

# THE SOUTH AFRICAN VALUER



## National events 2016 – AGM Dinner and Seminar

SAIV and REIZ  
sign MoU

*Is this the first  
recorded land sale?*

# MPRA STANDARDS WORKING GROUP UPDATE: JUNE 2016

---

**The MPRA Technical Task Team nominated by the SACPVP met again on 8 June 2016 for a full two-day workshop. There was no 'messaging around' with politics or personal agendas. The workshop was chaired by Chris Gavor, the Valuer General. His mandate from Council was to review the entire document, Version 7.2, with the Technical Task Team and then present this to Council for adoption. It was proposed that these Standards would be published in the *Government Gazette* to formalise their acceptance by the profession.**

The Council has agreed that a drafting specialist will be requested to review the final draft document and to package and format it to meet drafting conventions and standards. The Technical Team was joined by representatives from both the metros and the smaller municipalities to provide much needed balance and input on their specific needs.

The purpose of the Standards is to ensure consistency in the performance of appointed municipal valuers. There is currently a negative perception in the market regarding the performance of appointed municipal valuers.

It was agreed that the Standards must follow procedures for standards development and must result in an appropriate structure similar to other professional standards. The MPRA Standards are principle based, not rule based. The Council is the monitoring agency and so the resultant standards must be enforceable by the Council. In this way the profession will be self-regulatory and held accountable in terms of these Standards.

It was agreed that the MPRA Standards are a starting point. The Valuer General made it clear that the intention is to develop future standards for other aspects of the valuation profession.

Local municipalities are usually guided through the business process. The municipal valuer must have a clear understanding of the legislation. The purpose of the Standards is not to provide a repetition of the legislation, nor to replace it in any way. Given this premise, all verbatim extracts from

the MPRA were removed from the draft Standards. Further it was agreed that a detailed set of practice notes/operational guidelines to assist in the interpretation of the provisions of the legislation would be assembled. These notes would include guidelines on appropriate valuation methodologies to be adopted for specialist properties, eg airports, tank storage facilities, heritage sites, etc. The Standards themselves must be straight forward and concise.

Lengthy discussion took place regarding the capacity of valuers to implement the standards. This issue needs to be re-visited and formalised.

## WAY FORWARD

All the changes made to the MPRA Standards Version 7.2 were to be captured and circulated to the Task Team for review. Certain critical inputs were required and these were to be included in the draft version. The timeline for the completion of the draft was the end of June 2016. As at the end of August the MPRA Working Group has received no further input or feedback from the Council's Technical Task Team. The assembly of the practice notes, case law and the various appendices was deferred to a future date.

The Technical Task Team is an effective team of specialists who have responded well to the direct leadership and clear directive of Chairman Chris Gavor. The workshop was constructive and a significant amount of valuable work was achieved. The MPRA Standards are on track and the interests of the profession are centre square on the agenda. ■