

TECHNICAL INFORMATION PAPER – VALUATION REPORTS PREPARED BY UNREGISTERED VALUERS

Reference NZVTIP 3 - Technical Information Paper –Valuation Reports prepared by Unregistered Valuers

Effective New Zealand Adoption Date: 1 July 2019 (Earlier adoption is permitted)

Owner National Manager – Professional Standards

Contents

| | |
|--|---|
| Technical Information Papers | 3 |
| Signing of Valuation Reports by Unregistered Valuers | 4 |
| 1.0 Introduction | 4 |
| 1.1 Purpose | 4 |
| 1.2 Status of | 4 |
| 1.3 Scope of this Technical Information Paper | 4 |
| 2.0 Registered Valuer Responsibility | 4 |
| 2.1 Responsibility | 4 |
| 3.0 Inspection Requirements | 4 |
| 3.1 Site Inspection | 4 |
| 3.2 Evidence Inspection | 4 |
| 3.3 Client Liaison | 5 |
| 4.0 Signing of Unregistered Valuer Reports | 5 |
| 4.1 Disclosure | 5 |
| 5.0 Post Valuation Consultancy | 5 |
| 6.0 Effective Date | 5 |

Technical Information Papers

The principal objective of a Technical Information Paper (TIP) is to reduce diversity of practice by identifying commonly accepted processes and procedures and discussing their use. A TIP is designed to be of assistance to property professionals and informed users alike.

A TIP will do one or more of the following:

- provide information on the characteristics of different types of asset that are relevant to the advice,
- provide information on appropriate practices and their application, provide information that is helpful to property professionals in exercising the judgements they are required to make in specific situations.

A TIP does not:

- provide training or instruction,
- direct that a particular approach or method should or should not be used in any specific situation.

The contents of a TIP are not intended to be mandatory. Responsibility for choosing the most appropriate approach is the responsibility of the property professional based on the facts of each task.

Whilst TIPs are not mandatory, it is likely they will serve as a comparative measure of the level of performance of a Member. They are an integral part of “Professional Practice”.

The reader should understand that legislation may change and whilst this TIP is accurate and relevant at the time it was completed, relevant referred reading and legislation should be investigated at the time of relying on this TIP.

Valuation Reports Prepared by Unregistered Valuers

1.0 Introduction

1.1. Purpose

The purpose of this Technical Information Paper is to provide guidance to all Members of the New Zealand Institute of Valuers, in particular those Registered Valuers signing Valuation Reports prepared by Unregistered Valuers, often in a “Valuer-in-training” situation.

1.2 Status of Technical Information Papers

Technical Information Papers are intended to embody recognised ‘best practice’ and therefore may (although this should not be assumed) provide some professional support if properly applied. While they are not mandatory, it is likely that they will serve as a comparative measure of the level of performance of a member. They are an integral part of ‘The Valuation and Property Standards Manual’.

1.3 Scope of this Technical Information Paper

This Technical Information Papers applies to Members providing valuations in respect of any real property for any purpose. It should be used, as far as applicable, in conjunction with other guidance notes, Technical Information Papers and practice standards that are either over-arching or directly applicable to the type of real property, purpose or issues involved. In addition, Members are referred to the New Zealand Institute of Valuers’ Code of Ethics, Clauses 1.4, 1.5, 1.6, 2.4.

2.0 Registered Valuer Responsibility

2.1. Responsibility

A Registered Valuer, signing a report prepared by an Unregistered Valuer accepts full responsibility for the valuation and contents of the report. Responsibility cannot be limited by the use of condition clauses.

3.0 Inspection Requirements

3.1 Site Inspection

The Registered Valuer signing the report should inspect the property by whatever means at their disposal, to a level that will enable them to comply with the Code of Ethics and confidently and competently assess the value of the property.

3.2 Evidence Inspection

The Registered Valuer signing the valuation report should have sufficient knowledge of all comparable evidence to support the valuation conclusion.

3.3 Client Liaison

During the course of carrying out a Valuation, all parties to the assignment should be mindful of Clause 1.6 of the NZIV Code of Ethics.

“When asked for a valuation of real property, or an opinion on a real estate matter, no member shall give an unconsidered answer. A member’s counsel constitutes professional advice which must be prepared to the highest standards of competency and rendered only after having properly ascertained and weighed the facts.”

Given this, and to avoid any potential mis-representation, it is recommended that any comments regarding opinion on value during the course of carrying out a valuation, be provided by the Registered Valuer.

4.0 Signing of Unregistered Valuer Reports

4.1 Disclosure

The capacity and level of involvement of all signatories to a Valuation Report should be clearly stated including confirmation of inspection, preparation of report and that the opinion of value has been arrived at by the Registered Valuer.

5.0 Post Valuation Consultancy

5.1 Where a Registered Valuer has provided a valuation report and matters are raised by the instructing party, it is the professional responsibility of the Registered Valuer signing the Valuation Report to respond to any such reasonable queries appropriately.

6.0 Effective Date

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