

BUSINESS VALUATION UPDATE

TIMELY NEWS, ANALYSIS, AND RESOURCES FOR DEFENSIBLE VALUATIONS

V20 Africa: Valuation's Global Movement Gains Steam Toward G20 Recognition

By Raymond Moran, ASA, MRICS

The 2025 Valuation 20 (V20) Conference and Summit, held in Cape Town, South Africa, on September 15-17, was a great success. This was the third V20 event, following previous V20s in New Delhi, India, and São Paulo, Brazil, with next year's being held in the United States. The V20 events follow the annual G20 finance meetings worldwide, with the goal of the V20 to join or become one of the G20 engagement groups.

Most of the global valuation professional organizations (VPOs) have joined the V20 or are monitoring its progress, as joining the annual G20 meetings will further assist in the global valuation communities' efforts to be viewed as a profession; increase exposure to regulators, governments, and our clients; and help attract students and young professionals to careers in valuation.

Building trust via IVS. As in the past two V20 Conferences, Nick Talbot, CEO of the IVSC, delivered the keynote address, describing the IVSC's goal to build trust in valuation by establishing globally consistent, high-quality International Valuation Standards (IVS) across all asset classes and by encouraging quality valuation professionalism globally. The board members of the IVSC committees come from 40 different countries, with over 120 leading valuation experts serving on committees ranging from Membership & Standards, Advisory Forum, Standards Review Board, Europe and Asia Committees, and Tangible Asset, Business Valuation, and Financial Instrument Boards.

Following a V20 theme of "Change Is Consistent," Nick took the opportunity to update new IVSC activities, including new standards on ESG and financial instruments, engagement with International Organization of Securities Commissions (IOSCO) and International Forum of Independent Audit Regulators (IFIAR), an MoU with the United Nations' World Intellectual Property Organization (WIPO), an expansion of the Investors and Investment Bank Forums, the Academic Forum, creation of the Middle East Africa and LATAM Offices, and the Technology and ESG Working Groups.

AI in valuation. The first session was AI in Valuations—Driving Change or Creating Disruption? I moderated this session, which started with Professor Manya Moore of the University of Cape Town discussing the implications of AI in proptech. These include shifts in valuer skills (upskilling) including greater competence in big data, digital skills, and AI-enabled interactive and multimedia reports. Kevin Brogan followed with a timely discussion of the need for AI standards, case law, and examples of AI being cited and referred to in Australian legal cases.

That discussion led to Leandro Escobar, who serves on the IVSC Technology Committee, discussing the recent IVSC Perspectives Paper on AI and the committee's deliberations. Of interest was Leandro's comments that, given the speed with which technology is evolving, the committee likely needs to meet more frequently and possibly require faster updates to IVS as they pertain to AI. Praveen Subramanya

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then discussed perspectives on AI usage in the Middle East and India, challenges valuers in those regions face, and solutions through AI including OCR reading and reporting text; generative AI for reporting; machine learning for valuation suggestions; and valuation standards embedded in the models and applications.

That led to my discussing how AI usage is being taught and an innovative course at Georgia State University taught by Victor Jarosiewicz on the first two ASA business valuation courses with AI enabled in the syllabus. The course not only drives the students to use LLMs in their case studies, but also requires them to explain orally what the models were doing. The objective is to enable students entering the valuation profession on Day 1 to use these tools for their employers and understand the legal, ethical, and proper usage of them. I then demonstrated the use of digital avatars in teaching business valuation education, where my avatar can speak in 175 languages. Using this technology can help overcome the issues of local language and cost-sensitive pricing in developing education markets for emerging valuation markets. My avatar addressed the audience in Afrikaans and received lots of interest in the possibilities.

Africa's real estate market challenges. The second panel was the first of several focused on real estate in Africa. This one was titled "Beyond Numbers: How Market Dynamics Are Reshaping Valuation." Takeaways included key challenges such as cost pressures, particularly electricity; the need for upskilling in digital data and models; lack of centralized real estate databases in Africa; underdeveloped ESG and green data frameworks; limited access to high-speed internet in rural areas; and inconsistent standards across jurisdictions.

Jess Moyer of Cushman & Wakefield took the audience through the many differing real estate markets in major African countries, opportunities and challenges in each by property type, and emphasized that climate risk is a valuation risk

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in African real estate. The opportunities exist, waiting to be taken advantage of, including Africa becoming a global leader in ESG and natural capital and developing national database strategies and standards and best practices tailored to local and regional dynamics.

Multiple key issues. The third and final panel of Day 1 was Shaping the Valuers Role: Ethics, Growth & Industry Evolution. Moderated by Rashid Alreshoud of TAQEEM, the VPO of Saudi Arabia, this session covered the many issues our profession is facing in Saudi Arabia and worldwide such as attracting and retaining valuers, including generational shifts and newer generations seeking roles with meaningful challenges. Valuation may be less visible as a career path to young students and professionals, and we need to increase awareness of our profession through better marketing, reducing barriers to entry while maintaining and improving standards and ethics, and taking advantage of technology to reshape our profession.

