

Schedule 1 - Request for Proposal and Standing Instructions

Schedule 1 - Request for Proposal and Standing Instructions	1
1. Scope.....	2
2. Description of Services	2
3. Electronic Business Management.....	2
4. Personnel Accreditation and Qualifications	2
5. Service Delivery	3
6. Service Delivery Timeframes	4
6.1. Individual valuations	4
6.2. Bulk acquisitions	4
6.3. Urgent valuations	4
6.4. Internal Inspection.....	4
6.5. Delivery Delays	4
7. Key Performance Indicators	4
Part 1 - Individual Valuation Instructions	7
1. Individual Valuation Types.....	7
a. Individual Acquisition, Construction, Sale & Leaseback	7
b. Individual Disposal.....	7
c. Individual Lease.....	7
d. Pre-construction	8
2. Individual Valuation Instructions (Types A to D).....	9
2.1. Considerations/attachments	9
2.2. Valuation report.....	9
2.3. Valuation report format	12
2.4. Inspection type.....	12
Part 2 - Bulk Acquisition Valuation Instructions.....	13
1. Valuation Types.....	13
2. Valuation package.....	14
3. Valuation report.....	14
4. Valuation Report Format	18
5. Inspection Type.....	18

1. Scope

This scope describes the specific valuation services that Defence Housing Australia (DHA) is seeking from suitably qualified providers of valuation services for DHA properties.

DHA will require appropriately skilled Service Providers to service a number of regions across Australia.

Document Status: Note this document (and covering letter) seeks your pricing information as well as representing mutually agreed standing instructions for each valuation undertaken by selected Service Providers as a result of this process.

2. Description of Services

DHA will require the Service Provider to undertake:

- a. **Individual valuations** in respect to residential properties being considered for acquisitions, disposal, sale & leaseback, construction and/or leasing. This includes both market capital valuations and market rental valuations.
- b. **Bulk acquisition valuations** in respect to residential properties being considered for bulk acquisitions including 'in one line' and 'bulk acquisition discount assessment'.

This request relates to DHA's regular or ad hoc business requests (not including DHA's annual valuation process which is the subject of a tender request). Please note there is no assurance as to any work or particular volume of work in relation to this pricing request.

Any instructions received by the selected Service Providers will indicate which type of valuation applies to the instructions. These types relate to an inspection of the property or whether the following are sufficient:

- Desktop assessment; or
- Kerbside assessment.

3. Electronic Business Management

DHA operates in an environment where as much business as possible is conducted electronically with minimal manual processing. DHA uses an online management tool, DHA Online Services, to assist in the tracking of valuations request.

The Service Provider will be required to access DHA's platform to receive valuation requests, manage requests, enter valuation figures and load valuation reports.

4. Personnel Accreditation and Qualifications

DHA will only accept valuations from Service Providers that hold current Australian Property Institute (API) financial membership and who meet the requirements below. API membership will determine the type of valuations the Service Provider will be able to undertake for DHA. DHA understands graduate valuers may assist with the inspection. However, graduate valuers will not be permitted to undertake and sign off on valuations for DHA.

The services are to be provided by experienced Valuers, under the following categories, with the following qualifications essential:

4.1. Individual Valuations

- a. Personnel must be a current Associate CPV Financial Member of the Australian Property Institute (in the relevant State or Territory) for a period of no less than two (2) years;
- b. have not less than two (2) years' experience in the State or Territory in which property is located; and
- c. be registered to practice as a valuer of residential property in the relevant State or Territory where the property is located.

4.2. Bulk Acquisition Valuations

- a. Personnel must be a current Associate CPV member of the Australian Property Institute (in the relevant State or Territory) for a period of no less than five (5) years;
- b. have not less than five (5) years' experience in the State or Territory in which property is located;
- c. be registered to practice as a valuer of residential property in the relevant State or Territory where the property is located; and
- d. have demonstrated experience completing this type of valuation recognised by banking institutions.

