

The fair value of  
your property

 **ICICI Home Finance**

## Technique

Various methods are used for the valuation of the real estate properties. Some of these methods are:

- Direct Comparison Method
- Income Approach Method
- Summation or Cost Approach Method
- Residual Value Method

The purpose of valuation is also essential while applying a specific method in a valuation exercise.

Examination of property post defining the purpose will result in arriving at the most probable use of the property. Once the value definition and the probable best use have been determined, the appropriate methodology is applied to arrive at the value. Of all the above methods, direct comparison method and residual value method are the most widely used by the MVG team.

## Initiatives

ICICI HFC MVG can be credited with many a path breaking initiatives. Amongst the various pioneering initiatives undertaken, real estate price movement tracking and development of the property price index have been the key highlights. Development of property price indices and monitoring price movements of over 4500 real estate builder projects across country every month are only some of their significant achievements.

The team has successfully completed valuation of over 1 million units till date besides monitoring price movements on a monthly basis of over 4500 real estate projects pan - India.

## Services offered

The following services are offered by the MVG:

- Valuation of the Property
- Feasibility Study for Land Banks
- Monitoring Funded Properties
- Book Valuation for Basel II
- Investment Management

## Investment Management Services

Investment Management Services is a systematic process of effectively managing investments by combining engineering principles with sound business practices and economic rationale that act as tools to develop more organized and flexible approach in making decisions necessary to achieve investment objectives. Once a critical decision is made by the investor to invest in a project, the investor and the asset manager must have complete confidence that the project will deliver the highest standard of excellence when completed. We offer a complete, global platform of investment management with a proven track record of performance for our clients.

Our success in Investment Management is based on a three pronged approach:



## **Mortgage Valuation Group - Profile**

### **Origin**

Mortgage Valuation Group (MVG) of ICICI Home Finance Company (HFC) is a specialized in-house service provider of real estate valuation, founded in 2002. The team comprises of over 150 qualified experts, who provide comprehensive valuation reports based on property documents and site/property inspection. Realistic and correct valuation is the foundation for any successful mortgage business. Considering the complex nature of property transactions, ICICI HFC realized that it was critical to have an independent group of experts with specialized knowledge in the field that would be responsible for close scrutiny and proper guidance/valuation of realty.

### **Focus**

Most of the frauds in realty finance can be attributed to credit risk and property risk. While credit risk is aptly addressed by credit evaluation methods developed over time, valuation experts can assist in mitigating property risk. The Managing Director of the company oversees the performance of the MVG directly. This was done to ensure that the team functions with complete independence and is outside the sphere of influence of the business. With the reduction of dependence on external valuation agencies, the MVG team has been able to further mitigate the fraud risks. Besides, it has also enabled the MVG team to maintain an optimal equilibrium of external and internal valuation experts. Further to this, as a measure of internal control, cross audit is conducted by an independent team.

### **Quality Control**

As mentioned above, independent monthly audits are conducted by MVG to cross check and ensure risk mitigation. 10% of all valuation exercises conducted in a month are subjected to this audit, covering all locations, product mix and high value properties.

### **Structure**

ICICI HFC MVG team members are a group of qualified civil engineers, graduates/post graduates with in-depth knowledge & experience in construction and valuation industry. These experts further undergo minimum one week of specialized training on new initiatives and developments in this field, through professional training, seminars and in-house training. At present, the team comprises of over 150 members, based out of 40 locations in 15 states across India. In addition, 70 staff members support the team for data maintenance, analysis, and back-end operations.

## Primary, Secondary & Tertiary

### Primary Services

- Work Progress
- Cost & Revenue Management
- Quality Assessment
- Business Plan Review

### Secondary Services

- Land Valuations
- Market Research & Advisory
- Format and submission standardization

### Tertiary Services

- Full Time Construction Supervision
- Exit Strategy and Transaction Advisory

This is achieved through access to local markets and intelligence.

Technical experts - a team of 150 technically qualified members execute this assignment.

## Few of our esteemed clients

Corporates	Small & Medium Enterprises	Developers	PE Funds and others
Mahindra & Mahindra	Tricity Motorcycles	Unitech Ltd.	ASK Property Investment
Larsen & Toubro	Shakti Bhog Foods	Sobha Developers	Milan Theatres Pvt. Ltd.
Bennett Coleman	Biological Products Pvt Ltd	Vascon Engineers Ltd.	Neesa Leisure
Bombay Dyeing		Century Real Estate Holding	RVS Educational Trust
Century Textiles		Prestige Group	Vels Institute of Science, Technology & Advance Studies

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