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1 STATEMENT OF REQUIREMENT

1.1 Introduction

- 1.1.1 DHA requires an appropriately skilled and qualified service provider to perform national residential valuations services. Services will include bulk annual capital and rent valuations to establish market rent and capital value for properties of interest to DHA.
- 1.1.2 The annual valuation exercise is a critical and core function of DHA's property business. Market rents are utilised in contractual arrangements, classifying properties, charging clients, paying investors and assessing retention of stock.
- 1.1.3 The annual valuation exercise includes both rent valuations for leased properties, and finance valuations for DHA owned. The Service Provider is required to provide a market capital and rent (house and land) and replacement valuation for internal reporting and to allow DHA to test for impairment as required by AASB140 and AASB102.
 - a. **Rent valuations** – DHA requires an individual rental certificate with the rental value only. This certificate will be made available to investors and must not contain capital values.
 - b. **Finance valuations** – DHA requires an individual capital and rental certificate with the replacement value for insurance purposes. This certificate will be available for internal reporting purposes only.
- 1.1.4 DHA seeks to establish an arrangement to service all regions across Australia for an initial contract period of three (3) years with two (2) optional periods of one (1) year each.
- 1.1.5 DHA intends to select one (1) national service provider.
- 1.1.6 This Statement of Requirement details DHA's specific requirements for the provision of these Services.

2 GENERAL REQUIREMENTS FOR THE SERVICE PROVIDER

2.1 Maintenance Items

- 2.1.1 A Maintenance Item, referred to as MITM, is a request from DHA to the Service Provider for a scope of work to be undertaken.
- 2.1.2 MITMs may be requested by DHA in different pricing forms including:
 - a. Tendered fixed rate work as per Pricing Schedule (**MITM**); and
 - b. Recall for incomplete or warranty work.

2.2 Specifications

- 2.2.1 The specifications for the required Services are included at **APPENDIX A** to this Part 2 – Statement of Requirement.

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2.3 Personnel Accreditation and qualifications

2.3.1 DHA will only accept valuations from service providers that hold current Australian Property Institute (API) financial membership. 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.

2.3.2 The services are to be provided by experienced Valuers with the following qualifications essential:

- 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 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.

2.3.3 The Service Provider will maintain the standard of resources agreed during the Term and will not alter these resources without prior written agreement of DHA. The resources will have the specified skills to deliver the Services. The specified skills may vary during the Term to meet changing business needs, therefore DHA require flexibility to adjust the resources to deliver the required skills without comprising the standard of service delivery.

2.4 Electronic Business Management

2.4.1 DHA Online Services portal is an essential tool for Service Providers to manage all communications with DHA.

2.4.2 Service Providers have the ability to update their details and compliance documentation for insurance and Work Health and Safety.

2.4.3 All Maintenance Items are displayed and categorised to assist Service Providers with prioritising and invoicing.

2.4.4 All valuation reports and certificates are to be uploaded to DHA's Online Services and capital along with capital and rental amounts.

2.4.5 DHA Online Services portal is continually improving and is available on certain mobile devices.

2.5 Supply of Equipment

2.5.1 The Service Provider must supply all equipment and associated consumables (if any) required to perform the Services. Equipment is supplied by the Service Provider as part of the cost quoted in Part 3 – Tender Response Forms, Form 5 (Pricing Schedule).

2.5.2 All equipment required to perform the Services must be in good working order and condition and of fully proven design.

2.5.3 DHA does not accept liability for any loss, damage or failure of equipment while onsite or offsite.

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2.6 WHS Obligations

- 2.6.1 If the Tenderer is deemed successful, the Tenderer must ensure all workers, including subcontractors, have completed all necessary training and competency assessments prior to commencing work on behalf of DHA. This includes, but is not limited to, DHA WHS Induction Training. The Tenderer must also ensure that training and competency records are maintained.
- 2.6.2 For compliance purposes, the Tenderer is required to complete the WHS Management System Questionnaire provided in Part 3 – Tender Response Forms, Form 6 (WHS Management System Questionnaire).
- 2.6.3 Compliance with all WHS legislative requirements is mandatory. Refer to Part 4 – Proposed Deed of Standing Offer, Section 26 WHS Obligations.

