



**VANCOUVER
VALUATION
ACCORD**

March 2, 2007

**AN AGREEMENT TO ADDRESS THE
INTERRELATIONSHIP OF SUSTAINABILITY
AND VALUE.**

Vancouver, British Columbia, Canada

Introduction

Valuations and appraisals are international, standards-based tools used by and for companies, individuals, governments, finance, investment, development, shareholders, insurers and a wide variety of others. Governed by professions, they are a fundamental aspect of everyday business, largely focused on value.

The Vancouver Valuation Accord is a response to the evolving importance of sustainability and the need for its implications to be understood in valuations and appraisals. It is a commitment to review sustainability and valuation, including education, standards and practices, with the aim of improving understanding of their relationship. The Accord will be developed and managed through its web site, www.vancouveraccord.org.

The Benefits of the Accord

The Accord is expected to report back in 2010, with the following main benefits:

- Collaboration by clients, supporters, observers, stakeholders, and professionals on agreed practices and standards;
- Participation in open and transparent consensus to create consistent approaches to value, sustainability and valuation;
- Creation of and access to combined and qualified resources, including discussion on this important subject;
- Educational tools, resources and courses to improve knowledge and skills;
- *For lenders, owners, developers etc.:* helping to ensure your needs are met by giving input to any changes that may affect valuation practices and standards;
- *For design, construction and other property professions and trades:* resources and information on the relationship of sustainable design, development and renovation on value;
- *For valuers and appraisers:* access to information, education and resources that will help you understand how to address sustainability within valuations;
- A short implementation timescale with input from all sectors.



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Cost & Participation

The Accord is a self-funding not-for-profit association, therefore:

- Observers may join without charge, but a voluntary contribution of US\$500 is suggested;
- Supporting organizations who use valuations are encouraged to provide input and a minimum contribution of US\$500 annually is sought. This will provide input to the Accord's development, a higher level of access to the professions and access to resources developed for and with clients, supporters and stakeholders;
- Valuation professions will pay an annual maximum charge for membership. Potential signatories should contact the Accord for details prior to signing, by contacting info@vancouveraccord.org. The charge supports the work of the Accord and provides resources to signatory members;
- Sponsorship and financial support will be sought to reduce individuals' cost, and will provide excellent profile on this important initiative. Please e-mail info@vancouveraccord.org for further information.

How to Sign

The Accord is a collaborative effort by valuation professions, stakeholders, valuation users and others interested in value and sustainability. It is open for signature by anybody or any organization:

- Valuation Signatories should sign the "Valuation Professions' Declaration" page of the Accord. Only valuation professions and associations that are standards holders with professional memberships and ethics should sign this page;
- Supporters, clients, stakeholders and observers wishing to provide input or share the Accord's resources should sign the "Supporters' & Observers' Declaration" page of the Accord. There is no restriction on the nature of signatory to the Stakeholder Signatories page;
- Completed commitments should be mailed or faxed to the GLOBE Foundation, or scanned and e-mailed to info@vancouveraccord.org. Primary contact e-mail addresses must be provided. Payments should be mailed to GLOBE at the address on page 1 of this document with a signed original copy of the applicable page of the Accord.

Valuation Professions' Declaration

The Vancouver Valuation Accord addresses the interrelationship of sustainability and valuation.

For the purposes of the Accord, the definition of **sustainability** has been adopted from the UN's Brundtland Commission's report (1987) as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This definition is supported by further explanation, noted in several United Nations texts, most recently the 2005 World Summit Outcome Document, as being the "interdependent and mutually reinforcing pillars of sustainable development – economic development, social development, and environmental protection."

International Valuation Standards (IVS) defines **value** as "the price most likely to be concluded by buyers and sellers of a good or service that is available for purchase. Value establishes the hypothetical or notional price that buyers and sellers are most likely to conclude for the good or service. Thus, value is not a fact, but an estimate of the likely price to be paid for a good or service available for purchase at a given time."

Currently the valuer's primary responsibility in accordance with IVS and other recognised standards, is to reflect market sentiment, in which value and sustainability may be at variance. However, recognising the evolving importance of sustainability we, the undersigned, commit to:

- A review of how sustainability relates to the practice and standards of valuation.
- Working with stakeholders and supporters to promote awareness of and competency in the appropriate methods of addressing sustainability in valuations and appraisals.
- Working with those within and outside the valuation professions worldwide, to educate and inform about sustainability and its relationship to value.
- Regular reporting of our collaborative progress via an agreed secretariat set up for that purpose and targeting a full report on progress at GLOBE 2010 in Vancouver, British Columbia, Canada.

Organization name: _____

Authorized signature: _____

Please also print name

Date: _____

Supporters' & Observers' Declaration

We, the undersigned, commit to:

- Working with and providing input to the valuation professions on our needs as we perceive them, of developing and implementing approved education curriculum that relates to sustainability and its value;
- Supporting the valuation organizations to the extent we are able, in educating those within and outside our organizations on the need to evaluate sustainable principles and their role in valuation practice; and,
- Supporting the report on implementing this accord at GLOBE 2010 in Vancouver, British Columbia, Canada.

Organization name: _____

Leave blank if an individual

Authorized signature: _____

Please also print name

Date: _____

Type: *Please circle one*

Supporter

Observer

Definitions

Observer: *Agrees with the Accord's principles as stated.*

Supporter: *Agrees with the Accord's principles, uses valuations or appraisals directly or indirectly, wishes to have greater access to the Accord's resources or wishes to make a greater contribution.*

For more information see the Introduction pages of the Accord.