5. Service Delivery

DHA has been as comprehensive as possible in writing this schedule but further requirements may arise which DHA will notify to the selected Service Providers from time to time.

- a. The Service Provider must have a central point of contact (Contract Manager) which will action all workflow allocation, respond to queries and be able to assist with all over matters as they arise.
- b. The Service Provider must perform the work in a timely fashion and maintain quality in line with the Key Performance Indicators, the requirements of this document and the Australian Property Institute Standards.
- c. The Service Provider must complete work and maintain accuracy in line with the Key Performance Indicators
- d. The Service Provider will be required to undertake all property valuations under the direction of DHA.
- e. The Service Provider must attend quarterly or as required briefing sessions at DHA's local offices with DHA stakeholders to discuss service delivery, market conditions with regards to valuations and or special projects as they arise.
- f. Valuations will be performed by either electronic inspection (desktop assessment) or physical inspection as directed.
- g. In undertaking desktop valuations, the Service Provider will be required to access and utilise the web-based DHA Online Services to obtain property descriptions and details, including floor plans, dimensions and photos.
- h. The Service Provider will be issued instructions by DHA staff located in Head Office. The Service Provider will then be required to direct all correspondence, enquiries and reports to the centralised valuations team within Head Office.
- i. The Service Provider will be required to provide their valuation report and figures by uploading the data through DHA Online Services. Valuation reports must be in PDF format.
- j. The Service Provider will need to ensure the delivery of valuation services comply with all Australian Property Institute, DHA guidelines, and instructions applicable to their jurisdiction,
- k. The Service Provider will need to ensure that personal or sensitive information relating to DHA and its tenants is secure and protected.
- l. If the Valuer or Valuation firm discovers or is made aware of a conflict of interest, DHA should be notified immediately.
- m. DHA require the Service Provider to ensure the delivery of services is undertaken in a prompt and professional manner to ensure no adverse effects on the operations of DHA.
- n. In undertaking their roles as a representative contractor of DHA to conduct valuations, DHA require that Service Provider abide by the principles of the Australian Public Service Code of Conduct.

- o. The Service Provider will be required to liaise with the centralised valuations team within Head Office regarding any anomalies or concerns regarding market movements.
- p. DHA is seeking Service Providers that have a commitment to work with DHA and initiate ways to improve the efficiency and accuracy of the process.

6. Service Delivery Timeframes

The following delivery timeframes are measured from the time the Service Provider is allocated the work order in DHA's online system. Therefore the system will need to be monitored by the Service Provider.

6.1. Individual valuations

The Service Provider is required to commence routine individual valuations within one (1) working day of notification.

Completed valuation reports are to be delivered within the following timeframes:

- a. acquisition and leasing - within three (3) working days of notification
- b. SLB and disposals – within five (5) working days of notification; or
- c. within two (2) working days from the inspection date, as agreed, if a delay has occurred.

6.2. Bulk acquisitions

The Service Provider is required to commence bulk acquisition valuations within one (1) working day of notification and valuation reports delivered within five – ten (5-10) working days of notification.

6.3. Urgent valuations

The Service Provider is required to undertake urgent individual valuations within 24 hours of notification by DHA. All valuations deemed urgent are to be finalised and submitted to DHA within 48 hours. DHA will endeavour to call or email the Service Provider first in these instances.

6.4. Internal Inspection

Where the valuation services require an internal inspection, the Service Provider will be responsible for arranging access directly with the tenant. DHA will provide tenant details with the initial request.

The Service Provider is required to give 72 hours' notice to tenants or as required in the relevant State or Territory or as agreed prior to conducting an inspection.

6.5. Delivery Delays

The Service Provider will be required to advise DHA of any service delivery issues including any issues accessing DHA Online Services and any issues gaining access to the property within the following timeframes:

- a. Routine valuations – within two (2) working days
- b. Urgent valuations – within two (2) working hours

7. Key Performance Indicators

DHA has established Key Performance Indicators (KPIs) that serve as a valuable tool for both DHA and the Service Provider to quantifiably measure performance. Service Provider performance will be monitored to ensure Key

Performance Indicators (KPIs) are met for the service delivery timeframes, quality and volume of enquiries and potential inclusion of volume of delay notifications. KPI achievements will be used as a basis for contractor management and allocation of works.

