

Valuers (Minimum Scale of Fees) (Amendment) Regulations, 2015
(No. 1)

IT is hereby notified that the Minister of Local Government, Public Works and National Housing has, in terms of section 45 of the Valuers Act [Chapter 27:18], made the following regulations:—

1. These regulations may be cited as the Valuers Minimum Scale of Fees (Amendment) Regulations, 2015 (No. 1).

2. The Valuers (Minimum Scale of Fees) Regulations, 2006, published in Statutory Instrument 156 of 2006 (hereinafter called "the principal regulations"), are amended by the deletion of the scale of fees and insertion of the following:—

"SCHEDULE

SCALE OF VALUATION FEES

1. **Scale 1: Valuation of free hold or lease hold interests in property market valuation/insurance (Gross Replacement Cost)/Depreciated Replacement Cost**

The following scale of fees shall be applicable for the above mentioned valuation basis. In deriving fees for properties that have been valued on the DRC basis regard shall be given to the GRC for fee purposes.

NOTES

Definitions to Scale 1 – Valuation Fees

"property value ranges": means the value category wherein a property lies in;

"base value": means the minimum value within a specified "property value range";

"base fee": means the minimum fees that are charged in that category on the base value;

"valuation fee": means where the property has a value higher than the base value, the valuation fee shall be calculated as follows:

$$\text{Valuation Fee} = \text{Base fee} + (\text{Value of property} - \text{Base value}) \times \text{Additional Tariff on Top of Base Fee}$$

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Property value ranges (per property) US\$		Base fee US\$	Additional tariff on top of Base fee
0	50,000	200,00	Fixed
50,001	150,000	200,00	0.250%
150,001	500,000	450,00	0.125%
500,001	1,250,000	887.50	0.085%
1,250,001	5,000,000	1,525,00	0.040%
5,000,001	10,000,000	3,025,00	0.030%
Over 10,000,000	—	4,500.00	Plus 0.020% or by negotiation, above the base fee, prior to undertaking the valuation.

2. Detention and cost recovery

The valuation fees exclude the time charge. If the valuation involves extensive travel or detention/or the valuer is detained not of his/her own accord during the assignment a time charge can be applied over and above the recovery of such costs and expenses as are applicable to the exercise. The recovery of costs and expenses must be agreed with the client, save where there are explicit guidelines from the Council.

3. Scale 2: Requirement of more than one valuation on a property

Where more than one valuation is required of a property e.g. Market Value and Insurance Value, for the higher value the valuation fee shall be in line with the prescribed fees scale. On the second or lower value, the prescribed fee scale shall apply to 50% of the value.

4. Scale 3: Revaluation

When a valuer is instructed to revalue a property which they have valued within the preceding period of two years, and the

property or the interest therein has not changed materially since the first valuation, the fee may be reduced by 50%.

5. Scale 4: Rental assessment

All properties at 1.75% of the assessed annual rent subject to a minimum valuation fee of \$250,00:

- (1) This fee is for the determination of the current market rental and does not include the determination of future market rentals. A current market rental for the purposes of this section has been defined to include rentals for the next 12 months and including the preceding 6 month period.
- (2) It does not include the negotiating of rentals on behalf of a client nor the representation of a client's interest in a litigation process.
- (3) In addition to the scale of fees a rate may be charged on a time basis for necessary investigations and research.
- (4) The fee for any rental assessment should not be less than \$250,00.

6. Scale 5: "Before and After" valuations

When instructed to prepare two valuations on the concept of the "before and after" valuation of a single property a member may charge for each valuation separately in terms of L.I. Scale 1:

Provided that the work involved in preparing the second valuation does not amount to performance of a completely separate valuation the fees may be determined on the higher of the two valuations.

7. Scale 6: Valuation of a portion of a property

Where a valuation is required of a portion of, or an undivided share in, a property and it is necessary to value the whole portion in order to determine the value of the part, or the share, the fee may be based on the value of the whole property.

8. Scale 7: Rating valuations

- (1) Local Authorities: to be given on application.
- (2) Representing local authority: fees per time charge scale.

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- (3) For individual objector: Scales 1 and 4 will apply in respect of the valuation of the property. Time charge will apply in as detention for representation of the client at the Valuation Board.

9. Scale 8: Compulsory purchase

In connection with expropriation by Government, Local authority or Statutory Bodies—

- (1) to the valuer who prepares the case (including negotiations for the settlement where required).

Value of compensation negotiated US\$		Base Fee US\$	Additional Tariff on Top of Base fee
0	50,000	750.00	Fixed
50,001	250,000	750.00	5.00%
250,001	500,000	10,750.00	2.00%
500,001	1,000,000	15,750.00	1.00%
1,000,001	25,000,000	20,750.00	0.30%
Above 25,000,000		95,750.00	0.030% or by negotiation above the base fee

- (2) to any additional valuer who qualifies to give evidence fees shall be at the rate of 50% of Scale 8 above.

10. Scale 9: Plant and machinery valuations

Asset Value (per asset) US\$		Base Fee US\$	Additional Tariff on Top of Base fee
0	50,000	400.00	Fixed
50,001	150,000	400.00	0.40%
150,001	500,000	800.00	0.30%
500,001	1,000,000	1,850.00	0.20%
1,000,001	10,000,000	2,850.00	0.085%
Above 10,000,000		10,500.00	0.020% or by negotiation above the base fee

11. Scale 10: Valuation of crop and/or timber

The valuation of crop and/or timber shall be 2.15% of assessed value with a minimum of \$250,00.

