Chapter D5 – VALUATION UNCERTAINTY

Definition	Valuation uncertainty exists when an uncertain factor (either in occurrence or quantity) could impact upon the valuer's estimated market value of an asset, such that the value may differ from the price that could be achieved in a transfer of the asset at the valuation date.
Treatment in valuation	Valuation uncertainty that could have a material impact on forest value must be reported.
What is reported?	Notes in the valuation report should disclose: • the existence and nature of the valuation uncertainty; • factors that may affect possible outcomes; • the potential financial effect, if it can be quantified, and it is useful to do so, by way of analysis such as sensitivity analysis.
Examples	Refer to Chapter B9 Guidance Notes on Valuation Uncertainty for examples.