2.7 Identification

- 2.7.1 The Service Provider must carry DHA Service Provider Identification when undertaking the Services and must show such identification if requested to do so by a DHA Tenant or member of the public.
- 2.7.2 If the Service Provider does not hold DHA Service Provider Identification, DHA will provide a letter of authorisation. The Service Provider must show this letter along with the Service Provider's business card as identification if requested to do so by a DHA Tenant or member of the public.

2.8 Rates

- 2.8.1 The Service Provider is not to claim separately for any travel related time and expenses. The Service Provider must make allowances for all travel related time and expenses when completing Part 3 – Tender Response Forms, Form 5 (Pricing Schedule).
- 2.8.2 All rates are to take into account any margins and/or management fees and any costs associated with Tools of the Trade, labour and any associated consumables.
- 2.8.3 DHA has developed Specifications detailed at **APPENDIX A** to this Part 2. This should be used when completing Part 3 – Tender Response Forms, Form 5 (Pricing Schedule). The rates are to be based on a defined scope of Services to be undertaken.
- 2.8.4 The Service Provider is able to make one annual inflation adjustment to the marketing costs detailed in the Fee Allocation only. The annual adjustments may be made on the anniversary of the signing of any resultant deed. The adjustment is not to exceed the All Groups – Consumer Price Index (CPI) of the previous quarter. Any adjustment to the Pricing Schedule must be provided to DHA in writing and must be forwarded to the DHA Contract Manager and DHA Representative.

2.9 Key Performance Indicators (KPIs)

- 2.9.1 DHA has established Key Performance Indicators (KPIs) in order to ensure the delivery of readily available and high quality housing to Defence members and their families.

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2.9.2 These KPIs serve as a valuable tool for both DHA and the Service Provider to quantifiably measure performance. In addition, these KPIs will serve to align Service Provider performance requirements with the standards that DHA have deemed necessary in order to meet contractual obligations to Defence.

2.9.3 DHA will be implementing quality performance measures during the term of the Contract. The intent is so that DHA can better manage performance against KPIs to enable DHA to manage Services allocations. DHA will provide the Service Provider with 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.

2.9.4 **Table 1** 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.

Table 1: Minimum Standard KPIs

1. Timeframes 95%		
	Criteria	Performance Indicator
1a	Completion of valuation	Work items for valuations have been completed within the target start and target end or agreed date.
1b	Invoicing	MITMS for valuation have been invoiced within seven (7) days of MITM completion date.
1c	Delay notifications	Service Provider must notify DHA of any delays at a minimum of two (2) weeks prior to the target end date.
1d	Valuation enquiries	The service provide must address queries / clarification requests raised by DHA within 24 hours.
1e	Secondary review	The service Provider must respond within ten (10) working days of any queries from DHA valuation staff or receipt of an investor's valuation.
2. Quality 95%		
2a	Standard of Service and Workmanship	The service provider has received a RECALL item for providing substandard, non-compliant or incomplete valuation reports, based on:

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		<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.)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 Staff7. Inclusion of DHA Sales as evidence
2b	Response to recalls	Service provider must respond and address the above RECALL item within 24 hours.
2c	Issue reoccurred	Query not resolved
2d	Complaints	The Service Provider has not received any reported complaints from DHA or ADF members.

2.10 Process

Current tenant contact information are displayed where there is an inspection requirement, 95% of properties are tenanted. Valuers must give 72 hours' notice to tenants prior to an inspection; contact may be by telephone or by letter. Contact with tenants is expected to be courteous and discussion confined to matters pertinent to the valuation. Under no circumstances are inspections be conducted without an appointment being made with the tenant.

In the event a property is leased out through a real estate agent, DHA will advise the tenant contact however are able on request to advise the managing agents' details. The realised rent may be obtained from the real estate agent and they may also be willing to provide rental evidence. Please note this rent would be expected to represent a market rent at the time the property was leased out and should not be assumed to be the market rent at the time of the valuation.

