



Seminar and Certification

as a HypZert Real Estate Valuer for Mortgage Lending Valuation
CIS HypZert (MLV)



Sep 28/29 and Nov 2/3, 2017
New York City

Background and demand of German banks

German banks financing U.S. properties rely on the local market expertise of real estate appraisers. Due to banking regulation issues they do not just ask for a solid valuation report with a Market Value but also a Mortgage Lending Value - according to the regulation on determination of Mortgage Lending Value (Beleihungswertermittlungsverordnung, BelWertV). The certification as a HypZert Real Estate Valuer for Mortgage Lending Valuation CIS HypZert (MLV) ensures that you have acquired the special technical know-

ledge regarding the determination of Mortgage Lending Values of properties and are able to implement this approach for properties in the U.S.A.

Pfandbrief banks have recently intensified their activities in the U.S. real estate markets. The U.S.A. are now the third biggest foreign market for commercial real estate financings of the vdp member banks (Association of German Pfandbrief Banks) calling for an increasing demand for valuers qualified in Mortgage Lending Valuation.

HypZert certified valuers

To date, more than 1,700 real estate valuers are certified by HypZert, mostly based in Germany. Almost 100 of them hold the title CIS HypZert (MLV) and work abroad. These valuers are located especially in various countries of Europe (mainly in the UK, France, the Netherlands, Poland, Spain) as well as in the U.S.A. CIS HypZert (MLV) valuers are employed by German banks such as Deutsche Pfandbriefbank or by real estate service providers, such as CBRE, Colliers, Cushman & Wakefield, JLL, Knight Frank, or Savills. They do also work as freelancers or in small appraisal companies.

Mortgage Lending Value

The Mortgage Lending Value (MLV) is the prudently determined value of a property. It represents the value which throughout the entire life of the loan can probably be achieved for a property that is sold on the free market - irrespective of temporary value fluctuations and speculative elements.

The MLV is a key element of the valuation of real estate as performed by today's German Pfandbrief banks. When determining the MLV, the long-term, sustainable features of the property are taken into account, as are present and potential third-party uses and users. Hence, this MLV with its regulatory and supervisory requirements is designed to comply with statutory standards that serve to protect creditors.

Valuer's qualification

The rules for determining the MLV in Germany are stipulated in the Regulation on the Determination of Mortgage Lending Values of Properties (BelWertV). To comply with the specific requirements to valuers that are set forth in § 6 BelWertV, HypZert, the leading German certification body for real estate appraisers, certifies valuers pursuant to ISO/IEC 17024 who work in Germany and abroad.

Seminar "Mortgage Lending Valuation"

For this purpose, valuers can prepare themselves for the certification examination with a specifically designed training unit regarding the Mortgage Lending Value that is offered exclusively by the vdpPfandbriefAkademie.

The seminar and the certification are addressed to candidates who

- » have already been working for several years in the valuation of properties,
- » have an acknowledged title regarding the determination of market values, and
- » would now like to obtain an additional qualification in the field of Mortgage Lending Valuation.

Attached please find detailed information on the seminar and the certification. Please do not hesitate to contact us for any further inquiries.

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Agenda Block 1 +2



Seminar to prepare for the certification examination as a HypZert Real Estate Valuer for Mortgage Lending Valuation CIS HypZert (MLV)

Content

The seminar is designed around the topic of the "Mortgage Lending Value", and it is intended to prepare you for the certification examination to obtain the certificate as CIS HypZert (MLV).

For this purpose, you will receive material for self-study. Furthermore, there are two 2-day seminars with the following structure that you will be able to attend in New York City.

Agenda

Block 1	28 and 29 Sep 2017
Day 1	Mortgage Lending Valuation in Germany
	Introduction Association of German Pfandbrief Banks
	The Pfandbrief bank business model
	MLV History and Value-at-Risk Approach
	Application of Collateral Valuation (Loan Process, Refinancing, Own equity)
	Most important regulations (CRR, Pfandbrief Act, BelWertV)
	Distinguishing the MLV from other Values of a Property and Price
	General Provisions and Principles of MLV
	Valuation Report and Valuer
	Valuation Methods (Comparative Approach, Cost Approach, Income Approach)
Cross-border lendings (§ 25 BelWertV)	
Day 2	The Asset to be valued – Types of Use
	Third Party Usability
	Tenure, Identification, Ownership
	Two Column Principle
	Income Value <ul style="list-style-type: none"> » Splitting between land and building, Limitations, Assessment of sustainable income, Sustainable vs. Rent Passing, Rents and Yields, Non Recoverables, Operating Expenses, Maintenance Costs, Modernisation Risk, Overrent/Underrent, Yield/Cap Rate and the MLV, Capitalisation Rate/ Multiplier, Capitalisation 100 Years
	Cost Approach <ul style="list-style-type: none"> » Land Value, Lettable Area vs Gross External Area, Deduction to Account for Age, Property valuation abroad - Economic lifetime, Remaining Useful Life, Maintenance/Modernisation/Refurbishment, Incidental Building Costs, Landscaping/Outdoor installations
	Documentation – Valuation Report

Agenda

Block 2	2 and 3 November 2017	
Day 1	Property Inspection	
	Leasehold interest and Hereditary Building Rights (HBR)	
	Rights, Estates, Encumbrances	
	Tenancy in common, Condominium ownership, Joint ownership	
	Contamination	
	Specific Issues <ul style="list-style-type: none"> » Capitalization Rate for Prime Properties » Third Party Useability, Lettability, Marketability » Land Value > 50% of Income Value » Remaining Useful Life < 30 years » Vacancy 	
	Measurement/Floor areas	
	Land value derivation	
	Day 2	Case studies <ul style="list-style-type: none"> » Managed Properties » Retail » Logistics
		Types of Contract
Account method / Profits method		
Method by operator's calculation		
Lecturers	Alastair Murdoch, Williams Murdoch Inc. (New York, U.S.A.)	
	Monika Preithner, LBIImmoWert (Munich, Germany)	
	Kamill Wipyewski, VR Wert (Hamburg, Germany)	
	Annett Wünsche, Association of German Pfandbrief Banks (Berlin, Germany)	

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**Dates and
Registration**



Dates and Registration 2017

Seminar dates

Sep 28-29 and Nov 2-3, 2017

Examination date

Feb or March 2018 (tbd)

Location of Examination

New York City

Seminar Venue

New York City, tba

Prices

The participation fee for the seminar is 3,300 USD and covers the study material, participation in the 4 seminar days as well as lunch, coffee/tea and soft drinks during the seminar days. Please note that additional fees (**HypZert's price list**) occur for participation in the certification examination by HypZert.

Please register yourself for the
seminar online before 31 July 2017

**Please note**

The organiser reserves the right to cancel or postpone the training up to eight weeks before the planned date, if the minimum number of participants is not reached.

Seminar

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Certification

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Information about CIS HypZert (MLV) certification
[hypzert.de/en/certification/service-offering/
cis-hypzert-mlv](http://hypzert.de/en/certification/service-offering/cis-hypzert-mlv)