The Service Provider will be provided with bi-annual performance reports detailing their individual performance against the prescribed KPIs. Performance reviews may be undertaken at the discretion of DHA or upon request by the Service Provider.

Table 1 below lists the established KPIs and provides a brief description of how each will be measured. The Service Provider must comply with the Minimum Standard KPIs.

Please note that due to DHA's System, valuation requests are referred to as MITM (i.e. maintenance Items.)

Table 1

1. Timeframes 95%		
	Criteria	Performance Indicator
1a	Valuation booked	The service provider has contacted the tenant within 48 hours of receipt of the order for a valuation (i.e. a Maintenance item (MITM))
1b	Completion of valuation	Valuation MITMs have been completed (i.e. the valuation has been completed) within the target start and target end or agreed date.
1c	Invoicing	MITMS for valuation have been invoiced within 7 days of MITM completion date
1d	Completion of valuation with access delays	All MITMs have been completed 48 hours after inspection.
1e	Delay notifications	Service Provider must notify DHA within 48 hours of any likely delays including access or other such issues.
1f	Valuation enquiries	The Service Provider must address queries/clarification requests raised by DHA within 24 hours.
2. Quality 95%		
2a	Standard of Service and Workmanship	<p>The Service Provider has received a RECALL item for providing substandard, non-compliant or incomplete valuation reports, based on, but not limited to:</p> <ol style="list-style-type: none"> 1. Descriptor error (Property ID, address, photos, floorplan etc.) 2. Format wording (incorrect report format, comparability statements, Value breakup house, land split, missing values etc.)

		<ul style="list-style-type: none"> 3. Amenities error (bed, bath, age etc.) 4. System uploads and data (incorrect report, values and date) 5. Valuer Qualifications (no counter signatory on report.) 6. Contact with unauthorised DHA Staff 7. Inclusion of DHA Sales as evidence
2b	Response to recalls	<p>If DHA has any issues with or if there is an error in, the relevant report or completed MITM, DHA may issue a “RECALL” Item. The Service Provider must respond and address all and any RECALL item within 24 hours.</p>
2c	Issue reoccurred	Query not resolved

Part 1 - Individual Valuation Instructions

1. Individual Valuation Types

a. Individual Acquisition, Construction, Sale & Leaseback

DHA requires a Market Valuation that might include either one or both of the below categories:

- i) **AS IS** valuation to include:
 - a. Capital (Improvement + Land)
 - b. Rental
 - c. Replacement
 - d. If no improvement LAND ONLY

Valuers are required to take into consideration the current amenities.

- ii) **AS IF** valuation to include:
 - a. Capital (Improvement + Land) AS IF the attached improvement specifications and details, are complete
 - b. Rental AS IF the attached improvements are complete
 - c. Replacement

Valuers are required to take into consideration the current amenities for AS IF assessments and are required to take into consideration the attached Specifications List /Floor plans as if all works will be completed and development consent forthcoming without unduly onerous terms and conditions.

b. Individual Disposal

DHA requires an **AS IS** Market Valuation that includes:

AS IS valuation to include:

- a. Capital (Improvement + Land)
- b. Replacement
- c. If no improvement LAND ONLY

Valuers are required to take into consideration the current amenities.

c. Individual Lease

DHA requires a Market Valuation that might include either one or both of the below:

- i) **AS IS** valuation may include:
 - a. Capital (Improvement + Land)
 - b. Rental
 - c. Rental range
 - d. Replacement

Valuers are required to take into consideration the current amenities.

