

Sustainability and commercial property valuation information paper produced by RICS in 2009

The Valuation Information Paper (VIP) discusses some of the key issues that may be or may become relevant when undertaking valuations of commercial buildings. The issues include the assessment of whether properties are resilient to environmental risks (such as potential loss of energy sources and flooding) and recognition of the changing needs of occupiers as the adoption of Corporate Social Responsibility (CSR) policies becomes more prevalent.

Many of the issues discussed in the VIP also apply to domestic properties including those held for investment purposes, specialised properties, and non-commercial properties such as heritage assets. However, these are not specifically addressed. Instead the document relates primarily to those properties that have a wider commercial use and are either owner-occupied or comprise part of an investment portfolio. It has been prepared for global application but local market conditions and the extent of the local recognition of the issues have to be taken into account.

The report includes information on the following:

1. The role of the valuer
2. A background to sustainability
3. Defining sustainable buildings
4. Assessing a building's sustainability characteristics including:
 - Collecting evidence: inspection and other investigations
 - Land use,
 - Design and configuration,
 - Construction materials and services,
 - Location and accessibility considerations,
 - Fiscal and legislative considerations,
 - Management and leasing issues
5. Reflecting sustainability characteristics in the valuation

The report concludes that the valuer has a responsibility to the client to ensure that a valuation reflects the material factors that may influence value. Markets appear to be moving towards a requirement for greater recognition of sustainability issues. Accordingly, as sustainability issues grow in relevance to the market place, it becomes increasingly important that the valuer is aware of them and can reflect them in the advice given.

If you wish to obtain a copy of this Valuation Information Paper No 13, please contact RICS on ++44 (0)870 333 1600, or alternatively email contactrics@rics.org