

Fast track review of input methodologies for the application of airport land valuation methodology

Mark-up of proposed input methodology amendments to Schedule A

SCHEDULE A – AIRPORT LAND VALUATION METHODOLOGY

A1 Overview

- (1) This schedule sets out the mandatory requirements for a **valuer** to apply when undertaking a valuation of **land** held by an **airport** for the purposes of this determination.
- ~~(2) The valuation is required to be performed as if the land were to be put to its highest and best alternative use. This valuation approach is termed **MVAU**.~~
- ~~(3) The requirements in this schedule are a practical implementation of **MVAU** based on the valuation standards and valuation industry practices applying in New Zealand.~~
- ~~(4) In this schedule, requirements that must be applied by a **valuer** are accompanied by explanatory notes which provide interpretative guidance in applying the requirements.~~
- ~~(5)~~(2) This schedule contains the following clauses:

Clause	Content
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A2—MVAU definition

Requirement

- (1) ~~MVAU means the value of land in its highest and best alternative use, which is equal to the likely market price paid for the land by a developer or investor and is determined in accordance with the formula—~~
~~gross realisations or estimated value of the land—allowance for applicable development costs.~~
- (2) ~~For the purpose of subclause (1), ‘development costs’—~~
- ~~(a) include all relevant construction costs, holding costs and the developer's or investor's profit and risk; and~~
 - ~~(b) exclude—~~
 - ~~(i) the value of costs required to convert the land for the supply of specified airport services; and~~
 - ~~(ii) any allowance for remediation expenditure.~~

Explanatory notes

- (3) ~~MVAU is the value of land in its highest and best alternative use. This latter term means the most probable use of airport land, other than for supplying specified airport services, or a use to the extent that it is influenced by specified airport services which is physically possible, appropriately justified, legally permissible, financially feasible, and results in the highest valuation of the land in question.~~
- (4) ~~In undertaking an MVAU valuation, the value of land can be conceived of as the amount that would likely be paid by a developer or investor. This is arrived at by estimating the eventual gross realisations or estimated value of the land less allowances for applicable construction costs, holding costs and the developer's or investor's profit and risk.~~
- (5) ~~The quantum of gross realisations or estimated value of the land is best assessed using reliable evidence of the proceeds that would be obtained on the open market from an orderly sale of the land (in economically manageable parcels) within the period as would reasonably be needed to achieve the highest and best alternative use value of the land.~~
- (6) ~~MVAU is expressed singularly, but the term encompasses the potential for a range of different uses (other than use for supplying specified airport services or uses to the extent that they are influenced by specified airport services) to co-exist on the land which is probable where land holdings are large in size and have different location. As an example, it is likely that the highest value alternative use of the land held by Auckland International Airport Limited would comprise a combination of urban uses (e.g. commercial, retail, industrial, high density residential) and low density residential and heritage/rural.~~

- ~~(7) The **MVAU** valuation must exclude the value of costs to the extent that the costs are required specifically to convert the land into that suitable for the **supply of specified airport services**. It must also exclude any allowance for remediation expenditure. Thus the estimated market price must exclude any allowance for these costs. Airport conversion costs and remediation expenditure are addressed further in clause A9.~~
- ~~(8) Reliable, market based evidence for estimating the eventual gross realisations or estimated value of the **land** would usually be drawn from comparable market sales for **land** in a similar use, which ideally is located adjacent (or in close proximity) to the **land** being valued to the extent that the use is unaffected by the **supply of specified airport services**. The **valuer** should adjust these sales if necessary to account for physical characteristics such as size, shape, and contour.~~
- ~~(9) As an example, if the highest value alternative use of the **land** held by Auckland International Airport Limited comprises a combination of urban uses (e.g. commercial, retail, industrial, high density residential) and low density residential and heritage/rural, then market evidence of **land** in similar uses would be required, with adjustments for differing physical characteristics.~~
- ~~(10) A **land** sale by, or to, the **airport** can be considered to provide acceptable market based evidence where it is demonstrated that the relevant transaction occurred on an arm's length basis, and only to the extent that that the price and other terms of the sale are demonstrated not to have been influenced by the fact that **specified airport services** are supplied by the **airport**.~~
- ~~(11) It is likely that the **highest and best alternative use** will be limited to a predictable set of alternate uses due to existing and possible zoning and district plan requirements, contour and **land** area, surrounding **land** uses, as well as existing linkages and current market supply and demand.~~

