



Appraisal Institute[®]

Professionals Providing Real Estate Solutions

**International Forum on
Greening Real Estate Markets
A Multi-Stakeholder Perspective**

Dessau, Germany

November 2010



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Developments in Green Valuation

Presented by Leslie P. Sellers, MAI, SRA

President of the Appraisal Institute

(United States)



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About the Appraisal Institute

The Appraisal Institute



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- More than 25,000 members worldwide
- Mission: to advance professionalism and ethics within the valuation discipline
- Support global standards for profession

International Relations



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- Hundreds of non-U.S. members in 60 countries
- Agreements with other organizations
- Host, attend events
- Textbook; master's programs
- Non-U.S. AI designations



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Appraisal Institute Leadership on Green Valuation

Vancouver Valuation Accord



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- Addresses the interrelationship of sustainability and valuation
- Signed March 2007 in Vancouver, British Columbia, Canada
- Appraisal Institute: sponsor organization
- Summit included UN Environment Programme

AI's Green Building Certificate Program



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- Will include 3 courses
 - Principles of green buildings
 - Residential appraising
 - Commercial appraising
- Coming in 2011

AI Education



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- “An Introduction to Valuing Green Buildings”
- “Valuation of Green Residential Properties”
- “Introduction to Green Buildings: Principles & Concepts” (Jan. 2011)
- “Case Studies in Appraising Green Residential Buildings” (Jan. 2011)



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AI Publications

- “An Introduction to Green Homes”
- Published in June 2010
 - Certification programs
 - Green home products, features
 - Case studies



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AI Articles

- The Appraisal Journal
 - “Green Buildings: Valuation Issues and Perspectives”
- Valuation magazine
 - “Finding Green in Sustainability”
 - “Valuing Sustainable Leases”



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Appraisal Institute Recommendations

Global Standards



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- Uniform global valuation standards
 - Transparency
 - Clarity
 - Accountability
 - Standardization
- Focus on competency, professionalism

Global Standards



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- Advancement of valuation profession
- Complexity of interconnected world economy
- Knowledgeable, accountable valuation experts

Real Estate Market Advisory Group Document



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- UNECE's Real Estate Market Advisory Group's policy framework
- Sound restructuring of real estate
- Appraisals are critical components
- Global standards, increased professionalism

AI Recommendations



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- Supervision of financial institutions in mortgage sector
 - Value investments at market (or fair) value

AI Recommendations



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- Government agency guidelines: clear, consistent, strongly enforced
 - Make collateral valuation requirements easy to understand
 - Provide adequate resources for enforcement

AI Recommendations



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- Valuations by competent professionals
 - Demonstrated knowledge, competency
 - Rigorous education, experience, oversight, development

U.S. Experience



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- Standards only as good as enforcement
- Much turmoil could have been avoided
 - Reforms now moving through Congress
- Efficient regulatory mechanism
 - Sufficient funding
 - Appropriate enforcement powers



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Questions?

Thank You



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