

Frequently Asked Questions

effective as at 14 August 2020

FAQ –INDEX

Please click on the link to take you to the information you require.

<u>Is valuation an essential service? (Updated)</u>
<u>Under COVID 19 Level 3 can I inspect a property for valuation purposes? (Updated)</u>
<u>What is Significant Valuation Uncertainty? (Updated)</u>
<u>Can I provide valuation services without inspection? (Updated)</u>
<u>Can I still comply with IVS without inspection?</u>
<u>Can I retrieve files from my office?</u>
<u>Can I undertake a property inspection? (Updated)</u>
<u>Should I put limitations on my valuation if I cannot physically inspect?</u>
<u>Can I use third-party photographs?</u>
<u>How can I corroborate third party information?</u>
<u>Can I refuse to undertake a valuation?</u>
<u>Can I provide a valuation range?</u>
<u>Can I use historic sales evidence?</u>
<u>What is the Residential Valuation Standing Instructions Addendum?</u>
<u>How can I Access the Residential Valuation Standing Instructions Addendum?</u>
<u>Why did the Residential Valuation Forum issue an Addendum?</u>
<u>Has New Zealand experienced similar (probable) market adjustments?</u>
<u>Will the FAQ be revised?</u>
<u>I have a further question</u>

Is valuation an essential service?

As of Monday 20 April 2020, MBIE determined that valuation is an essential service. As such, valuation services may be carried out under alert level 4 **where they are necessary** for the continued operation of an essential business or service. Valuations should only be carried out under the specific health and safety parameters of the alert level current at the time. See COVID 19 Member alert #9 [here](#). Have this page with you if you are required to travel. (paper or electronic form).

[Return to FAQ index](#)

[Go to next question](#)

Under COVID 19 Level 3 can I inspect a property for valuation purposes?

Yes you are able to inspect property providing you comply with alert level 3 health and safety obligations. You should work from home and only inspect property within your region or adjoining region. Please observe all health and safety, physical distancing and requirements of alert level 3.

Businesses cannot offer services that involve close personal contact, unless it is an essential service, emergency or critical situation.

[Return to FAQ index](#)

[Go to next question](#)

What is Significant Valuation Uncertainty?

The possibility that the estimated value may differ from the price that could be obtained in a transfer of the same asset or liability taking place at the same time under the same terms and within the same market environment. See full advice [here](#) & [here](#).

[Return to FAQ index](#)

[Go to next question](#)

Can I provide valuation services without inspection?

Members are advised to agree a Scope of Works and have a signed Terms of Engagement for the services they will provide. IVS 101 Scope of Works (i) provides guidance on any limitations or restrictions on inspection, enquiry and/or analysis. See full advice [here](#).

Members must comply with all [ethical](#) obligations in providing services without inspection.

[Return to FAQ index](#)

[Go to next question](#)

Can I still comply with IVS without inspection?

Yes; providing you get agreement with your client and declare a departure under IVS Framework. See full advice [here](#) (IVS Framework 60 Departures).

[Return to FAQ index](#)

[Go to next question](#)

Can I retrieve files from my office?

Under COVID 19 Level 3 alert you may retrieve files from your office but if at all possible work from home and maintain social distancing.

[Return to FAQ index](#)

[Go to next question](#)

Can I undertake a property inspection?

You may undertake full inspections providing you maintain health and safety and social distancing. To undertake a full inspection make sure the occupants of the property are in agreement and before entering a dwelling or building ensure you have the occupants consent and have asked appropriate questions as to the COVID 19 outcomes of occupants.

[Return to FAQ index](#)

[Go to next question](#)

Should I put limitations on my valuation if I cannot physically inspect?

Yes; first of all get agreement with your client as to the service or product you will be providing. If the valuation request is through a valuation ordering panel agree on the product and inspection before undertaking the valuation.

[Return to FAQ index](#)

[Go to next question](#)

Can I use third-party photographs?

NZIV advise that unless the photographs are from a reliable source and can be corroborated then limited weight should be placed on them. IVS 102 Investigations and Compliance 20.4 gives appropriate direction. See full advice [here](#) (IVS 102 20 Investigations).

[Return to FAQ index](#)

[Go to next question](#)

How can I corroborate third party information?

You may request the provider of the information to certify the authenticity of the information. We advise to give appropriate weighting to that information in your valuation consideration. See further advice [here](#) (IVS Glossary 20.19).

[Return to FAQ index](#)

[Go to next question](#)

Can I refuse to undertake a valuation?

NZIV advise unless you can agree a Scope of Works and get a signed Terms of Engagement that you can ethically comply with, then you should not undertake the valuation. See full advice [here](#)
COE 1.4, 1.5, 1.7 (c) and (d)

[Return to FAQ index](#)

[Go to next question](#)

Can I provide a valuation range?

You must provide a “pinpoint” valuation. It is not acceptable to provide a range only. It may be appropriate to provide a valuation range in some circumstances. The IVS market value definition states: Inter-alia “*the estimated amount*” and ANZTIP 11 - 4.19: Inter-alia “*the market value should be expressed as a single valuation amount and the GST status should be clearly defined*”.

