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CHALLENGES FOR YOUNG VALUERS

Valuation is one of the important requirement of real-estate and asset management, and new entrant to valuation profession in India face several challenges during site inspections. These challenges can impact the accuracy and reliability of the valuation process. Here are some of the common challenges:

1. Lack of Experience

□ Problem: Young valuers are generally not well experienced and thus face challenges in discovering key factors which affect property value.

□ Impact: This can result in under- or over-estimation of property values, affecting credibility of the profession.

2. Knowledge of Local Market

□ Problem: Local market is very dynamics, such as demand-supply conditions of the property, neighborhood trends, and price variations are very critical. Young valuers may not be well-versed in these aspects.

□ Impact: This can lead to inaccurate comparables and misjudgment of property value.

3. Site Conditions Information

□ Problem: Correctly evaluating the physical condition of real estate including structural integrity, clarity of title of the property and environmental factors can be difficult to access without experience.

□ Impact: Failure to recognize these issues can lead to incorrect valuation for purpose.

4. Dealing with Data Discrepancies

□ Problem: Inconsistent or incomplete data from various sources, such as government records, property documents, like deed, layout, map, completion certificate, and third-party reports, can confuse young valuers.

□ Impact: This can result in conflicting assessments and errors in valuation.

5. Legal and Regulatory Understanding

□ Problem: •Laws relating to zoning plan, building rules, property rights and land acquisition in different parts of country are different. Young valuers may struggle to navigate these regulations effectively.

□ Impact: Misinterpretation of legal aspects can lead to valuation errors and potential legal disputes.

6. Client Expectations and Pressure

□ Problem: Young valuers face pressure from customers to make valuations that favour them (customers) rather than a correct or upright valuation based on market assessment.

□ Impact: This can lead to distorted valuation and moral and ethical conflicts.

7. Technological Adaptation

□ Problem: Young valuers are not able to make use of technology like GIS, Digital map, Jamabandi sites and latest machines like drones or data analytics due to in experience or not having knowledge.

□ Impact: Inadequate use of technology can reduce the efficiency and accuracy of the valuation process.

8. Safety and Accessibility Issues

□ Problem: Site inspections may involve visiting remote or unsafe locations. Young valuers might face difficulties in accessing these sites or ensuring personal safety.

□ Impact: Absence of free access can lead to imperfect inspections which can result to incorrect valuations..

9. Time Management

- Problem: Valuations often need to be completed within tight deadlines, and young valuers may struggle with time management, especially when multiple inspections are involved.
- Impact: Rushed inspections can lead to oversight and errors in valuation.

10. Ethical Challenges

- Problem: Young valuers might face situations where they are asked to compromise on ethical standards, such as inflating values for client benefit.
- Impact: Having a lenient view on ethics can lead to loss of professional reputation and litigation/legal issues.

Overcoming challenges in valuation for young valuers in India during site inspections require a strategic approach that combines education, mentorship, practical experience, and ethical practice. Here are some steps that can help:

1. Seek Mentorship and Guidance

- Join Professional Networks: Becoming a part of professional organizations like the Divya Jyoti Valuers Foundation enable access to knowledgeable valuers to provide guidance.
- Mentorship Programs annually or monthly: Actively seek out mentors who can provide hands-on training and advice on best practices during site inspections.
- Shadowing under Senior Valuers: Spend time on-site with senior valuers to observe how they conduct inspections and handle complex situations.

2. Invest in Continuous Learning (Compulsory)

- Formal Education: Enroll in courses and certifications related to real estate, valuation, and property law. This can deepen your understanding of market dynamics and legal frameworks.
- Workshops and Seminars: Attend workshops, seminars, and webinars on valuation techniques, market research and application of technology in valuation.
- Stay Updated: Regularly go through reports, journals and news pertaining to trends of real estate, market conditions, and regulatory changes.

3. Develop Local Market Expertise during site visit as per verbal skills

- Conduct Market Research: Devote time in exploring local property market and observing price trends, demand-supply factors, and neighborhood characteristics.
- Field Visits: •Make visits frequently of different areas to get acquainted with various types of properties construction quality, and neighborhood influences on property value.
- Networking with Local Agents: Build relationships with local real estate agents, brokers, and developers to gain complete knowledge of state of market and its direction.

4. Enhance Technical Skills

- Use of Technology: Learn to effectively use valuation software, Geographic Information Systems (GIS), and other digital tools which make available correct site assessment.
- Drone and Imaging Technology: Get trained in using drones or advanced imaging techniques for inspecting large or hard-to-reach properties.
- Data Analysis: Improve your data analysis skills to better interpret market data, comparable, and property records.

5. Strengthen Legal and Regulatory Knowledge

- Study Property Laws: Take time to study Indian property laws, land acquisition regulations, zoning laws, and other relevant legal frameworks.
- Legal Consultation: In case of any doubt legal advisor or more experienced valuer should be consulted to ensure compliance with all legal requirements during site inspections.
- Regulatory Updates: Keep up with changes in regulations that may impact property valuation, such as new government policies or amendments to existing laws.

6. Improve Communication and Negotiation Skills

- Client Communication: Develop strong communication skills to manage client expectations, clearly explaining your valuation process and findings.
- Ethical Negotiation: Learn to navigate situations where clients may pressure you to alter valuations, maintaining your ethical standards.

7. Prioritize Safety and Accessibility

- Safety Precautions: Always prioritize personal safety during site inspections, especially when visiting remote or potentially unsafe locations. Carry necessary safety gear and inform someone of your location.
- Access Planning: Plan your visits to ensure you have all necessary permissions and access to the property. If access is restricted, reschedule the inspection or arrange for alternatives, such as a guided tour by a property manager.

8. Practice Time Management

- Scheduling: Plan site visits well in advance, allowing ample time for thorough inspections and follow up analysis.
- Task Prioritization: Learn to prioritize tasks, focusing on critical aspects of the site inspection that most significantly impact the valuation.
- Avoid Rushing: Allocate sufficient time for each inspection to ensure no detail is overlooked, even if it means scheduling fewer inspections in a day.

9. Ethical Commitment

- Adhere to Professional Ethics: Uphold strong ethical standards by providing unbiased, fact-based valuations, even when faced with pressure to do otherwise.
- Transparency: Maintain transparency in your methods and findings, documenting your process and rationale for future reference.

10. Regular Feedback and Reflection from client

- Seek Feedback: After completing valuations, seek feedback from clients, mentors, and peers to identify areas for improvement.
- Reflect on Experience: Regularly reflect on your site inspection experiences, noting challenges faced and how they were addressed. This reflection can guide future inspections.

By actively pursuing these strategies, young valuers in India can gradually overcome the challenges they face during site inspections, leading to more accurate and reliable valuations, as well as professional growth.