A3A2 Professional valuation framework

Requirement

- (1) Subject to subclauses ~~(2) and (3)~~, ~~(2)~~, ~~(3)~~ and (4), **valuers** must undertake an **MVAU** valuation in accordance with the following valuation standards specified in the valuation and property standards, subject to any modifications, additions, or variations to those standards specified in this Schedule:
- ~~(a) IVS 2—Bases Other Than Market Value;~~
 - ~~(b) IVS 3—Valuation Reporting;~~
 - ~~(c) IVGN 1—Real Property Valuation; and~~
 - ~~(d) ANZVGN 1—Valuation Procedures Real Property.~~

- (2) **Valuation standards** with 'mandatory practice' status must be adhered to by **valuers**.
- (3) **Valuation guidance standards** with 'best/good practice' status must be adhered to by **valuers** when reasonably practicable.

Explanatory notes

- (4) ~~The relationship between the rules for **MVAU** valuations in this schedule and the professional valuation framework applying to **valuers** in New Zealand is explained below.~~
- (5) ~~**Valuers** are valuers acting in their capacity as members of the Property Institute of New Zealand ('PINZ') and/or the Institute of Valuers ('NZIV'). **Valuers** are required to comply at all times with PINZ's/NZIV's Code of Ethics, Rules of Conduct and the applicable requirements of the **valuation and property standards**.~~
- (6) ~~In October 2009, the Australian Property Institute and PINZ jointly published the **valuation and property standards** which publication includes all of the International Valuation Standards, Applications and Guidance Notes ('International Valuation Standards' or 'IVS') published by the International Valuation Standards Council. Where there are departures from International Valuation Standards, an explanatory note is included and highlighted in the **valuation and property standards**. Specific Australia and New Zealand **valuation standards** have also been included as part of the **valuation and property standards** for areas of practice not covered by or supplementary to the International Valuation Standards.~~
- (7) ~~Some **valuation standards** included in the **valuation and property standards** have 'mandatory practice' status for **valuers** which means that **valuers** must adhere to their requirements.~~
- (8) ~~The remainder of the **valuation standards** have 'best/good practice' status which means that their application is voluntary; however, PINZ recognises that when such standards are properly applied, they provide some professional support and can serve as a comparative measure of the level of performance of a **valuer**.~~
- (9) ~~In undertaking an **MVAU** valuation, the **valuation standards** with 'best/good practice' status specified in this Schedule must be applied wherever possible by a **valuer**.~~
- (10) ~~The majority of **land** valuations undertaken in New Zealand are done having regard to the requirements of International Valuation Standard 1 ('IVS 1')—Market Value Basis of Valuation. In order to estimate Market Value under IVS 1, however, a **valuer** is required to determine the highest and best use or most probable use of the asset. That use may be for continuation of a property's existing use or for some alternative use.~~
- (11) ~~While it is possible that a value produced using the criteria in IVS 1 would reflect the **highest and best alternative use** of airport **land**, this is not an inevitable outcome as IVS 1 permits a valuation to take account of a~~

property's existing use. The requirements for an **MVAU** valuation indicate that the valuation should instead be undertaken under International Valuation Standard 2 ('IVS 2')—Bases Other Than Market Value.

~~(12) In addition to applying IVS 2, International Valuation Standard 3 ('IVS 3')—Valuation Reporting is of mandatory application to an **MVAU** valuation and the **valuer** must therefore comply with IVS 3.~~

~~(13) The **valuation and property standards** also include Guidance Notes which, as the name suggests, provide guidance on specific valuation issues and on how other **valuation standards** are to be applied. A **valuer** must comply with the following Guidance Notes as **valuation standards**:~~

~~(a) International Valuation Guidance Note 1 ('IVGN 1')—Real Property Valuation; and~~

~~(b) Australia and New Zealand Valuation Guidance Note 1 ('ANZVGN 1')—Valuation Procedures Real Property.~~

~~(14) These **valuation standards** mentioned are applicable to an **MVAU** valuation as further specified in clauses A4 to A7.~~

~~A4—IVS 2—Bases other than market value~~

Requirement

~~(1) Any requirement in the **MVAU** approach to determine the 'fair value' of **land** must be done in accordance with IVS 2—Bases Other than Market Value.~~

~~(2) All assumptions made in undertaking such a valuation must be disclosed.~~

Explanatory notes

~~(3) While market value can be the most appropriate basis of value for a wide range of purposes, alternative valuation bases may well be appropriate in certain circumstances. The objective of IVS 2 is to distinguish and explain bases other than market value.~~