- ii) **AS IF** valuation may include:
 - a. Capital (Improvement + Land) AS IF the attached improvement specifications are complete
 - b. Rental AS IF the attached improvement specifications are complete
 - c. Rental Range AS IF the attached improvements are complete
 - d. Replacement

Valuers are required to take into consideration the current amenities for AS IF assessments and are required to take into consideration the attached Specifications List /Floor plans as if all works will be completed and development consent forthcoming without unduly onerous terms and conditions.

d. Pre-construction

DHA requires an **AS IF** Market Valuation that includes:

AS IF valuation to include:

- a. Capital (Improvement + Land)
- b. Rental
- c. Replacement

Valuers are required to take into consideration the attached Specifications List /Hypothetical floor plans without unduly onerous terms and conditions AS IF completed.

2. Individual Valuation Instructions (Types A to D)

These specific valuation instructions apply to valuation types A to D as detailed above.

2.1. Considerations/attachments

In relation to the property, the valuation report should provide a commentary on market movement at the time of the valuation. This need only be a short paragraph to offer the requester an insight into market movements.

If the Valuer or the valuation firm has previously undertaken a valuation of the subject property within the past twelve (12) months this must be noted in the report. The historical reported values should be noted and the variance or movement in both the capital and rental values should be reported.

DHA has an expectation that once an inspection is completed that the report be submitted within two (2) working days.

2.2. Valuation report

The valuation report is to include commentary on but not limited to the following:

2.2.1. Property risk assessment

The risk-rating matrix shall include 'Yes' / 'No' ratings addressing the following attributes:

- a. Location and Neighbourhood
- b. Land (if applicable)
- c. Environmental issues
- d. Improvement (if applicable)
- e. Recent market direction
- f. Market volatility
- g. Local economy impact
- h. Market segment conditions

Table 2 below provides an example of basis Risk Assessment / Rating Table. The rating will be sliding scale of 1 to 5 where one is no risk and five is high/extreme risk. Anything that is between one and two returns a result of 'No'. Results of three or above become a 'Yes' and the Valuer is required to include further comments about the risk assessment item.

These comments are to be provided within the body of the report or within the additional comments section of reports.

Table 2

Property Risk Assessment			
* Must comment on any YES Risk Rating			
Property Risk	Yes / No	Market Risk	Yes / No
Location	NO	Recent Market Direction (Capital / Rental)	YES
Land (incl. planning, title)	NO	Market Volatility	NO
Environmental Issues	NO	Local Economic Impact	NO
Improvements	YES	Market Segment Conditions	YES

2.2.2. Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the International Valuations Standards (IVS) Framework.

DHA requires the Valuer to provide the following:

- a. Full details of rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- b. The valuation methodology used should be clearly specified, such as direct comparison, discounted cash flow, capitalisation of net income, summation etc.
- c. Details in using these valuation techniques of GST on materials, supplies and revenues, or the GST liability on the sale of property (where appropriate).

2.2.3. Comparable evidence

The comparable evidence utilised in the valuation report should ideally:

- a. Include a minimum of five (5) settled relevant comparables for both sales and rental;
- b. Be within six (6) months of the date of valuation;
- c. Be within 15% (plus or minus) of the assessed market value;
- d. Be of a similar type, location, age, condition, size, etc.;
- e. Be listed from lowest to highest sale price;
- f. Be listed from lowest to highest rent price;
- g. Where possible, provide comparables that fall either side of the subject property i.e. inferior and superior;
- h. For new properties that form part of a development incorporating common areas and/or shared facilities (e.g. Strata Title, Community Title, and Plan of Subdivision etc.), a minimum of five (5) settled resales from within the subject group and/or resales external to the development are to be provided.
- i. For vacant land and/or new house and land properties situated within a new residential estate a minimum of five (5) settled resales from within the subject subdivision and/or resales external to the subject subdivision are to be provided.

DHA purchased properties are considered Open Market transactions, whereas DHA sales with a lease attached should not be considered.

Rentals where DHA is the Lessor are not to be used for comparison purposes.

Where the minimum requirements for comparable evidence per above is unavailable, the Valuer should provide explanatory comments in (Additional Comments). Note; a minimum of five (5) settled sales and rentals is a mandatory requirement in all instances. Additional 'agent advised' or unsettled sales may be relied upon.

