

BARBADOS BANKERS ASSOCIATION CRITERIA FOR SELECTION OF VALUERS

1. (i) Qualification as a Chartered Surveyor or equivalent professional designation; and/or
(ii) Professional Accreditation from:
 - US, Canadian or British or other acceptable Valuation, Appraisal, or Quantity Surveying societies in residential, development or commercial real estate valuation;
or
 - The national valuers associations recognised in Barbados as responsible for maintaining the standards within the profession;

**** As there is a broad range of accreditations offered worldwide, the banks may evaluate each accrediting institution on a case-by-case basis.***

2. Experience:
 - minimum of 5 yrs experience in the field;
 - residential, commercial and land development;
 - history or successful valuations;
 - track record with other lending institutions;

**** The banks will consider the risk to the bank and the type of valuation required i.e. construction cost, forced sale value, market value on completion etc.***

3. Professional Indemnity Insurance – level commensurate with the risk to bank;
4. Ability to provide the valuation report using current and internationally accepted methodologies i.e. Examples of such methodologies include, but are not limited to Replacement Cost, Income Approach and Fair Market Value;
5. Reputation – established record of competence, professionalism and impartiality;
6. Ability to meet the Bank's Appraisal Report requirements. The Report should contain at a minimum:
 - A detailed legal description of the property;
 - On market value by following a reasonable evaluation method, which addresses all recognized approaches to market value (to include comparable sales) with at least three reasonable comparables.
 - Adequate information in relation to both current and projected market conditions.
 - A valuation based on the Cost Method.
 - Where the property is, or could be, an income-generating property (e.g. an investment property – condo hotel unit, etc.), the appraisal must contain a valuation based on the Income Method. The appraisal must clearly indicate the cap rate and terminal cap rate, and how these figures were calculated.

**** Individual banks may have additional requirements at their own discretion.***

***** Note that the meeting attendees suggested that a standard form be created for use by the valuers for residential properties only. Instead of creating a standard form, the valuers can provide reports using the headings above.***

7. Other matters which may be taken into consideration by individual banks in selecting a valuer include, but are not limited to:
- Size of firm
 - Multi disciplined firms
 - Ancillary services provided
 - Corporate structure
 - Outstanding judgments, orders etc. against the firm
 - Bankruptcy

Also note that each bank will ensure that its staff understands that the list of valuers maintained by them is a list of those valuers whose services the banks have already assessed and found satisfactory, however, valuers who are currently not on the list may also be considered.

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