~~(4) Valuations may be undertaken under this standard for several reasons, such as—~~

~~(a) due to some specific benefit that an entity enjoys;~~

~~(b) due to ownership of an asset; or~~

~~(c) the value may represent a price agreed between two parties where the price reflects a specific advantage (or disadvantage) of ownership to the parties rather than wider market circumstances.~~

~~Lastly, a value may be undertaken under this standard as required by or in accordance with a definition set out in statute or contract.~~

~~(5) IVS 2 terms the valuation arrived at as 'fair value', which is a wider concept than **MVAU**, although in some circumstances will produce the same result. The fair value approach requires the determination of a price that is fair~~

~~and equitable between two specific parties and may take into account matters that must be disregarded in the assessment of market value. The fair value approach requires consideration of the respective advantages and disadvantages that each party will gain from the transaction.~~

~~(6) The chief matter to be disregarded in undertaking an **MVAU** valuation under IVS 2 is the availability of the **land** for **supplying specified airport services** or for other uses to the extent they are influenced by **specified airport services**. The reason for this is explained in clause A8.~~

~~(7) Full disclosure in the valuation of all assumptions made is required under IVS 2. This includes clearly defining the bases of valuation to ensure there is no misinterpretation of the valuation or the purpose for which it is to be used.~~

~~(8) Under IVS 2, the **valuer** must ensure that~~

~~(4) An **MVAU** valuation must be prepared by a **valuer**.~~

~~(5) The **valuer** must -~~

- ~~(a) base the estimate of value ~~the estimate of value is based~~ on data and circumstances appropriate to the valuation;~~
- ~~(b) the estimate of value is undertaken using ~~use~~ appropriate methods and techniques for the estimate of value; and~~
- ~~(c) develop the MVAU valuation ~~is developed on the basis of~~with sufficient information to fully support the ~~analyses~~analysis and conclusions.~~

~~(6) Where the **valuer** is not appropriately experienced or qualified to provide expert opinion on key components of the MVAU valuation then the **valuer** must obtain advice from relevant independent experts.~~

~~(9) This standard has 'mandatory practice' status.~~

~~A5~~ ~~IVS 3~~ ~~Valuation reporting~~

~~Requirement~~

~~IVS 3~~ ~~Valuation Reporting~~ ~~applies for the purpose of reporting an **MVAU** valuation.~~

Explanatory notes

- ~~(1) This standard has 'mandatory practice' status and sets out valuation reporting standards and requirements, including on the requirements in Business Focus 2, Reports, Content and Compilation.~~
- ~~(2) The standard requires the **valuer** to make full disclosure of the regulatory framework and any departures from these standards that may be required to comply with local legislation, regulation or custom. The **valuer** must therefore disclose the **MVAU** basis required in an airport **land** valuation.~~
- ~~(3) Under IVS 3, the **valuer** must~~
 - ~~(a) report the valuation in a manner that will not be misleading;~~
 - ~~(b) define the basis or bases of value used and state the purpose and intended use of the valuation, the effective date of valuation, and the date of the report;~~
 - ~~(c) clearly identify and describe the property and property rights and interests valued and the scope of work undertaken to develop the valuation conclusion;~~
 - ~~(d) specify all assumptions and limiting conditions upon which the valuation is based;~~
 - ~~(e) clearly distinguish the assumptions that are different from or additional to those underlying an estimate of Market Value; and~~
 - ~~(f) fully explain the valuation approaches and procedures that have been applied and the reasoning that supports the analyses, opinions and conclusions in the report.~~

A6 — IVGN 1 — Real property valuation

Requirement

~~IVGN 1 — Real Property Valuation must be applied wherever reasonably practicable by a **valuer** in undertaking an **MVAU** valuation.~~

Explanatory notes

- ~~(1) The purpose of IVGN 1 is to clarify the fundamental valuation related principles (termed 'Generally Accepted Valuation Principles') so that they may be properly understood and applied by **valuers** when valuing real property.~~
- ~~(2) This Guidance Note therefore provides assistance when undertaking real property valuations and includes key terms and definitions, a summary of the valuation process and rationale, and elaboration on key principles and concepts.~~
- ~~(3) This standard has 'best/good practice' status and must be applied wherever possible by a **valuer** in undertaking an **MVAU** valuation.~~

~~A7— ANZVGN 1—Valuation procedures real property~~

Requirement

~~ANZVGN 1—Valuation Procedure—Real Property must be applied wherever reasonably practicable by a **valuer** in undertaking an **MVAU** valuation.~~

