

**A study of adherence to best practices on reporting of fair  
values of investment properties In Tanzania**

**Boniface Yumba**

**Master of Business Administration**

**University of Dar es Salaam, Business School, 2013**

During the past few years there have been many changes in financial reporting rules in the world. The International Financial Reporting standards (IFRS), specifically the International Accounting Standards (IAS) 40 implicated a possibility of valuing investment property at fair value, which has contributed to new disclosure requirements connected to the fair value model. We found it interesting to study the real estate companies' fulfillment of new disclosure requirements and the users' opinion about disclosed information ameliorates the users' possibility to value investment property. To fulfill the objectives, literature review on the subject matter was done. In proving the facts, financial statements of the firms together with questionnaires was used, in which data collected was analyzed using descriptive methods. The study found four areas where fulfillment of disclosure requirement is not met including the criteria to separate investment property, specification of direct costs contributed or not contributed to rentals, variables used in valuation model and insufficient information about assumption used in assessing yield. This was due to shortage of skills and experience in adopting fair value model, shortage of training, and owner's wishes to meet their expectations. The study recommended among other things to enforce all practitioners in this fields to attend training and workshops, introduction of an oversight body on both profession, formation of valuation unit to revise and publicize rates for the variables during valuation for comparison and also recommendation on strict adherence to professional code of conduct and certificate of award for compliance in specific professional practice.