



## **GUIDANCE NOTES FOR CLIENTS – VALUATION DEFINITIONS**

The most commonly used basis of valuation is **Market Value** which is described below.

This is more fully defined in Practice Statement 3 within The RICS Appraisal and Valuation Manual (The Red Book) which was revised in January 2005 (5<sup>th</sup> edition).

### **MARKET VALUE (MV)**

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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