Status and reliability of all evidence must be noted.

The Valuer must provide an adequate description of the comparable properties for all comparable evidence utilised and provide pertinent details of the comparables, including its comparability to the subject in accordance with the comparability table supplied below.

For the purposes of this document, the following definitions apply:

- a. A settled comparable is a sale whereby title has transferred to the new owner and that transfer of title has been duly registered by the relevant State or Territory authority. It is sufficient for the Valuer to rely upon information provided via industry recognised third party sales databases such as RP Data, Red Square, The List etc., to confirm the details of the transaction.

- b. A resale comparable is a sale transaction subsequent to the initial 'Off The Plan' or 'New' sale by a builder/developer or builder/developers agent.

2.2.4. Agents advice/unsettled sales

- a. Agents Advice and/or Unsettled Sales should only be included in addition to the five (5) mandatory settled sales, and must be clearly identified. Additional commentary in respect to these sales, such as their source, may be provided.
- b. Reliance upon Agents Advice and/or Unsettled Sales as evidence to support an assessment of market value is at the Valuer's discretion. However, the instructing party will not accept any assumption that the Agents Advice and/or Unsettled Sales will proceed to settlement at the advised sale price.
- c. Agents Advice and/or Unsettled Sales evidence must be clearly identified in the valuation report, but may be recorded in 'Sales and Rental Evidence'.

2.2.5. Transactions without a Real Estate Agent and/or not at arm's length sale

Provide comment when the current sale of the subject property has taken place without the intervention of a Real Estate Agent and/or is considered to be a 'not at arm's length' transaction.

2.2.6. Comparability table

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for each of their comparable sales/rental within the report.

Table 3

Detached houses and apartments			
Living area	Smaller	Comparable	Larger
Construction year	Older	Comparable	Newer
Location	Inferior	Comparable	Superior
Aspect	Inferior	Comparable	Superior
Grounds improvements	Inferior	Comparable	Superior
Profile/presentation	Inferior	Comparable	Superior
Land size	Smaller	Comparable	Larger
Additional carports/garages	Yes	No	
Overall	Inferior	Comparable	Superior
Vacant land			
Topography	Steep	Comparable	Flat
Street level	Below street level	Level with street	Above street level
Shape	Inferior	Comparable	Superior
Location	Inferior	Comparable	Superior
Aspect	Inferior	Comparable	Superior
Land size	Smaller	Comparable	Larger
Overall	Inferior	Comparable	Superior

NOTE: Living areas for the subject property must be noted and allocated to the designated areas being Living area, Garage/carport, outdoor areas etc. When available the comparable evidence is to be included on the valuation reports in accordance with IPMS.

2.2.7.Photos

Established Dwellings – The report should include both external and internal photographs by the Valuer at the time of inspection. Photographs are to be date and time stamped. If this function is not available on the camera, the Valuer should provide comments that the photograph was taken at the time of the inspection.

Vacant land – The report should include a minimum of one colour photograph of the vacant land by the Valuer at the time of inspection. Photographs are to be date and time stamped. If this function is not available on the camera, the Valuer should provide comments that the photograph was taken at the time of the inspection.

2.2.8.Vacant residential land

When valuing vacant residential land, the Valuer should:

- a. Identify and physically inspect the subject allotment (this means a sufficiently comprehensive inspection of the subject allotment to enable the valuation to be completed in accordance with accepted valuation practice). Normal valuation practice requires the Valuer to identify and inspect the allotment 'on the ground', not from inside a vehicle.
- b. Note the surrounding area and identify any adverse characteristics that impact the marketability and value.

Where the Valuer cannot identify and physically inspect the subject allotment, do not proceed with the valuation. The valuation instruction should be referred back to the instructing party.