TAQEEM, the largest VPO in the Middle East, is a leading voice in global valuation issues, supports the new IVSC Middle East/Africa office located in Riyadh, and is a key advocate of global collaboration. Dianne de Wet, past president of SAIV, led a discussion on ethics and the need to remain diligent in emphasizing its importance given the many challenges facing our profession.

ESG and sustainability. Day 2 of the V20 Conference started with a recap of Day 1 by Chris Mellen and me, followed by the first session, The Impact of Sustainability on Value, which was moderated by Ben Elder, global leader—valuation for RICS. Reiner Lux, CEO of HypZert in Germany, led off with a detailed presentation on ESG: What It Means to You? ESG in real estate is far more advanced in many European countries than other geographies, with legal, regulatory, and market initiatives in place, and Reiner reinforced the need for consistent ESG metrics and scoring, categorizing criteria including climate risk, site issues, construction, and energy consumption.

Presently, different countries in Europe have different ESG measurement requirements, illustrating the need for consistent measurement metrics throughout and increased valuer and user awareness of related issues.

This was followed by a fascinating discussion on eco-lodging in Botswana and South Africa, which is a specialty niche property type unique to Africa. Eco-lodging has become a viable real estate sector, with over 130 eco-certified lodges focused on photographic safaris and tourism, with the leading lodges scoring high on ESG levers such as carbon footprints and credits, and first-mover branding in this niche. Maje Clifford Maje, director of valuation and advisory for Apex Properties in Botswana, led this talk emphasizing how green-certified assets outperform even in weaker GDP countries.

Regulation and governance. Session 2 was Regulation, Governance, and the Evolving Landscape of Valuation, where I moderated a panel including Guillermo Ortiz de Zarate, CEO-ASA; Sumi Ku of the Korean Asset Property Appraisers (KAPA); and several members of the South African Council for the Property Valuers Profession (SACPVP). Guillermo led off with a discussion of the importance and role of VPOs in staying abreast of and facilitating change given the many evolving industry trends, as they affect education, membership, career advancement, and attracting young students.

Sumi Ku followed with an interesting presentation of the Korean valuation standards and procedures, where there are national examinations, mandatory continuing professional education, peer reviews, audits, and a national database of valuation reports. There is extensive use of automated valuation models (AVMs) and now AI in Korean real estate valuations, in a highly regulated environment. That led to the SACPVP discussion with and includes amongst its members our host VPO SAIV and others who provide professional training, education, and events for valuers.

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Rise of intangibles. Session No. 3 was Valuing Intangibles in Today's Economy, moderated by Chris Mellen of Valuation Research Global (VRG). This session focused on the rising importance of intangible assets; global standards versus local practices; critical issues in valuing brands, patents, and technology; and finally methods of valuing African arts and antiques. Chris led off with an overview of IP valuation: the many purposes and services that require their valuation, how and why we value them, and discussions on techniques from multiple-period excess earnings, relief from royalty, and other methods.

Christine Sawchuk of CBV Institute followed, describing the different regulators and guidance including International Accounting Standards Board (IASB), Financial Accounting Standards Board (FASB), World Intellectual Property Organization (WIPO), and OECD. The conversation then touched on global standards versus local practices, internally generated intangibles, and, in a discussion led by Professor Mauro Bini, issues in valuing brands, patents, and technology. Paul Myson, a South African fine arts valuer, finished the session focusing on whether valuing fine arts and antiques was done through scientific methods or intellectual speculation. There were lots of questions and comments from the audience, and the responses were well-received.

Natural resources. The final session of Day 2 was Valuing Nature and Resources: Carbon Credits, Biodiversity, and the Just Transition. Moderated by Gilles Coursel, this session had very informative presentations discussing Africa's perspective on the valuation of natural resources. Dr. Steven Msomi led off, describing Africa's huge reserves of renewable and nonrenewable resources, including 30% of the world's mineral resources, 65% of the world's uncultivated arable land, and 45% of the world's potential renewable energy.

Many African countries still lack the infrastructure to exploit this wealth and the need to develop more refining and processing capabilities versus exporting this mineral wealth.

He then led a discussion on national capital accounting (NCA), where the System of Environmental Economic Accounting (SEEA) provides an international framework, leading to an example of national resources valuation considering ecological and sociocultural as well as commercial factors in determining value. This is an issue involving the African Development Bank, the South African G20, and the United Nations. This was followed by a presentation on managed land reform programs in South Africa.

Next steps. The V20 Summit was held on the third day of the event, with the attending VPOs discussing past, current, and future plans toward the overall G20's objective of joining one of the 13 engagement groups that support the annual G20 finance meetings. It was agreed the V20 has made substantial progress following three successful V20 conferences in India, Brazil, and South Africa, with a 2026 conference in motion to be held in the USA. However, it was also agreed that further progress is needed to attain the V20 Summit goal of joining the G20 engagement groups. Proposals were discussed and agreed on how to proceed, with further discussion and action plans on the agenda for the IVSC AGM in India this past October, hopefully leading to further announcements as planning continues for V20–USA. ♦

Raymond Moran, ASA, MRICS, is chair of the International Institute of Business Valuers, and marketing coordinator for the V20 Movement. He's a frequent speaker and author regarding valuation issues, having spoken throughout North and South America, Europe, Africa, Asia, and Australia.

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