1.1 What is market value?

The International Valuation Standards Council (IVSC) defines ‘market value’ as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

(*RICS Valuation – Global Standards 2017*)

‘.... a willing buyer refers to one who is motivated, but not compelled to buy. This buyer
is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist.’

‘.... a willing seller is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be.’

RICS Valuation and Sale Price (March 2019)