A letter of authorisation will be provided to the valuer, this letter along with the valuers business card, must be carried with the valuer as proof of identification and shown to the tenant prior to accessing a property. Tenants can verify in DHA Online Services the upcoming valuation inspection.

DHA valuations staff will provide assistance if the valuer has difficulty arranging access with the tenant for an inspection.

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The competed valuation data is to be electronically submitted to DHA's secure systems. All valuation requirements are to be approved by a registered valuer.

DHA valuation staff will conduct an internal review process and may liaise with valuers and regional DHA offices to discuss any anomalies or concerns regarding rental movement.

2.11 Properties to be valued with vacant possession

As part of DHA Lease Management, DHA is responsible for most normal maintenance on leased properties (other than rectification of structural defects and repairs covered by insurance or warranties). Therefore 'vacant possession' should be construed as the condition properties would be expected to be in at the commencement of the occupancy, with all normal cleaning, repairs and garden maintenance undertaken. No account should be taken of poor housekeeping or poor garden maintenance by occupants.

For normal repairs and maintenance, the property should be valued as if the repairs have been undertaken. Structural defects severe enough to impact on the valuation should be discussed with the DHA valuations staff.

For rental valuations, the properties are to be valued with vacant possession having regard to recent rents achieved for comparable properties in the open market.

For capital valuations, properties are to be valued on a vacant possession basis, with no provision for the value of the lease.

DHA properties are not to be used as comparables.

2.12 Recognition of DHA inclusion

Investors leasing to DHA incur significant extra costs to set up properties to meet DHA's requirements in relation to such things as security screens and deadlocks, outdoor entertaining areas, insulation, waterproof storage, provision of phone points and TV antennae, additional cupboards, landscaping and the provision of quality heating and cooling.

In determining the rental valuations, valuers should take account of any extras included in DHA leased properties that are over and above inclusions generally provided in the rental market, especially in aggregate. This may include but is not limited to:

- security screens and deadlocks;
- outdoor entertaining areas;
- insulation;
- waterproof storage;
- provision of phone points and TV antennae;
- additional cupboards/storage;
- landscaping; and
- provision of quality heating and cooling.

2.13 Property inspections

A physical valuation inspection will be required once every three years. If the valuer has previously inspected the property and has recorded a detailed description of the property, an internal inspection is not required provided that the property has been inspected within the last three (3) years.

Where a property has not been inspected the valuer can rely on detailed inspection records from an inspection conducted within the previous three (3) years and has checked the data provided by DHA to ensure any improvements are taken into consideration.

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If a property has been improved or upgraded, DHA may require an inspection irrespective of whether it has been inspected within the last three (3) years.

If a valuer has not previously inspected a property and is unable to gain access for inspection, the valuer should advise the DHA valuation staff and request information on the property. The basis for the valuation should then be an "External" kerbside inspection.

2.14 Management Areas and Maintenance Areas

- 2.14.1 DHA manages its property portfolio through Management Areas. Each Management Area manages multiple Maintenance Areas. Refer to Error! Reference source not found. for a breakdown of Maintenance Areas.

ANNUAL CAPITAL AND RENT VALUATION

DHA requires appropriately qualified, accredited and experienced valuers to perform annual bulk national residential valuations services in relation to capital and rent valuations for internal reporting and to allow DHA to test for impairment as required by AASB140 and AASB102. Market rents are utilised in contractual arrangements, classifying properties, paying investors and assessing retention of stock.

When Services Provider respond to the Fee Allocation section (Attachment 2.2A), they should include a fee which would be applicable for completing the capital and rent valuation for DHA Owned and DHA Leased properties.

DHA will issue a bulk valuation requests in August and there may be adjustments to the list of properties requiring valuations until it is considered final in October. Thereafter there may be minor adjustments advised.

