

Property Valuers Professional Standards – Past, Present and Future

The idea behind the development of the Polish Professional Standards for Property Valuers (PSPV) by the Polish Federation of Valuers' Associations (PFVA) was making the professional practice in a property valuation more consistent, as well as harmonize activities and rules used in conducting valuation business by professional valuers. The objective of the professional standards is to promote consistent rules in terms of approaches applied in a property valuation and secure interests of the client.

With regard to Poland's accession to the European Union, expansion to European real estate markets and the necessity to extend the binding standards in order to accommodate new concepts, a need and necessity arose to amend hitherto enforceable PSPV, adjust them to international valuation standards and directions of changes on international real estate markets and new areas of valuation.

Currently, due to numerous changes, new directions and areas of property valuers' professional activity it is planned to depart from PSPV approved by the National Council of PFVA and use them as a thread to develop new standards, matching the international ones. The New National Valuation Standards (NNVS) are to contain two groups of standards: Basic Valuation Standards (BNVS) and Special Valuation Standards (SNVS). Both group would be subject to reconciliation with the Ministry of Construction, as stipulated in the Real Estate Act.

At present, the most important task of the Standard Committee is to decide on the status of currently binding standards through the development of a new Standard 1.1 "Application of PSPV in the transition period with a general rule of departure". That standard will regulate the use of PSPV in the transition period before NNVS are agreed and approved by the Ministry of Construction. In the transition period the property valuer will have the opportunity to depart from provisions contained in the standards and if he/she chooses do so, will have to provide a justification of such departure. A portion of PSPV will be changed to Guidance Notes to the newly developed standards and as such will not be treated as standards but merely as recommendation or advice for valuers and hence will not be subject to reconciliation with the Ministry of Construction.

In 2007 three basic standards are going to be developed and reconciled by PFVA Standards Committee:

BNVS 1: Market Value and Replacement Value,
BNVS 2: Non-Market Values,
BNVS 3: Valuation Reporting.

and two special purpose standards:

SNVS 1: Valuations for Public Purposes
 KSWS 1.1. Valuation of Properties Left Behind the Current Borders of Poland for the
 Purpose of Indemnity Payment

SNVS 2: Valuation for Financial Reporting in the Context of the Accounting Act