

Application of Information
Technology in Valuation Process

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9TH ASEAN VALUERS ASSOCIATION CONGRESS

WORKSHOP PAPER ON

" APPLICATION OF INFORMATION
TECHNOLOGY IN VALUATION PROCESS "

by

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ABSTRACT

This paper discusses the dissemination of information on property transactions to members of the Singapore Institute of Surveyors and Valuers, the computerisation of the Sales Data for more timely release, the development of a new programme in 1995 and the release of new Databases, namely Caveat, Advertisement, Real Estate Cases and Project. It includes a brief description of the features in Realink 1995.

Application of Information Technology In Valuation Process

Singapore, a small island nation is highly urbanised and built-up.

The most common method of valuation used on the valuation of properties whether for sale, purchase, mortgage, stamp duty, acquisition is the comparable method of valuation.

As a small nation we have a central Registry of Titles and Deeds where all transfers of ownership of properties are registered to complete the transaction process.

The SISV has a good working relationship with the Registry of Titles and Deeds where copies of the transfer documents are made available to us for dissemination to our members.

In the past, the information on property transactions registered with the Registry of Titles and Deeds was compiled and disseminated to our members in hard copies for their valuation purposes.

Our members upon receipt of the data in hard copies had to re-arrange the data in their own manner for easy retrieval.

Due to our manpower constraints this was nightmarish to our members.

To overcome the manpower constraints and to harness the usefulness of information technology the Institute computerised the sales data disseminated to members in 1987.

It was a simple process and the software made available to users was simply a search system to query on the transactions registered and relevant for use in the valuation process.

With the advancement in computer technologies, both software and hardware, and the need for more timely release of data we launched a new programme called " Realink 1995 " in October 1995. [Realink stands for ReaEstate Active Link].

In conjunction with our launch of Realink' 95 we also launched a Caveat Database.

The Sales Database that we disseminated to our members were not timely enough. This is so as the whole transaction process, takes anything from 8 weeks to 16 weeks and the information is only available at the end of the process. It takes us another 2 to 3 weeks to compile the information before release, meaning by the time our members received the information it is an average of 14 weeks from the date of signing of a contract for the sale and purchase of a property.

The Caveat Database is more timely. Usually, upon the receipt of an option for the purchase of a property or upon the exercise of the option, a Caveat is lodged with the Registry of Titles and Deeds. The purpose of a Caveat is to protect the purchaser's interest. Copies of the Caveats lodged are also made available to us.

For the release of Caveat Database to our members there is only a time lag of approximately 3 weeks from the date of the purchaser's receipt of the option or exercise of the option. This is a more timely release as compared to the average of 14 weeks for the Sales Data.

To improve the timely release of market data we also have an Advertisement Database - capturing the asking prices of properties in the Newspaper's classified advertisements. This database shows the latest asking prices of properties, very useful in a rapidly changing market.

As property valuations and transactions inevitably involve the laws, to keep our members updated on the changes of the laws, we have the SISV-CCH Real Estate Cases database. These are cases decided in the Singapore Courts.

Another database in the system is the Project Database. This database provides information on the type of developments - condominium, high-rise apartment, low-rise apartment, executive condominium, commercial development. As foreigners and permanent residents in Singapore are allowed to purchase apartments with 6-storey and above and condominium the difference in the prices are noted in the valuation process especially the offering of "verbal" or "indication" value to clients.








For speedier transmission of data to our members the databases are downloaded via modem twice a week instead of diskettes.

Realink' 95 is a window-based modular system allowing the expeditious addition of new databases and functions.

This programme allows our members not only to query on the transacted prices for their valuation purposes ; it also allows our members to analyse the prices and the trend and the volume of transactions. It also allows the analysis of the nationality of foreign purchasers as well as permanent residents and where the foreigners and permanent residents are buying the properties.

Information Technology is a very useful tool. We have harness its usefulness in helping our members in their valuation works. We will continue to upgrade the programme and the addition of new databases.

LOW SER SEAH - BIO DATA

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-  Fellow of the Society of the Singapore Institute of Surveyors and Valuers Accredited Estate Agents
-  In the Real Estate Profession since 1968
-  The Managing Director of Cosmo Property Consultants Pte Ltd since 1981 to present and Managing Director (Honorary Position) of SISV Services Pte Ltd since 1990 to present
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