DHA requires the Service Provider to:

- a. provide the capital and rent valuation certificate for the property as at the review date (31 December), this certificate will be available for internal reporting purposes only;
- b. provide on the certificate the replacement value for insurance purposes;
- c. provide valuations that reflect the anticipated fair market rent as at the 31 December valuation date where the Service Provider assess rents are increasing and the trend will continue between the time when the valuation is submitted to DHA and the actual valuation date;
- d. consider where seasonal factors over the holiday period or wet season cause temporary local rent movements that do not reflect the medium to long-term rental market, any such factors should be disregarded;
- e. provide the estimated amount for which the property should rent, as at the relevant date, between a willing lessor and a willing lessee in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, having regard to the usual market terms and conditions for leases of similar premises.
- f. not account for any higher rent which might be paid by a tenant with a special interest, or any lower rent which might be acceptable to a landlord with a special interest;
- g. give full consideration of any qualitative impacts involving fixtures, fittings, landscaping etc. on the rental value to be taken into account;
- h. provide valuations that are completed in accordance with the deadline provided and preferably prior to the valuation deadline date;
- i. provide rent valuations that are to be net of GST; and
- j. assign the full valuation sum to the building value, with no apportionment to land, for strata title properties.

1 VALUATION REPORT

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

1.1 Property risk assessment

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

1. Location and Neighbourhood

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2. Land (if applicable)
3. Environmental issues
4. Improvement (if applicable)
5. Recent market direction
6. Market volatility
7. Local economy impact

1.2 Market segment conditions

Table XX 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.

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

1.3 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.; and
- 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).

1.4 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;

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- f. Be listed from lowest to highest rent price;
- g. For shared facilities (e.g. Strata Title, Community Title, 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.

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

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.

1.5 Comparability table

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

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

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Shape	Inferior	Comparable	Superior
Location	Inferior	Comparable	Superior
Aspect	Inferior	Comparable	Superior
Land size	Smaller	Comparable	Larger
Overall	Inferior	Comparable	Superior

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.

1.6 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'.

1.7 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.

1.8 Photographs

The report should include both external and internal photographs by the Valuer using the available photos on DHA's online services.

1.9 Improvements

General

The Valuer should:

- a. Fully inspect all improvements, both internally and externally in line with normal industry practices;
- b. Comment the report if the Valuer is unable to access a habitable area of the improvements. 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; and
- 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

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- c. Indicate the number of storeys in the development.

2 VALUATION REPORT FORMAT

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

Additional spreadsheets are to be completed and returned in both excel and PDF formats.

3 INSPECTION TYPE

Internal / Kerbside / Desktop Assessment

ANNUAL RENT VALUATIONS

DHA requires appropriately qualified, accredited and experienced valuers to perform bulk national residential valuations services in relation to annual rent valuations to establish market rent for properties of interest to DHA.

DHA requires the Service Providers to provide the service for DHA Leased properties. When Services Providers respond to the Fee Allocation section (Attachment 2.2A), they should include a fee which would be applicable for completing the rent valuation for DHA Leased properties.

DHA will issue a bulk valuation requests in August and there may be adjustments to the list of properties requiring valuations until it is considered final in October. Thereafter there may be minor adjustments advised.

DHA requires the Service Provider to:

- a. provide **rent only** valuation certificate for the property as at the review date (31 December), this certificate will be available for the investor;
- b. provide valuations that reflect the anticipated fair market rent as at the 31 December valuation date where the Service Provider assess rents are increasing and the trend will continue between the time when the valuation is submitted to DHA and the actual valuation date;
- c. consider where seasonal factors over the holiday period or wet season cause temporary local rent movements that do not reflect the medium to long-term rental market, any such factors should be disregarded;
- d. provide the estimated amount for which the property should rent, as at the relevant date, between a willing lessor and a willing lessee in an arm's length transaction, wherein the parties had each acted knowledgeably, prudently and without compulsion, having regard to the usual market terms and conditions for leases of similar premises.
- e. not account for any higher rent which might be paid by a tenant with a special interest, or any lower rent which might be acceptable to a landlord with a special interest;
- f. give full consideration of any qualitative impacts involving fixtures, fittings, landscaping etc. on the rental value to be taken into account;
- g. provide valuations that are completed in accordance with the deadline provided and preferably prior to the valuation deadline date; and
- h. provide rent valuations that are to be net of GST.