[Return to FAQ index](#)

[Go to next question](#)

Can I use historic sales evidence?

Historic sales evidence has traditionally been the basis for real property valuation and will be the starting point for your determination. You need to qualify the market conditions since the last sales evidence which may include vacancies, stopping or partial rent payments, share value of listed property companies and other evidence. Sectors will be affected differently. There may initially be little effect on essential service business property or primary industry but significant effect on tourism, retail and transport etc.

[Return to FAQ index](#)

[Go to next question](#)

What is the Residential Valuation Standing Instructions Addendum 1.0?

The Residential Valuation Forum has issued an addendum for all valuers undertaking valuations through Valuation Ordering Service or directly via bank instructions. This will be in effect until New Zealand is out of COVID 19 alert levels.

[Return to FAQ index](#)

[Go to next question](#)

Where can I find the Residential Valuation Standing Instructions Addendum 1.0?

The Residential Valuation Standing Instructions Addendum 1.0 can be accessed via the PINZ website at [here](#) or by contacting your Valuation Ordering Service or Bank.

[Return to FAQ index](#)

[Go to next question](#)

Why did the Residential Valuation Forum issue an Addendum 1.0?

To assist valuers decision making process when receiving instructions for valuations for or through the Valuation Ordering Service and Banks for residential properties.

[Return to FAQ index](#)

[Go to next question](#)

Has New Zealand experienced similar (probable) market adjustments?

Yes; our more stately members will recall the removal, in the early 1980s of the supplementary minimum price scheme in the rural sector when values more than halved. The share market crash of 1986. The Asian crisis of the 1990s. 9/11. 2007 global financial crisis. 2010 Christchurch earthquakes, 2016 Kaikoura earthquakes. We are resilient, - talk to your senior members.

[Return to FAQ index](#)

[Go to next question](#)

Will the FAQ be revised?

The FAQ will be updated on a regular basis as information comes to hand.

[Return to FAQ index](#)

[Go to next question](#)

I have a further question

Please address further questions to standards@property.org.nz

[Return to FAQ index](#)

60. Departures

- 60.1. A “*departure*” is a circumstance where specific legislative, regulatory or other authoritative requirements *must* be followed that differ from some of the requirements within IVS. Departures are mandatory in that a *valuer must* comply with legislative, regulatory and other authoritative requirements appropriate to the *purpose* and *jurisdiction* of the *valuation* to be in compliance with IVS. A *valuer* may still state that the *valuation* was performed in accordance with IVS when there are departures in these circumstances.
- 60.2. The requirement to depart from IVS pursuant to legislative, regulatory or other authoritative requirements takes precedence over all other IVS requirements.
- 60.3. As required by IVS 101 *Scope of Work*, para 20.3 (n) and IVS 103 *Reporting*, para 10.2 the nature of any departures *must* be identified (for example, identifying that the *valuation* was performed in accordance with IVS and local tax regulations). If there are any departures that *significantly* affect the nature of the procedures performed, inputs and assumptions used, and/or *valuation* conclusion(s), a *valuer must* also disclose the *specific* legislative, regulatory or other authoritative requirements and the *significant* ways in which they differ from the requirements of IVS (for example, identifying that the relevant *jurisdiction* requires the use of only a market approach in a circumstance where IVS would indicate that the income approach *should* be used).
- 60.4. Departure deviations from IVS that are not the result of legislative, regulatory or other authoritative requirements are not permitted in *valuations* performed in accordance with IVS.

20.4. When a *valuation* assignment involves reliance on information supplied by a party other than the *valuer*, consideration *should* be given as to whether the information is credible or that the information may otherwise be relied upon without adversely affecting the credibility of the *valuation* opinion. *Significant* inputs provided to the valuer (eg, by management/owners) *should* be considered, investigated and/or corroborated. In cases where credibility or reliability of information supplied cannot be supported, consideration *should* be given as to whether or how such information is used.

20.19. Weighting

The word “*weighting*” refers to the process of analysing and reconciling differing indications of *values*, typically from different methods and/or approaches. This process does not include the averaging of *valuations*, which is not acceptable.

[Return to FAQ index](#)

[Go to IVS](#)

1.4 No member shall prepare or certify any statement which is known to be or ought to be known to be false, incorrect, misleading, deceptive or open to misconstruction by reason of a misstatement, omission or suppression of a material fact, any deceptive act, or otherwise.

1.5 A member shall exercise the utmost care and good faith to ensure the maintenance of the highest standards in the preparation of statements, reports and certificates, as these constitute one of the most valuable assets of the profession, being relied upon by clients, employers, shareholders, investors, creditors and the public.

1.7 A member must maintain the strictest independence and impartiality in the performance of the member's professional duties. To this end no member shall

- c) rely improperly upon information supplied by clients or others in the performance of their professional duties or
- d) act in any other way inconsistent with the duties of independence and impartiality.