



PRESIDENT'S MESSAGE

April 2026

I am pleased to start this month's newsletter by letting you know that IPTI has just published two important White Papers on its website.

The first White Paper considers "Business Process Modernisation" in relation to valuation agencies; the second looks at the "Valuation of Renewable Energy Properties" which is an important, but challenging, topic.

These two White Papers are the latest publications relating to our "International Collaboration Project" which, as the name suggests, is a project that involves a number of valuation agencies around the world working together to research a range of topics that are of common concern and interest.

IPTI is responsible for facilitating and supporting the project, but the resources used are provided by a number of valuation agencies including the Valuation Office Agency (VOA) in the UK, the Municipal Property Assessment Corporation (MPAC) in Ontario and the Property Valuation Services Corporation (PVSC) in Nova Scotia.

Senior valuation professionals from the VOA, MPAC and PVSC form the Steering Group for the project and provide key personnel for the Focus Groups set up to carry out research and report their findings and recommendations. IPTI invited resources from other valuation agencies around the world to join the various Focus Groups to provide a truly international team to undertake this work on a global basis.

The Steering Group set the following objectives for the latest phase of the International Collaboration Project:

- To review how valuation agencies are leveraging technology – including artificial intelligence – to modernize/re-engineer their business processes and their interactions with stakeholders, i.e. customers, clients, taxpayers, etc.

- To review how valuation agencies are undertaking valuations of new sources of renewable power, electricity generation and other innovative solutions, e.g. small modular nuclear reactors, battery storage facilities, etc.

To provide a bit more detail about the nature of the research to be undertaken by the Focus Groups, IPTI provided the following outlines to guide them.

(a) Business Process Modernization through Technology

The Focus Groups will, inter alia, look at:

- what types of modern technology valuation agencies are currently using
- what types of modern technology valuation agencies are planning to use over the next 3 years
- how valuation agencies are using modern technology to re-engineer their current business processes
- which business processes have been improved with the implementation of modern technology
- how valuation agencies are utilizing modern technology to communicate with their stakeholders
- what modern technology are valuation agencies finding most effective in supporting and improving their interactions with stakeholders

(b) Valuation of Renewable Energy

The Focus Groups will, inter alia, look at:

- what kinds of renewable energy sources are available within the jurisdiction of the valuation agency concerned
- what data is available in respect of properties used to provide renewable energy and how the valuation agency is utilizing that data
- for each different type of renewable energy source, what valuation method or methods are being used to assess these facilities for property tax purposes
- what issues valuation agencies are facing in connection with these properties – in particular in relation to appeals – and lessons learnt
- the extent to which renewable energy companies are cooperating with the valuation agency to assist in understanding the way in which the properties are used and how values should be determined

Although both research projects were looking at the two topics in the context of valuation agencies, the findings and recommendations of the Focus Groups will be of interest to the wider world of valuation professionals in both the public and private sectors.

A total of nine separate Focus Groups were set up to look at the two topics in different geographical regions around the world. They looked at jurisdictions in the USA, Canada, Europe and Australasia. In addition to online research, the Focus Groups interviewed valuation professionals from a variety of different organisations in the countries concerned.

In this short newsletter I can't do justice to the detailed work that the Focus Groups undertook, but I can give you a flavour of some of their findings and recommendations.

(a) Business Process Modernization through Technology

Before getting into findings and recommendations, the following key challenges were identified by the Focus Groups working on this topic:

- The explainability of AI and machine learning
- The resource implications of advanced technology
- Legal and jurisdictional concerns
- Change management and upskilling of workforce

Moving on to their findings and recommendations, inter alia, they said:

- Technology adoption in property valuation is no longer optional but essential to maintaining operational efficiency and public trust
- Technological modernization is as much about organizational culture as it is about tools
- It is important to conduct a technology asset audit
- It is also important to assess data requirements and quality prior to building AI models or developing analytics
- It is necessary to invest in unified digital platforms
- It is important to re-engineer business processes
- It is critical to invest in workforce upskilling and transformation

(b) Valuation of Renewable Energy

The Focus Groups that looked in detail at this topic found that the approaches to valuation varied considerably based on different jurisdictional requirements, particularly in relation to legislation. In particular, they found that many jurisdictions had some form of regulation governing the valuation of renewable energy properties.

Among their recommendations, the Focus Groups stated:

- There is a need for greater transparency in valuation methods and processes
- Legislation should clarify the difference between fixtures to be included in valuations and elements that are to be excluded from valuation such as defined plant, equipment and machinery, etc.
- Valuation staff should explore the use of non-regulated methodologies where possible
- Valuers should consider the use of an income approach to value or a “true” replacement cost approach reflecting actual depreciation where appropriate
- Valuation agencies should continue to enhance their collaboration efforts with industry participants
- It is important to establish uniform valuation standards for these properties
- It is necessary to improve data reliability and sharing
- It is also necessary to strengthen valuers’ technical expertise

As I have already mentioned, the White Papers which contain the detailed reports from the Focus Groups, provide much more information about these important topics. I recommend anyone interested should read the documents which are available on IPTI’s website via the following link: <https://www.ipti.org/white-papers>

As part of the process of sharing the information in the White Papers with a worldwide audience, IPTI will be holding two webinars on 12 and 14 May at which a number of those involved in the research will be presenting their findings and recommendations. These webinars will be delivered at different times on those two dates to accommodate different time zones around the world. More information about those webinars will be available on IPTI’s website shortly.

