

Appraisal Institute Statement on Property Rights Symposium Discussion Paper and Draft Guide Notes on the Consideration of Leases in Fee Simple Valuations

In September 2017, the Appraisal Institute held a Property Rights Symposium attended by approximately fifty valuers, attorneys, and other interested parties with prior involvement relating to the specific questions posed, along with Appraisal Institute officers, committee chairs, and staff. The purpose of the symposium was to consider differences of opinion relating to the valuation of fee simple estates.

After the symposium, a "Property Rights Symposium Discussion Paper" was prepared and exposed to Appraisal Institute professionals and other interested parties. The Discussion Paper summarized the issues discussed at the symposium, described the proceedings at the symposium, set forth ideas emanating from symposium attendees, explored some possible implications of these ideas and identified a number of questions for individuals reading the Discussion Paper.

The purpose of the Discussion Paper was to stimulate broader discussion, thought and feedback. The ideas, views and opinions expressed in the Discussion Paper were not endorsed or approved by the Appraisal Institute. The Appraisal Institute did not take a position on the matters discussed, make any revisions to The Dictionary of Real Estate Appraisal or The Appraisal of Real Estate, or even make a proposal to do so. The Appraisal Institute hoped that the Discussion Paper would result in constructive dialogue around important issues to help advance the appraisal profession and public trust.

The Appraisal Institute is pleased that the Discussion Paper did in fact stimulate constructive feedback and dialogue within the profession on the issues raised. After feedback and dialogue, the Appraisal Institute decided to maintain its position of not endorsing or approving the ideas, views and opinions expressed in the Discussion Paper.

In March 2019, the Appraisal Institute exposed, to Appraisal Institute professionals, a draft Guide Note which concerned the consideration of leases in fee simple valuations. Based on the consideration of comments received on the draft Guide Note and further discussion, in November 2019, the Appraisal Institute exposed, to Appraisal Institute professionals, a revised draft Guide Note. After consideration of comments received on the revised draft Guide Note and further discussion the Appraisal Institute decided to not adopt the revised draft Guide Note.

The current Appraisal Institute Body of Knowledge is an authoritative source of recognized methods and techniques for valuation practitioners. The Property Rights Symposium Discussion Paper and draft Guide Notes are not part of the Appraisal Institute Body of Knowledge.

Adopted 5/6/2021