Explanatory notes

- ~~(1) The purpose of this Guidance Note is to provide information, commentary, opinion, advice and recommendations in relation to valuations of any real property for any purpose.~~
- ~~(2) This standard has 'best/good practice' status and must be applied wherever possible by a **valuer** in undertaking an **MVAU** valuation.~~

~~A8— Applicable MVAU valuation methods~~

Requirement

~~The assessment of **MVAU** must, where reasonably practicable, be determined by application of the following valuation methods:~~

- ~~(a) direct sales comparison approach;~~
- ~~(b) notional subdivision / residual value approaches; and~~
- ~~(c) discounted cash flow approach (using cash flows from an alternative use).~~

Explanatory notes

- ~~(2) **Land** held in single ownership and having an area in excess of the size typical for that class of **land** and which is capable of subdivision is generally known and described as 'block land'. The principal methods of valuing block land are the~~
 - ~~(a) direct sales comparison approach; and~~
 - ~~(b) notional subdivision / residual value approaches.~~
- ~~(3) The direct sales comparison approach may be analysed and assessed on an area basis or zonal basis. Notional subdivision / residual value approaches may utilise discounted cash flow techniques given the size of the land holding and likely assumptions around a staged sell down (or values in the case of an investor) of post-development sections or properties.~~
- ~~(4) Application of accepted valuation practice will generally require a **valuer** to apply a number of valuation methodologies as this will improve the confidence in the valuation. On this basis, the Commission requires that both of the valuation methods in clauses A8(a) and A8(b) be employed wherever this is reasonable practicable.~~
- ~~(5) In addition, a **land** valuation using discounted cash flow analysis is permitted where the **valuer** clearly describes the basis for the alternative~~

~~use of the land and is able to demonstrate that the forecast cash flows in an alternative use are not those that arise from operation of the site as an airport, nor from a use to the extent that it is influenced by airport activities. If the method in clause A8(c) is used, it would be expected to further improve the confidence in the valuation obtained under methods in clauses A8(a) and A8(b).~~

A9— Practical valuation requirements

Requirement

In undertaking an ~~MVAU~~ valuation, the ~~valuer~~ must

- ~~(a) value land as aggregated and notionally vacant;~~
- ~~(b) have regard to designation, zoning and other district plan and legal requirements applying to the land;~~

A3 Valuation requirements

- (1) In undertaking an MVAU valuation, the valuer must make the special assumptions set out in clause A4.
- (2) The valuer must, where appropriate, include the likelihood, timing and costs (both direct and indirect if any) of moving from the special assumption for land zoning to the zoning required for the development of the land in its highest and best alternative use when undertaking the MVAU valuation.
- (3) The valuer must, where appropriate, set out in the valuation report how they determined the special assumption for land zoning and the likelihood, timing, and costs (both direct and indirect if any) of moving from the special assumption for land zoning to the zoning required for the development of the land in its highest and best alternative use.
- ~~(2)(4)~~ The valuer can rely on evidence of sales of land as comparable market-based data only to the extent the sales were unaffected by the supply of specified airport services and, where the evidence relates to sales to, or by, airports, the transactions in question occurred on an arm's-length basis; or can be adjusted to remove the impact of the supply of specified airport services on the sale.
 - ~~(a) exclude airport conversion costs; and~~
 - ~~(b) exclude allowances for remediation expenditure.~~

Explanatory notes

Land to be valued as aggregated parcel

- (5) The valueThe valuer can rely on evidence of sales of land is to, or by, airports, only to be assessed by reference to market data for the highest extent the transactions in question occurred on an arm's-length basis and the price and best alternative use. Airports usually comprise a substantially sized land parcel and should be valued as an aggregated parcel (which may be made up of multiple titles) other terms of a size equal to that attributed to the sales were unaffected by the supply of specified airport services— or can be adjusted to remove the impact of the supply of specified airport services on the sale.

- ~~(3)~~(6) The **valuer** ~~should~~must assume an orderly sale of the aggregated **land** (in economically manageable parcels) over such time as would likely be needed to achieve the **highest and best alternative use** of the **land**.
- ~~(4)~~(7) ~~While the~~The **valuer** ~~must give~~should value the land as an aggregated parcel, consideration ~~should also be given~~ to the physical characteristics of the **land** (including contiguity), existing title and easement arrangements, ~~zoning~~zoning, any other restrictions or impediments and adjoining **land** uses, when determining all of which will likely influence the **highest and best alternative use**(s), so as to maximise the value in the **land's** alternate use(s-) and market value.
- (8) All key assumptions and **special assumptions** made in undertaking such a valuation must be disclosed by the **valuer** in the valuation report.
- ~~(5)~~(9) The **valuer** must explain the reason and the impact on the valuation of any departure from the **special assumptions** set out in this Schedule.