Time now to move on to other IPTI matters. During March, we delivered another in the series of webinars we provide jointly with the Institute of Municipal Assessors (IMA). This IMA-IPTI webinar was on the topic of “Valuation Challenges with Vacant Land”. This webinar looked at the complexities and best practices in the valuation of vacant land for property assessment purposes. Vacant land valuation presents numerous challenges due to market variability, zoning, development opportunities, limited sales data, and physical characteristics. Our two expert speakers explored how highest and best use analysis informs land value conclusions. The presentation also included the use of multiple regression analysis (MRA) as a statistical tool to support land valuation along with insights into the importance of land stratification, land variables and types of models through practical examples.

Looking ahead, as usual we have a variety of informative events coming up – both virtual and in-person. Information about all forthcoming IPTI events – including conferences, symposiums, webinars, workshops, training, etc. – is available on our website: www.ipti.org.

Now it's time for a quick look at what is making headlines concerning property taxes in selected jurisdictions and countries around the world. For more information, and links to the original news articles, please refer to IPTI Xtracts which can be found on our website: <https://www.ipti.org/ipti-xtracts>

Starting in Jamaica, I really liked the title of a recent article which was: “Falling in love with property tax”. It continued: “The most primitive state consists of a tax administration and an armed group of men to enforce collection. Taxes are thus as old as government, and people have almost certainly dreaded them for just as long. Yet, among that loathsome class of obligations, property taxes deserve more appreciation by policymakers and citizens alike, especially since Jamaica belongs to a select group of jurisdictions that levy a Land Value Tax (LVT). An LVT, unlike most property taxes, is based on the unimproved value of the land, and therein lies an untapped advantage. The LVT is preferred among economists going back to Adam Smith, as it is the only tax that garners no ‘deadweight loss’ – economist speak for the economic inefficiency created when taxes distort behaviour to the detriment of overall welfare. Taxing physical structures – as in a more typical property tax – disincentivises investment in buildings.” After more detailed consideration of the issues, the article concludes: “A complete transition to a single tax on land value may never be politically feasible, however desirable, but inching toward it would convert more deadweight loss into palpable gains to Jamaica’s overall prosperity. And so, if the taxwoman must cometh, bid her cometh for the land rather than the fruits of our labour upon it.”

Comment: as mentioned in my previous newsletter, later this year IPTI will be holding its annual Caribbean conference in Jamaica – in partnership with the RICS – and it will be interesting to see how much love there is for property taxes in the country!

Moving on to Finland, the country has proposed new legislation to reduce property tax on offshore wind turbines and extend real estate and income taxation to offshore wind developments in the country’s exclusive economic zone (EEZ). The changes aim to clarify the tax treatment of offshore wind projects located beyond territorial waters but within Finland’s EEZ. Under the proposal, the property tax basis for offshore wind turbines would be lowered to better align with onshore wind. The Government said the adjustment is intended to improve investment conditions by reducing the relative tax burden on offshore projects, which face higher construction and infrastructure costs. The proposal would also establish a legal framework for taxing offshore wind assets and income generated within Finland’s EEZ, consistent with rights permitted under the UN Convention on the Law of the Sea.

This would ensure that buildings, structures and commercial activities associated with offshore wind are subject to Finnish tax law even when located beyond territorial waters. According to the Ministry of Finance, the package seeks to create a clearer and more predictable fiscal environment for future offshore wind development, supporting emerging projects in the Baltic Sea and strengthening Finland’s competitiveness as an offshore wind market.

In the UK, the impact of the latest revaluation of non-residential properties that comes into effect on 1 April 2026 is forecast to result in the closure of over 340,000 businesses. Government figures show the Treasury is forecasting an increase in “business rates” to £35.8bn in the next 12 months – up from £27.8bn last year. A study by the Federation of Small Businesses (FSB) found that 344,000 firms were expected to close in the next year because of the rise in business rates. The industry group said 1.4 million small businesses would need to make redundancies and 248,000 owners would attempt to sell or pass on their company. High-street businesses expect a significant rise in rates from April because of the combined impact of losing tax relief introduced during the Covid pandemic and a revaluation of rateable values. Rateable values are set every three years by the Valuation Office Agency (VOA), which estimates how much it would cost to rent a company’s premises. This value is combined with a multiplier to calculate the rates due. The system has been heavily criticised because it tends to favour online retailers with large out-of-town warehouses rather than retailers in high streets. The UK government has argued that its “high-value surcharge” – which will see premises with rateable values above £500,000 pay a higher multiplier – will see “online giants” pay more. However, critics have warned that this crude measure would hit “anchor shops”, such as department stores and supermarkets, which help attract footfall to high streets.

And finally, staying in the UK, problems have arisen in relation to an 84-year-old British woman who is facing court action for unpaid council (property) tax in respect of her house in Norfolk (located in the east of the UK) while she was stranded in Cyprus, having been cut off from her pension after the government mistakenly believed she had died! She had travelled to the Mediterranean island of Cyprus for a two-week holiday in September last year, but a severe chest infection rendered her unfit to fly home, leaving her marooned. The local council in the UK sought a court order to enforce payment of the property tax, but the woman was unable to attend the hearing as she remained stuck in Cyprus. Doctors apparently provided letters confirming she was not fit to fly, and both local and specialist medical evidence was sent to the council and the UK government. Her family has been in touch with their local Member of Parliament in an effort to sort out the mess; let’s hope they are successful.

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