

# **The Challenges in Globalisation of Valuation Profession – Lessons from Nairobi, Kenya**

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## **ABSTRACT**

Valuation/appraisal has recently been christened as an '*Emerging Global Profession*'. This suggests that there is an upcoming process of world-wide integration of professional valuation and appraisal practice. A huge potential of benefits to those in the valuation and appraisal profession would be offered by this development. The professionals stand to gain from new markets opened by cross-border practice.

A standardised global practise also eases investors' decision-making with respect to international investments. Notwithstanding the potential gains from globalisation of the profession, complications arise from widely differing expectations, standards of living, cultures and values, legal systems, economic and political environments as well as unexpected global cause and effect linkages.

This paper sets out to address the practical challenges and limitations to realising the gains of a globalised practice as exhibited by real estate market characteristics in Nairobi, Kenya. The paper looks at the application of International Valuation Standards 2000 (published by IVSC) being the most widely accepted valuation standards globally as the committee has a membership of national associations representing 35 Full Member States. It first addresses issues related to globalisation of valuation practice followed by a look at the real estate investment and practice environment in Kenya. Finally it looks at the limitations and challenges of valuation practice in Kenya under Standard 1 (Market Value) of IVS 2000 followed by conclusions and recommendations.

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