Designation, zoning, district plan and other legal requirements

- ~~(6)~~ The **land** is likely to be designated or zoned for the various aeronautical activities of the **airport** owner. In addition to considering the likely alternative uses for the **land**, the **valuer** should also consider the likelihood of the designation being uplifted or the **land** rezoned, and costs (if any) likely to be involved in this.
- ~~(7)~~ Should the **land** be subject to other restrictions or impediments, e.g. **easements**, reserve or endowment status, offer back obligations etc., allowances for items such as these should typically be by way of a deduction from the assessed 'unencumbered' alternative use market land value. Such deductions should represent the extent to which the **valuer** considers such memorials/interests would affect the market value of the **land** (i.e. be applied in the market). Any material discounts should be justified by the **valuer**.
- ~~(8)~~ Specialist planning and legal advice may be required to assist the valuer in the above matters.

Land sale evidence

- ~~(9)~~ When determining an **MVAU** value for an airport, it is important to ensure that data for establishing comparable sales or as inputs into notional subdivision / residual value approaches is, wherever reasonable and practical, drawn from transactions that are unaffected by existing **airport** influences. Comparable sales for **land** would ideally be located adjacent (or in close proximity) to the **land** being valued and unaffected by the **supply of specified airport services**.
- ~~(10)~~ A **land** sale by, or to, the **airport** can be considered to provide acceptable marked based evidence of a comparable sales where it is demonstrated to have occurred on an arm's length basis, and only to the extent that that the price and other terms of the sale are demonstrated not to have been

influenced by the fact that ~~specified airport services~~ are supplied by the ~~airport~~.

Conversion to airport costs

- ~~(11) Costs incurred in the conversion of land which, while typically required for the development of an airport, are unlikely to be required for the development of the land in its highest and best alternative use.~~
- ~~(12) For example, airport development requires the formation of a level and stable platform suitable for the construction of runways, taxiways, terminal and associated infrastructure. As such, the requirement for earthworks will be greater than that required for typical commercial, residential and rural alternative uses.~~
- ~~(13) The MVAU valuation must exclude the value of costs to the extent that the costs are required specifically to convert the land into that suitable for the supply of specified airport services.~~
- ~~(14) In addition to those more commonly identified airport land development works, individual airports may also have unique development costs. Nevertheless, the valuer should only include in the MVAU valuation such land development costs that would be included in the alternative use of the land.~~

A4 Special assumptions

- (1) The land must be valued as an aggregated parcel (which may be made up of multiple titles) of a size equal to that attributed to the supply of specified airport services.
- (2) The land must be valued as notionally vacant and clear of airport related improvements.
- (3) The land zoning is the current zoning or the zoning that is most likely to apply if the airport did not exist.
- (4) The land zoning most likely to apply if the airport did not exist must be determined by having regard to the existing zoning of the land surrounding the airport site or the zoning that applied prior to the land being zoned for aeronautical purposes.
- (5) Relevant construction costs, holding costs, and the developer's or investor's profit and risk must be included in the MVAU valuation.
- ~~(15)~~(6) The costs of converting the land to an airport development costs that should must be excluded from the MVAU valuation, including e-;
- (a) costs of resource consents for airport development (however, costs of resource consents relating to the alternative use can be included);;
 - (b) holding costs during airport development (however, holding costs relating to the alternative use can be included);;

- (c) costs of earthworks necessary for the formation of the level **airport** platform;
- (d) costs of any **land** reclamation or dredging;
- (e) costs of sea-wall or other coastal protection systems ~~save for those necessary for the alternative use~~;
- (f) cost of **airport**-specific drainage systems, including retention ponds ~~save for those necessary for the alternative use~~;
- (g) professional fees, ~~e.g. including~~ those for surveyors, engineers, and planners, with respect to the above-mentioned activities; and
- (h) any other costs incurred in the conversion of **land** ~~so as~~ to provide **specified airport services**.