2.2.9.Improvements

General

The Valuer should:

- a. Fully inspect all improvements, both internally and externally in line with normal industry practices.
- b. If the Valuer is unable to access a habitable area of the improvements, the Valuer should comment on this in the report. However, if the inspection of the restricted area is considered by the Valuer to be critical to the assessment, the valuation instruction should be referred back to the instructing party.
- c. List outdoor areas, car parking and storage areas separately.
- d. Highlight any additions and/or alterations that are apparent.
- e. Highlight any structures or improvements that may not be council approved.

Home Units

The Valuer should:

- a. Specify the total number of units within the complex;
- b. Describe the unit's location (including level and aspect) within the development; and
- c. Indicate the number of levels in the development.

2.3.Valuation report format

The valuation report is to be a Short Form Report and must comply with API standards.

Where applicable for pre-construction valuations, additional spreadsheets are to be completed and returned in both excel and PDF formats.

2.4.Inspection type

Internal / Kerbside / Desktop Assessment

Part 2 - Bulk Acquisition Valuation Instructions

1. Valuation Types

DHA requires a Market Valuation including 'Bulk Acquisition Discounted Assessment' that might include either one or both of the below:

- i) **AS IS** valuation to include:
 - a. Capital (Improvement + Land)
 - b. Rental
 - c. Replacement

Valuers are required to take into consideration the current amenities.

- ii) **AS IF** valuation to include:
 - a. Capital (Improvement + Land) AS IF the attached improvement specifications and details are complete
 - b. Rental AS IF the attached improvements are complete
 - c. Replacement

Valuers are required to take into consideration the current amenities for AS IF assessments and are required to take into consideration the attached Specifications List /Floor plans as if all works will be completed and development consent forthcoming without unduly onerous terms and conditions.

iii) **Bulk Acquisition Discounted Assessment**

DHA specific Bulk Acquisition Discounted Assessment where DHA are purchasing a specified number of dwellings in one transaction. The methodology in assessing the Bulk Acquisition Discounted Assessment should take into consideration potential discounts passed on from the developer to DHA, and may include the following factors:

- a. Agent's commission
- b. marketing costs
- c. property class being acquired
- d. size of the development
- e. number of units being acquired
- f. overall supply/demand in the locality
- g. development life cycle risk
- h. developer motivation
- i. buyer profile - (settlement risk)

iv) **In One Line Assessment**

The In One Line Assessment requires the collective Gross Realisation Value be discounted by the following costs:

- a. Stamp Duty on acquisition,
- b. Holding charges for the term,

- c. Interest Charges for the term,
- d. Solicitor and Selling agent expenses
- e. Profit and Risk factor
- f. Subdivision and other council costs (where applicable)

2. Valuation package

The Valuation Package attached to the Valuation Instructions may contain the following documents:

- a. Site Plan
- b. Individual Floor Plans including dimensions and elevations
- c. Specification lists highlighting both DHA and Developer inclusions for completed dwellings
- d. Subdivision Plan
- e. Information Memorandum for subject site

3. Valuation report

The valuation report is to include commentary on but not limited to the following:

3.1. Property risk assessment

The risk-rating matrix shall include 'Yes' / 'No' ratings addressing the following attributes:

- a. Location and Neighbourhood
- b. Land (if applicable)
- c. Environmental issues
- d. Improvement (if applicable)
- e. Recent market direction
- f. Market volatility
- g. Local economy impact
- h. Market segment conditions

Table 4 below provides an example of basis Risk Assessment / Rating Table. The rating will be sliding scale of 1 to 5 where one is no risk and five is high/extreme risk. Anything that is between one and two returns a result of 'No'. Results of three or above become a 'Yes' and the Valuer is required to include further comments about the risk assessment item.

These comments are to be provided within the body of the report or within the additional comments section of reports.

Table 4

Property Risk Assessment			
* Must comment on any YES Risk Rating			
Property Risk	Yes / No	Market Risk	Yes / No
Location	NO	Recent Market Direction (Capital / Rental)	YES
Land (incl. planning, title)	NO	Market Volatility	NO
Environmental Issues	NO	Local Economic Impact	NO
Improvements	YES	Market Segment Conditions	YES

3.2. Summary of the valuation

The valuation should include an executive summary, detailing the essential information contained in the report, such as the valuation figure and conditions and assumptions upon which the valuation is based.

