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L&B IBBI/RV/11/2022/14967

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Challenges For Young Valuers & How to Overcome Them

Valuation is a crucial aspect of real estate and asset management. However, young valuers in India face several challenges during site inspections. These challenges can impact the accuracy and reliability of the valuation process. Here are some of the common challenges:

1. Lack of Experience

- **Problem:** Young valuers often lack practical experience, which can lead to difficulties in identifying key factors that affect property value.
- **Impact:** This can result in under- or over-estimation of property values, affecting credibility.

2. Inadequate Knowledge of Local Market

- **Problem:** Understanding the local market dynamics, such as demand-supply conditions, neighborhood trends, and price variations, is critical. Young valuers may not be well-versed in these aspects.
- **Impact:** This can lead to inaccurate comparables and misjudgment of property value.

3. Interpreting Site Conditions

- **Problem:** Accurately assessing the physical condition of a property, including structural issues, legal encumbrances, and environmental factors, can be challenging without experience.
- **Impact:** Failure to recognize these issues can lead to incorrect valuation.

4. Dealing with Data Discrepancies

- **Problem:** Inconsistent or incomplete data from various sources, such as government records, property documents, and third-party reports, can confuse young valuers.
- **Impact:** This can result in conflicting assessments and errors in valuation.

5. Legal and Regulatory Understanding

- **Problem:** The legal landscape in India, including zoning laws, land acquisition regulations, and property rights, is complex. Young valuers may struggle to navigate these regulations effectively.
- **Impact:** Misinterpretation of legal aspects can lead to valuation errors and potential legal disputes.

6. Client Expectations and Pressure

- **Problem:** Young valuers may face pressure from clients to provide valuations that meet their expectations, rather than objective, market-based assessments.
- **Impact:** This can lead to biased valuations and ethical dilemmas.

7. Technological Adaptation

- **Problem:** While technology aids in valuation, such as using GIS, drones, or advanced data analytics, young valuers may find it challenging to effectively utilize these tools.
- **Impact:** Inadequate use of technology can reduce the efficiency and accuracy of the valuation process.

8. Safety and Accessibility Issues

- **Problem:** Site inspections may involve visiting remote or unsafe locations. Young valuers might face difficulties in accessing these sites or ensuring personal safety.

- **Impact:** Limited access can result in incomplete inspections, leading to inaccurate valuations.

9. Time Management

- **Problem:** Valuations often need to be completed within tight deadlines, and young valuers may struggle with time management, especially when multiple inspections are involved.
- **Impact:** Rushed inspections can lead to oversight and errors in valuation.

10. Ethical Challenges

- **Problem:** Young valuers might face situations where they are asked to compromise on ethical standards, such as inflating values for client benefit.
- **Impact:** Compromising ethics can damage professional reputation and lead to legal consequences.

Overcoming challenges in valuation for young valuers in India during site inspections requires a strategic approach that combines education, mentorship, practical experience and ethical practice. Here are some steps that can help:

1. Seek Mentorship and Guidance

- **Join Professional Networks:** Becoming a part of professional organizations like the Institution of Valuers (IOV) or the Royal Institution of Chartered Surveyors (RICS) can provide access to experienced professionals who can offer guidance.
- **Mentorship Programs:** Actively seeking out mentors who can provide hands-on training and advice on best practices during site inspections.
- **Shadowing Senior Valuers:** Spending time on-site with senior valuers to observe how they conduct inspections and handle complex situations.

2. Invest in Continuous Learning

- **Formal Education:** Enroll in courses and certifications related to real estate, valuation, and property law. This can deepen your understanding of market dynamics and legal frameworks.
- **Workshops and Seminars:** Attend workshops, seminars, and webinars on valuation techniques, market analysis, and the use of technology in valuation.
- **Stay Updated:** Regularly read industry reports, journals, and news related to real estate trends, market conditions, and regulatory changes.

3. Develop Local Market Expertise

- **Conduct Market Research:** Invest time in researching local real estate markets, including studying price trends, demand-supply factors, and neighborhood characteristics.
- **Field Visits:** Regularly visit different localities to familiarize yourself with various types of properties, construction quality, and neighborhood influences on property value.
- **Networking with Local Agents:** Build relationships with local real estate agents, brokers, and developers to gain insights into market conditions and trends.

4. Enhance Technical Skills

- **Use of Technology:** Learn to effectively use valuation software, Geographic Information Systems (GIS), and other digital tools that can aid in accurate site assessments
- **Drone and Imaging Technology:** Get trained in using drones or advanced imaging techniques for inspecting large or hard-to-reach properties.
- **Data Analysis:** Improve your data analysis skills to better interpret market data, comparables, and property records.

5. Strengthen Legal and Regulatory Knowledge

- **Study Property Laws:** Take time to study Indian property laws, land acquisition regulations, zoning laws, and other relevant legal frameworks.
- **Legal Consultation:** When in doubt, consult with legal experts or more experienced valuers to ensure compliance with all legal requirements during site inspections.
- **Regulatory Updates:** Keep up with changes in regulations that may impact property valuation, such as new government policies or amendments to existing laws.

6. Improve Communication and Negotiation Skills

- **Client Communication:** Develop strong communication skills to manage client expectations, clearly explaining your valuation process and findings.
- **Ethical Negotiation:** Learn to navigate situations where clients may pressure you to alter valuations, maintaining your ethical standards.

7. Prioritize Safety and Accessibility

- **Safety Precautions:** Always prioritize personal safety during site inspections, especially when visiting remote or potentially unsafe locations. Carry necessary safety gear and inform someone of your location.
- **Access Planning:** Plan your visits to ensure you have all necessary permissions and access to the property. If access is restricted, reschedule the inspection or arrange for alternatives, such as a guided tour by a property manager.

8. Practice Time Management

- **Scheduling:** Plan site visits well in advance, allowing ample time for thorough inspections and follow-up analysis.
- **Task Prioritization:** Learn to prioritize tasks, focusing on critical aspects of the site inspection that most significantly impact the valuation.
- **Avoid Rushing:** Allocate sufficient time for each inspection to ensure no detail is overlooked, even if it means scheduling fewer inspections in a day.

9. Ethical Commitment

- **Adhere to Professional Ethics:** Uphold strong ethical standards by providing unbiased, fact-based valuations, even when faced with pressure to do otherwise.
- **Transparency:** Maintain transparency in your methods and findings, documenting your process and rationale for future reference.

10. Regular Feedback and Reflection

- **Seek Feedback:** After completing valuations, seek feedback from clients, mentors, and peers to identify areas for improvement.
- **Reflect on Experience:** Regularly reflect on your site inspection experiences, noting challenges faced and how they were addressed. This reflection can guide your future inspections.

By actively pursuing these strategies, young valuers in India can gradually overcome the challenges they face during site inspections, leading to more accurate and reliable valuations, as well as professional growth.