



Valuation Profession In ASEAN Region Facing The Global Financial Crisis Challenge

-BRUNEI DARUSSALAM-

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Brunei Darussalam

Brunei Situation:

- Introduction
- Challenges for valuers in Brunei

Introduction

- Financial Sector controlled by Government via Ministry of Finance.
 - Interest rates stable.
 - Commercial Banks activities controlled.

- Oil and Gas Sector controlled by Government via Ministry of Energy.
 - Oil and gas prices stable –subsidized.

- Stable economic situation in Brunei
 - but economic activities very cautious in all sectors.

Introduction

Activities of Property Transactions:

- January-December 2008;
 - 646 residential land sold.
 - 1,240 total land transacted.
- January- Mid March 2009;
 - 102 Residential land sold.
 - 200 total land transacted.

- Remains stable as in the previous years.

Introduction

Though Brunei not directly affected;
all sectors related to properties in Brunei
have to act cautiously.

Cautious on;

- Market uncertainty and Instability.
 - Local economy activities on spending and saving.
- Financial risks;
 - Availability of bank financing.

Challenges for Valuers in Brunei Darussalam

- Understand the micro and macro economy.
- Identify the events which causes a sudden and dramatic change on markets.
- Expertise to 'translate' and respond to market data and information;
 - Inconsistent data.
 - Disinclination to trade.
- Ability to distinguish short, medium and long term uncertainty and possibly instability.

Approaches to the Challenges for Valuers in Brunei Darussalam

- Dialogue with clients;
 - Special assumptions.
 - Alternative valuation bases.
 - Forward looking advice.

- Valuation report should consider;
 - Sensitivity and risks analysis for certain assets.
 - Market and economic trends over time.
 - A well thought and reasoned advice on the valuation uncertainty.

THANK YOU