3.3. Location

DHA requires the Valuer to provide the following:

- a. A description of the general age and quality of surrounding properties and the status of the locality.
- b. Comments on existing and potential uses for the property and its surroundings. Zoning and land use should be confirmed to ensure that current or proposed uses comply with consent conditions. Copy certificates should be supplied.
- c. A description of the property's proximity to local facilities, amenities and services.
- d. Comments on any general trends within the surrounding area i.e. population growth, traffic flows, transport adequacy, etc.

3.4. Site and title details

DHA requires the Valuer to provide the following:

- a. The full address and title reference of the property with comments on the size, shape and dimensions of the land concerned. A fresh title search is to be supplied with the report. The physical characteristics of the land is to be reported.
- b. The name of the registered proprietor.
- c. The identification and reporting of title encumbrances such as easements, covenants, rights of carriageway and where applicable, their effect on value. Any registered interest on the title must be reported.
- d. The identification and reporting of any outstanding statutory orders or the possibility of future orders being imposed.

3.5. Market commentary

In relation to the property, the valuation report should provide commentary on:

- a. The existing market and possible future demand for the property. Selling rates and assumptions should be well explained.
- b. Advice on the level of current and future competition in the market for the sale of the property.

3.6. Valuation methodology

In undertaking the valuation, one or more valuation approaches may be used in order to arrive at the valuation defined by the appropriate basis of value in accordance with the IVS Framework.

DHA requires the Valuer to provide the following:

- a. Full details of rationale adopted for any assumptions used (must be shown in detail) in arriving at a particular value.
- b. The valuation methodology used should be clearly specified, such as direct comparison, discounted cash flow, capitalisation of net income, summation etc.
- c. Details in using these valuation techniques of GST on materials, supplies and revenues, or the GST liability on the sale of property (where appropriate).

3.7. Comparable evidence

The comparable evidence utilised in the valuation report should ideally:

- a. Include a minimum of five (5) settled relevant comparables for both sales and rental;
- b. Be within six (6) months of the date of valuation;
- c. Be within 15% (plus or minus) of the assessed market value;
- d. Be of a similar type, location, age, condition, size, etc.;
- e. Be listed from lowest to highest sale price;
- f. Be listed from lowest to highest rent price;
- g. For new properties that form part of a development incorporating common areas and/or shared facilities (e.g. Strata Title, Community Title, and Plan of Subdivision etc.), a minimum of five (5) settled resales from within the subject group and/or resales external to the development are to be provided.
- h. For vacant land and/or new house and land properties situated within a new residential estate a minimum of five (5) settled resales from within the subject subdivision and/or resales external to the subject subdivision are to be provided.

DHA purchased properties are considered Open Market transactions, whereas DHA sales with a lease attached should not be considered.

Rentals where DHA is the Lessor are not to be used for comparison purposes.

Where the minimum requirements for comparable evidence per above is unavailable, the Valuer should provide explanatory comments in (Additional Comments). Note; a minimum of five (5) settled sales and rentals is a mandatory requirement in all instances. Additional 'agent advised' or unsettled sales may be relied upon.

Status and reliability of all evidence must be noted.

The Valuer must provide an adequate description of the comparable properties for all comparable evidence utilised and provide pertinent details of the comparables, including its comparability to the subject in accordance with the comparability table supplied below.

For the purposes of this document, the following definitions apply:

- a. A settled comparable is a sale whereby title has transferred to the new owner and that transfer of title has been duly registered by the relevant State or Territory authority. It is sufficient for the Valuer to rely upon information provided via industry recognised third party sales databases such as RP Data, Red Square, and The List etc., to confirm the details of the transaction.
- b. A resale is considered to be a sale transaction subsequent to the initial 'Off the Plan' or 'New' sale by a builder/developer or builder/developers agent.