~~Land to be valued as notionally vacant / no allowance~~ Costs for remediation ~~costs~~

~~(16) When assessing the MVAU, the valuer must assume that the site is vacant and unencumbered by any airport related improvements.~~

~~(17)~~ (7) As such there must be no deduction made for any remediation or demolition costs expenditure must be excluded from the MVAU valuation, including the costs of-

- (a) demolition, ~~crushing and removal of~~ concreted and sealed surfaces ~~such as including~~ runways, taxiways, aprons, roading, kerbs, and channels;
- (b) demolition and debris removal of **airport**-specific buildings and structures ~~such as including~~ terminals, hangars, fire rescue buildings, control ~~tower~~ towers, and fuel depots;
- (c) removing above- and below-ground utilities, ~~such as including~~ pipelines and cabling required for **airport** specific activities like fuel pipelines, tanks, runway drainage and lighting, and approach lighting; and
- (d) clean-up of potential site contamination ~~such as, including~~ contamination occurring through aircraft and maintenance operations by spills of aircraft and vehicle fuels, paints/solvents, fire fighting foams, underground and above ground storage tanks, radioactive materials, asbestos, PCBs, pesticides and herbicides or battery acids, or through the operation of waste disposal facilities, vehicle storage, dredging operations, building construction and underground and above ground utility lines/pipes.

A10A5 MVAU valuation steps

Requirement

- (1) In undertaking an **MVAU** valuation the **valuer** must-

- (a) establish and compile a schedule of the **land** parcels that are to be included in the **MVAU** valuation;
- (b) confirm ownership, tenure and aggregated **land** area;
- (c) determine the ~~existing or underlying zoning of the special assumption for land zoning or designations, and the likely zoning of the land for the highest and best alternative use, including the likelihood of zoning change or uplifting of designations;~~
- (d) consider and determine the **highest and best alternative use**; ~~which must be-~~
 - ~~(i) physically possible;~~
 - ~~(ii) appropriately justified;~~
 - ~~(iii) legally permissible; and~~
- (e) determine the zoning of the **land** for the **highest and best alternative use**, and the likelihood, timing, and cost (both direct and indirect, if any) of moving from the **special assumption** for land zoning to the zoning required for the development of the land in its **highest and best alternative use**;
- ~~(e)~~(f) consider resource management (including reserve contribution) requirements, amenities in the area, and access to services;
- ~~(f)~~(g) for notional subdivision / residual value approaches-
 - (i) prepare a **land** development plan (in conjunction with a planner, where considered necessary by the **valuer**). This should demonstrate the **valuer's** view of the likely **highest and best alternative use** development of the **land**, and provide evidence for the assessment of inputs into the notional subdivision / residual value approaches;
 - (ii) determine market demand for the proposed development and the time period for the sale or realisation of the developed **land** in a notional subdivision or development, including, where appropriate, economic analysis to support the market demand and the time period for the sale or realisation of the developed land;
 - (iii) determine the direct costs of developing the **land**, including but not limited to, e.g. roading, supply of services, legal, sales costs etc.; and
 - (iv) determine any indirect costs of developing the **land** e.g. the developer's holding costs, **local authority** rates etc.;
- ~~(e)~~(h) undertake market research and obtain comparable sales information to support the alternate **land** uses selected including both block sales and developed **land** sales if both a direct sales comparison and notional subdivision / residual value approaches are to be used;

- ~~(h)(i)~~ apply suitable adjusted market evidence to **airport land** as required, and taking account of whether a direct sales comparison or notional subdivision / residual value approaches are to be used;
- ~~(i)(j)~~ reconcile the results of the valuation approaches used and determine a final value for the **highest and best alternative use**; and
- ~~(j)(k)~~ prepare a valuation report, incorporating all disclosures required by the relevant **valuation standards** [and this Schedule](#).

Explanatory notes

~~The steps outlined in clause A10 are required to achieve comparability between **airport land** valuations for the purpose of regulation under Part 4 of the Act and to allow a valuation to be understood in that context. These steps must be followed by a **valuer** in undertaking an **MVAU** valuation when valuing **airport land**.~~

~~**A11** Data sources~~

~~**Requirement**~~

~~The **valuer** must use sufficient and appropriate data to support an **MVAU** valuation consistent with the requirements of IVS 2.~~

Explanatory notes

- ~~(1) There are a variety of data sources available to the **valuer** when making the assessment of value for **airport land** in an alternate use.~~
- ~~(2) Some of these sources will be formal data and information offered by third party suppliers. Other sources may be relevant, particularly when obtaining direct cost information such as surveying, engineering, and construction data. The **valuer** should clearly identify and support all sales / market / cost information obtained.~~