



# Guidance

## Valuation Guidelines for AREF Members

Effective from:  
**February**  
**2026**

# Introduction

## Guidance objective

Following the introduction of new valuation rules from the RICS (effective 1 May 2024), these Valuation Guidelines aim to provide managers and investors with:

- additional clarification on valuer rotation rules.

## Application of guidance

**The following guidance applies to UK Funds and also Funds predominantly investing in the UK.**

Managers should utilise this guidance when establishing a vehicle's valuation process when it is launched as well as valuation practices through the vehicle's lifespan. All vehicle documentation and details of key appointments should be supplied to existing investors on request (and to prospective investors on a confidential basis).

AREF recognises that not all valuation requirements outlined in this guidance apply to every vehicle for regulatory, strategic, operational or other reasons. Managers should be prepared to explain their approach to disclosures and reporting.

In the cases of conflict between the provisions of this guidance and legislative/regulatory requirements, the latter will take precedence.

## Background to guidance

Asset valuations are essential to real estate funds and should be undertaken by independent, professionally qualified and experienced RICS Registered Valuers.

The RICS introduced new rules on the governance of the valuation process effective 1 May 2024. These are contained in the latest edition (October 2023, effective from 1 May 2024) of the RICS Red Book UK National Supplement under the mandatory UK Valuation Technical and Performance Standards.

The relevant standard for real estate vehicles is 'UK VPS 3 Regulated purpose valuations: supplementary governance requirements'. Two of these requirements are directly relevant for real estate vehicles:

- Valuations for authorised collective investment schemes under RICS UK VPGA 2.3; and
- Valuations for unauthorised and unregulated collective investment schemes under RICS UK VPGA 2.4.

Rules for valuation for authorised collective investment schemes are also set out in the UK Financial Conduct Authority's (FCA) Collective Investment Schemes sourcebook (COLL). Under COLL 5.6.20 R, (1) (a), immovable property must be valued by the vehicle's standing independent valuer. COLL 5.6.20 R, (3) (f) requires that any valuation by the standing independent valuer must be undertaken in accordance with UKVPS 3 and 2.3 of UKVPGA of the RICS Valuation – Global Standards 2017, UK national supplement 2018 (the RICS Red Book) or, in the case of overseas immovables, on an appropriate basis but subject to COLL 6.3 (Valuation and pricing).

For unauthorised vehicles, RICS UK VPGA 2.4 cites the example of UK unauthorised unit trusts. The provisions will also apply to unauthorised constituted as other vehicles such as Jersey property unit trusts or limited partnerships. The provisions will apply if an independent valuation is required by the trust deed (or equivalent), which will typically be the case for AREF Fund members or if requested by the manager. The RICS have confirmed that this is limited to valuations which are undertaken subject to UK jurisdiction. This can be taken to mean where the performance of the valuation contract is subject to the statutes, rules and regulations of the UK and also of relevance is the jurisdiction in which any claim in relation to the valuation could be brought.

The Valuation Guidelines were created in 2026.

### Last review date

February 2026

If you have any questions regarding the guidance contained within this document, please email AREF at: [info@aref.org.uk](mailto:info@aref.org.uk).

# 1. Valuer rotation rules

UK VPS 3 Regulated purpose valuations are subject to new mandatory valuer rotation rules. These rules are summarised below:

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| The client anchor for rotation is the real estate <i>asset</i> (as opposed to, for example, the client's parent company)  |
| The rules apply to both the individual 'responsible valuer' (or signatory) and the valuation firm   |
| The following limits apply to the timescales for valuation provision by a valuer to a client: <ul style="list-style-type: none"><li>• A maximum period of 10 years before the rotation of a valuation firm. This might include multiple engagements.</li><li>• A maximum single engagement period of five years.</li><li>• A maximum period of five years before the rotation of an individual 'responsible' valuer.</li><li>• A minimum three-year break after rotating off an engagement.</li></ul>             |
| The policy is applied retrospectively hence: <ul style="list-style-type: none"><li>• any valuer or firm exceeding the timescales above as at the effective date of 1 May 2024 must be rotated off (subject to transitional phase and any exceptional circumstances)</li><li>• any valuer or firm approaching the timescales above as at the effective date of 1 May 2024 must be identified to be rotated off at the appropriate date (subject to transitional phase and any exceptional circumstances)</li></ul> |

# 2. Further information

Further information on the RICS Red Book UK National Supplement can be found [here](#).

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