12. Scale 11: Valuation of live or dead livestock

The valuation of live or dead livestock shall be on application.

13. Scale 12: Valuation of furniture, fixtures, trade stocks and effects including motor vehicles

The valuation of furniture, fixtures, trade stocks and effects including motor vehicles shall be as per Scale 9 in paragraph 10 above.

14. Scale 13: Valuation of antiques and works of art

The valuation of antiques and works of art shall be on application.

15. Time charge: Charge out rates/detention

The guide line charges per hour or part thereof, are as follows—

(1) Valuer

Period of experience as member US\$	Fee rate \$ per hour
Up to 5 years	100.00
6-10 years	135.00
11-15 years	175.00
Over 15 years	225.00

(2) A Valuation Assistant may charge a flat fee of \$50,00, per hour.

16. Attendance at court, arbitration and other such proceedings

A fee as set out in paragraph 15(1) may be charged for preparing for and attending any court, arbitration or other proceedings, enquiries or meetings or to give evidence and for consultation and attending on attorneys and counsel, time taken in research, making enquiries and preparing evidence.

17. Fees on cancellation or postponement of proceedings
In the event of such attendance at courts, arbitrations or other proceedings, enquiries or meetings being postponed, cancelled, any day, fees for a minimum of four hours should be charged for that day, even if no hearing is attended.

18. Fees for acting as an arbitrator, mediator, member of a tribunal or assessor in court proceedings

(1) Registered Valuers may charge fees at the rate prescribed in paragraph 15(1) provided that the minimum fee shall be that for 2 hours at the appropriate scale per day, when acting as an arbitrator, mediator, member of a revision court/board, valuation court/board for rating purposes or as an assessor in any court/board proceedings.
(2) In addition to the remuneration set out above, the following services may be charged based on the Scale A—Legal, in paragraph 15(1) —

(a) attendance at preliminary hearings provided that the fees shall not be less than the minimum hourly rate for the Valuer's category;

(b) inspections in loco;
(c) perusal of documentation and attendance thereon;
(d) preparation for hearings; and
(e) preparing and presenting the awards.

(3) In the event of a member accepting any of the foregoing appointments at a venue other than in his or her usual residential or business area, he or she may charge the necessary travelling and accommodation expenses in terms of 4(i).

(4) In the event of any arbitration hearing, mediation, revision court/board, valuation court/board, or other relevant hearing being postponed, cancelled, settled by mutual consent or legal process at any time during any day, the following minimum fees may be charged —
(a) within 7 working days of the day set down for the hearing — 4 hours

- (b) within 3–6 working days of the day set down for the hearing—8 hours; and
 - (c) within 1–2 working days of the day set down for the hearing—\$1,000.
- (5) When fees dealing with valuation courts/boards or committees are laid down by statute, then the member may accept such fees.

19. Allowances

- (1) In addition to the remuneration set out above, the following transport allowance may be claimed in all cases in which the valuation (including court, arbitration or other proceedings, enquiries or meetings to give evidence, or for consultations and inspections in loco) has to be performed at a place other than the place of business of a registered person—
- (a) when own transport is used: mileage charge at \$0.80 per kilometre or at AA rate whichever is higher;
 - (b) when public transport is used – the actual cost.
 - (c) when conveyance is hired – the actual cost.
- (2) No transport allowance should be claimed when the person requiring the valuation provides suitable and safe transport: provided that where transport which is uninsured in respect of third party risk is offered, the registered person need not accept such conveyance but shall be free to proceed as if no transport facilities have been offered.
- (3) In addition to the remuneration and transport allowance set out above, the following may be claimed—for the time spent travelling to and from the place of valuation and necessary detention while not engaged in the valuation, the time charge as set out in paragraph 15(1):

Provided that detention may be waived if the valuation is done locally, that is where the valuation is done in the ordinary location of practice of the valuer.

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- (4) Hotel expenses, meals, and refreshments, at cost. Accommodation at a minimum must be the equivalent of a three (3) star hotel.

20. Disbursements and costs

Disbursements and costs incurred by registered persons may be charged as follows—

- (1) purchase and preparation of plans and drawings – at cost;
- (2) obtaining expert advice and assistance – at cost;
- (3) postage, telephone calls, photocopies, photographs and other incidentals – at cost;
- (4) all other necessary expenses not specifically listed -- at cost.

Scale Notes

1. The minimum fees are fixed per the provisions of the Valuers Act [Chapter 27:18], section 45 (4)(b).
2. These fees will apply to all members as observed in the code of conduct.
3. The fees do not include any value added tax or any tax that may be imposed by the Government.
4. Valuations must be carried out, at a minimum, in accordance with the provisions of the International Valuation Standards (IVS). This is on a best principle and follows on the international trend in moving towards a harmonized practice in the valuation profession.
5. The fees that a member may charge include the fees per scale, as well as charges for time, travelling, accommodation costs and other actual expenditure.
6. Members must ensure that their instructions regarding valuations are clearly defined".