1 VALUATION REPORT

1.1 General

The certificate shall include a comprehensive property description sufficient to satisfy a person reading the valuation that all relevant features of the property have been taken into account.

A list of achieved rentals in comparable properties (including a brief description of each) in support of the valuation ensuring comparisons are comparable (type, age and size of property) and there are a number of balanced superior and inferior comparables.

The certificates must be saved individually by the Property ID provided by DHA, and must be PDF.

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1.2 Comparable evidence

The comparable evidence utilised in the valuation report should ideally:

- Include a minimum of five (5) relevant comparables for rent;
- Be within six (6) months of the date of valuation;
- Be within 15% (plus or minus) of the assessed market value;
- Be of a similar type, location, age, condition, size, etc.;
- Be listed from lowest to highest sale price;
- Be listed from lowest to highest rent price;
- For shared facilities (e.g. Strata Title, Community Title, Plan of Subdivision etc.), a minimum of five (5) rentals from within the subject group and/or rentals external to the development are to be provided.

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

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) rentals is a mandatory requirement in all instances.

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.

1.3 Comparability table

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

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

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Land size	Smaller	Comparable	Larger
Overall	Inferior	Comparable	Superior

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.

1.4 Agents advice

- a. Agents Advice should only be included in addition to the five (5) mandatory rental properties, and must be clearly identified. Additional commentary in respect to these rentals, such as their source, may be provided.
- b. Reliance upon Agents Advice as evidence to support an assessment of market rental is at the Valuer's discretion.
- 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'.

1.5 Photographs

The report should include one external photograph using the available photos on DHA's online services.

1.6 Improvements

General

The Valuer should:

- f. Fully inspect all improvements, both internally and externally in line with normal industry practices;
- g. Comment the report if the Valuer is unable to access a habitable area of the improvements. 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;
- h. List outdoor areas, car parking and storage areas separately;
- i. Highlight any additions and/or alterations that are apparent; and
- j. Highlight any structures or improvements that may not be council approved.

Home Units

The Valuer should:

- d. Specify the total number of units within the complex;
- e. Describe the unit's location (including level and aspect) within the development; and
- f. Indicate the number of storeys in the development.

2 VALUATION REPORT FORMAT

The rental certificate is to be a maximum of two (2) pages and must comply with API standards.

Additional spreadsheets are to be completed and returned in both excel and PDF formats.

3 INSPECTION TYPE

Internal / Kerbside / Desktop Assessment

SECONDARY REVIEW PROVISIONS

DHA's lease provides that investors dissatisfied with their rental valuation may obtain their own valuation and invoke secondary review provisions. Where this occurs, the lease provides that the investor and DHA will consult with the valuers to reach agreement as to the proper market rent for the property. DHA's approach to resolving secondary reviews is to consider the market evidence presented by both valuers and endeavours to reach an equitable outcome, rather than to defend the initial rental valuations. For practical purposes, DHA will follow the following course of action to resolve secondary reviews:

- DHA's valuation staff, with the input of the DHA's representative at the regional office, will review the investor's valuation and forward it with any relevant comments to the valuer.
- DHA will ask the valuer to review the evidence presented and where possible, reach a joint agreement on the final valuation. Where both valuers agree, DHA will accept the agreed valuation. It is expected the valuers will provide a response within ten (10) working days of any queries from DHA valuation staff or receipt of an investor's valuation.
- If after considering the evidence, the valuers cannot reach agreement, DHA's appointed valuer is to advise DHA's valuation staff in writing of the outcome of discussions between valuers and make a recommendation to DHA based on their assessment of the rental evidence presented.
- DHA may then pursue negotiations with the investor direct.
- If no agreement can be reached within thirty (30) days following receipt of the investor's valuation, both parties have the option of seeking determination from the President of the Australian Property Institute in the relevant State or Territory.
- If a case goes to determination, DHA's valuer will be required to prepare a comprehensive submission to support the valuation assessed.