3.8. Agents advice/unsettled sales

- a. Agents Advice and/or Unsettled Sales should only be included in addition to the five (5) mandatory settled sales, and must be clearly identified. Additional commentary in respect to these sales, such as their source, may be provided.
- b. Reliance upon Agents Advice and/or Unsettled Sales as evidence to support an assessment of market value is at the Valuer's discretion. However, the instructing party will not accept any assumption that the Agents Advice and/or Unsettled Sales will proceed to settlement at the advised sale price.
- c. Agents Advice and/or Unsettled Sales evidence must be clearly identified in the valuation report, but may be recorded in 'Sales and Rental Evidence'.

3.9. Transactions without a Real Estate Agent and/or not at arm's length sale

Provide comment when the current sale of the subject property has taken place without the intervention of a Real Estate Agent and/or is considered to be a 'not at arm's length' transaction.

3.10. Comparability table

Where the direct comparison approach is adopted, the valuer will be required to include comments which address the below comparison attributes for each of their comparable sales/ rental within the report.

Table 5

Detached houses and apartments			
Living area	Smaller	Comparable	Larger
Construction year	Older	Comparable	Newer
Location	Inferior	Comparable	Superior
Aspect	Inferior	Comparable	Superior
Grounds improvements	Inferior	Comparable	Superior
Profile/presentation	Inferior	Comparable	Superior
Land size	Smaller	Comparable	Larger
Additional carports/garages	Yes	No	
Overall	Inferior	Comparable	Superior
Vacant land			
Topography	Steep	Comparable	Flat
Street level	Below street level	Level with street	Above street level
Shape	Inferior	Comparable	Superior
Location	Inferior	Comparable	Superior
Aspect	Inferior	Comparable	Superior
Land size	Smaller	Comparable	Larger
Overall	Inferior	Comparable	Superior

PLEASE NOTE: Living areas for the subject property must be noted and allocated to the designated areas being Living area, Garage/carport, outdoor areas etc. When available the comparable evidence is to be included on the valuation reports in accordance with IPMS.

3.11. Photos

Established Dwellings – The report should include both external and internal photographs by the Valuer at the time of inspection. Photographs are to be date and time stamped. If this function is not available on the camera, the Valuer should provide comments that the photograph was taken at the time of the inspection.

Vacant land – The report should include a minimum of one colour photograph of the vacant land by the Valuer at the time of inspection. Photographs are to be date and time stamped. If this function is not available on the camera, the Valuer should provide comments that the photograph was taken at the time of the inspection.

3.12. Vacant residential land

When valuing vacant residential land, the Valuer should:

- a. Identify and physically inspect the subject allotment (this means a sufficiently comprehensive inspection of the subject allotment to enable the valuation to be completed in accordance with accepted valuation practice). Normal valuation practice requires the Valuer to identify and inspect the allotment 'on the ground', not from inside a vehicle.
- b. Note the surrounding area and identify any adverse characteristics that impact the marketability and value.

Where the Valuer cannot identify and physically inspect the subject allotment, do not proceed with the valuation. The valuation instruction should be referred back to the instructing party.

3.13. Improvements

General

The Valuer should:

- a. Fully inspect all improvements, both internally and externally in line with normal industry practices.
- b. If the Valuer is unable to access a habitable area of the improvements, the Valuer should comment on this in the report. However, if the inspection of the restricted area is considered by the Valuer to be critical to the assessment, the valuation instruction should be referred back to the instructing party.
- c. List outdoor areas, car parking and storage areas separately.
- d. Highlight any additions and/or alterations that are apparent.
- e. Highlight any structures or improvements that may not be council approved.

Home Units

The Valuer should:

- a. Specify the total number of units within the complex;
- b. Describe the unit's location (including level and aspect) within the development; and
- c. Indicate the number of levels in the development.

4. Valuation Report Format

The valuation report is to be a Long Form Report and must comply with API standards.

5. Inspection Type

Internal / Kerbside / Desktop Assessment