

The best bet

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The RICS Valuation Registration Scheme (VRS) becomes fully operational on 30 April, but only for valuers operating within the scope of the RICS Valuation Standards (the Red Book). Lorraine Howells explains

RICS members operating in the land and construction sectors of the property industry are probably aware of the [Valuer Registration Scheme](#) and the date (30 April) when registration becomes mandatory, but they might still be wondering whether the new scheme is relevant to them.

The VRS is an RICS initiative focused on [Red Book valuations](#) and designed to ensure they remain the global gold standard. The RICS Professional Group Board opted to develop the scheme after an independent review of the regulatory framework in 2005. Introduced in the autumn of last year and fully operational from 30 April this year, the VRS promises to have a transforming influence on the sector and expresses the firm commitment of RICS to raising valuation standards and protecting the public interest.

RICS regards all valuations as Red Book valuations unless they are specifically excepted under PS 1.2

The scheme has been structured in accordance with the government's better regulation principles of proportionality, accountability, consistency, transparency and careful targeting. Evaluation and monitoring will focus on areas identified as high risk, in an approach designed to reinforce professional standards through guidance and education. The dual goal is to increase consumer confidence by delivering valuation advice of the highest professional standard and to raise the status of professional valuers throughout the industry.

RICS regards all valuations as Red Book valuations unless they are specifically excepted under PS 1.2. Valuations carried out for loan security purposes, financial reporting, stock exchange work and takeovers and mergers are all Red Book valuations.

You are **not** expected to register if you carry out work in the following areas:

1. Valuation of replacement costs for insurance purposes. This applies to building and quantity surveyors operating in the construction sector and supplying such valuations within, or independently of, a valuation report.
2. Advice provided in preparation for, or during the course of, negotiations or possible

litigation. This relates to any matter that might eventually be subject to determination by a tribunal or court ? for example, a rent review, a proposed challenge to a local property tax value, or the initiation of rights of acquisition.

3. Expert advice given in compliance with local statute, regulations, or legal procedures. Any valuation prepared in anticipation of giving evidence before a court, tribunal or committee is regarded as being an exception to the Red Book, as it must comply with statutory requirements or assumptions and is governed by prescribed procedures. Valuations for the purposes of compulsory purchase, leasehold reform, right to buy and business rates fall into this category.

4. Arbitrations and similar disputes.

5. Internal valuations. This embraces valuations by internal practitioners, as well as external practitioners acting in an internal capacity, carried out solely for use by the organisation, where there is no intention to communicate any part of the report, including the valuation figure, to any third party.

6. Valuations for certain agency or brokerage work. Valuation work provided in the expectation of, or in the course of, an agency or brokerage instruction to dispose of, or acquire, an interest in property, including advice on whether a particular offer should be accepted or made. This exception does not apply if a client requires a report that includes an opinion of value that is regarded as within the Red Book.

Consumer protection is close to the heart of RICS and drives its high standards and regulatory processes. By promoting and monitoring valuation standards, the VRS will also reinforce the credibility and status of its members. Registered valuers will be instantly recognisable as the best in the business through the designation ?RICS Registered Valuer?, and leading banks in the residential, commercial and rural sectors have already expressed their commitment to using registered valuers.

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Further information

- [RICS Valuation Registration Scheme](#)
- Related competencies include: [T083](#)