# Chapter D6 – VALUATION

**Value statement**

The statement of the forest value is the most important part of a valuation report. It must be carefully worded so that it is not read in isolation from amplifications or reservations placed on it by the valuer.

The value statement should:

- state the value of the forest according to the opinion of the valuer;
- state that the value is exclusive of GST;
- state whether the value includes estimated costs to sell
- state the valuation currency;
- clearly refer to variable factors that have a material bearing on the stated value, by reference to the relevant part of the document;
- where variables are involved (such as discount rates or log price assumptions) give a preferred level;
- state the date at which the valuation is applicable.

**Reference:** Chapter C2 Presentation and Limitations

**Non-market (client) valuation**

Where the forest value that is presented is based on some non-market assumptions (such that it is not the economically rational or “highest and best” value), the market value should also be presented for comparison.

**Reference:** Chapter B12 Guidance Notes for Forest Valuation Method

**Change in value over time**

Where the current valuation is an update of a previous valuation, to the extent that is practicable, and consistent with the purpose, terms of reference and availability of data for the previous valuation, the valuation report should include:

- the date of the previous valuation and change in value since the previous valuation;
- any significant change to the methodology adopted;
- any significant changes in component inputs.

To the extent that is practicable, the valuer should calculate and report:

- the impact of changes to methodology and to individual component inputs, on the total change in value;
- the change in value since the previous valuation broken down into its major components; and
- the approach used to assess the value change attributable to each component, including the order in which each component is changed.

**Reference:** Chapter B13 Change in Value Over Time