Attendance at a PNSW Conference

- 7.14.1.** After the objection review report has been issued to the Customer as either a preliminary or final report, the Customer may choose to engage PNSW in a Conference. The Service Provider may be required as part of this agreement to provide information to the coordinator or to attend the Conference.
- 7.14.2.** In the event that conferencing services are required, those services will be separately negotiated.

7.15. Attendance in Court

- 7.15.1.** After the objection determination has been issued to the Customer, the Customer may choose to appeal it in the Land and Environment Court. The Service Provider may be required as part of this agreement to attend court.
- 7.15.2.** In the event that court services are required, those services will be separately negotiated.

7.16. Contract Management

- 7.16.1.** In the event that any objection review report is outstanding past its due date, PNSW may restrict access to further RFX at its discretion until the report is provided.
- 7.16.2.** In the event an objection review report has been returned for reconsideration to the Service Provider and not been amended and/or re-uploaded within five (5) working days, PNSW may restrict access to further RFX at its discretion until this issue has been resolved.
- 7.16.3.** In the event that an objection review report cannot be issued to a Customer due to an actual or perceived conflict of interest, payment may be withheld.
- 7.16.4.** In the event that an objection review report cannot be issued to a Customer due to the report clearly being in conflict with the Act and Valuer General Policies, payment may be withheld.
- 7.16.5.** If an objection review report cannot be issued to a Customer because the Customer's concerns have not been adequately addressed, or due to poor application of the evidence, or the application of an incorrect rationale, or due to the outcome not reflecting the available evidence, payment may be withheld.
- 7.16.6.** In the event that a Service Provider's initial reports are returned by the due date less than ninety-eight per cent (98%) of the time, PNSW may restrict access to further RFX until consultation and subsequent remediation steps are in place.
- 7.16.7.** In the event that a Service Provider's average quality score is below 80% for either Desktop or Full Review reports, PNSW may restrict access to further RFX until consultation and subsequent remediation steps are in place. Remediation steps and timeframe will be clearly articulated to the Service Provider.
- 7.16.8.** In the event that the percentage of objection review reports that are returned for reconsideration is greater than fifteen per cent (15%) of the time, PNSW may restrict access to further RFX until consultation and subsequent remediation steps are in place.