

The difference professional valuation makes

SURVEY & VALUATION

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Organisations and individuals who own, lease, occupy, develop or transact property rely on valuations to inform critical decisions. From sales and acquisitions to mortgages, compensation claims and investment planning, valuations guide real estate players in managing risk and allocating capital.

The RICS Valuation – Global Standards, commonly known as the “Red Book,” issued by the Royal Institution of Chartered Surveyors (RICS), sets mandatory requirements for members providing valuation services. These standards promote consistency, transparency and high-quality valuation.

In Uganda, valuers are registered and regulated by the Surveyors Registration Board, which oversees land, quantity and valuation surveyors. Registration ensures that professionals meet defined standards of competence, training and ethical conduct before offering services to the public. Why it matters

Knowledge

Professional valuation rests on knowledge. Before registration, valuers undergo years of formal education covering valuation principles, economics, construction, law and market analysis. They must

then demonstrate competence through structured practical training and assessment.

Learning does not end at qualification. Continuing Professional Development is mandatory, requiring valuers to update their knowledge regularly. Property markets are influenced by economic shifts, regulatory changes, technological developments and evolving investment patterns. Without continuous learning, professional relevance quickly declines.

Valuation is not simply applying formulas. It demands an informed interpretation of market conditions. A valuer must understand supply and demand dynamics, pricing trends, financing conditions and investor sentiment. Accurate valuation depends on analyzing comparable transactions and adjusting for differences in location, condition, tenure and timing.

Knowledge of both technical principles and current market realities is essential for delivering opinions of value that are credible and defensible. Public confidence in valuation outcomes depends heavily on the professional competence of those preparing them.

Recognition

Expert opinions carry weight because they are recognized. In financial markets, recognition deter-

mines credibility. Banks, for example, are exposed to significant lending risk. Decisions to extend credit often depend on formal valuation reports assessing the adequacy of property offered as collateral. Without reliable valuations, loan portfolios would be more vulnerable to default risk.

Valuations also strengthen negotiating positions. Consider a tenant whose commercial lease is nearing expiry. By commissioning a valuation to determine prevailing market rent, the tenant gains objective evidence to support negotiations with a landlord. If market conditions justify lower rent, the valuation provides a factual basis for adjustment. Without such evidence, discussions would rely largely on perception rather than data.

In transactions involving sales, acquisitions or compensation claims, an independent valuation offers neutrality. It reduces disputes and provides assurance to all parties that decisions are grounded in professional analysis rather than speculation.

Standards

Standards ensure consistency and transparency. The Red Book emphasizes objectivity, accuracy and clarity in reporting. When valuations follow recognized standards, users can trust that defined methodologies and ethical safeguards have been applied.

Consistency is particularly important in complex or cross-border transactions. Investors and financial institutions require assurance

that valuations are prepared using frameworks aligned with international benchmarks. Standardized approaches reduce variability and enhance comparability between properties and markets.

In Uganda’s expanding real estate sector, adherence to professional standards strengthens investor confidence and supports market stability. As the property market grows more sophisticated, structured valuation practices become increasingly important.

Final thoughts

Valuations influence a wide range of economic decisions. They shape lending outcomes, guide investment strategies, inform lease negotiations and support compensation assessments. Given their impact, valuations should not be viewed as optional expenses but as essential tools for sound decision-making.

Professional knowledge, regulatory oversight and adherence to standards distinguish credible valuation practice from informal opinion. As markets evolve and transactions grow more complex, reliance on qualified valuers becomes even more critical.

Ultimately, sound valuations protect individual interests while supporting the integrity and transparency of the property market.

The writer is a Chartered Surveyor

Valuable asset

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