

VALUATION REPORTS PREPARED BY UNREGISTERED VALUERS

Reference:	NZVGP 503 Valuation Reports prepared by Unregistered Valuers
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Guidance Papers

Objectives

The principal objective of a Guidance Paper (GP) and Resource Pack (if applicable) is to clarify professional and industry processes, best practices, and procedures and to discuss their use and implementation.

A GP is designed to be of assistance to Members and those who use Members' services. They serve as a guide and measure of acceptable professional practice and conduct of a Member.

The intention of a GP is to:

- a) provide information on the characteristics of different types of assets that are relevant to the advice.
- b) provide information on appropriate practices and their application.
- c) provide information that assists Members in exercising the judgements they are required to make in specific situations'; and
- d) convey elements of what is considered "competent professional practice" for Australian Property Institute (API) Members and "best practice" for Property Institute of New Zealand (PINZ) Members.

A GP is not intended to provide comprehensive training, instruction or prescriptive practices and procedures, or direct that a process, professional approach or method should or should not be used in any specific instruction or situation.

Member Obligations

The Member is responsible for choosing the most appropriate approach in a matter based upon the task and instruction. It is a matter for each Member to decide the appropriate practice in any situation, and if they are unclear, seek professional advice from others, or contact the Institute(s). Members have the responsibility of deciding when it is appropriate to depart from the guidance and practices contained in a GP.

The Institute(s) do not warrant that anything contained in this, or any GP is the definitive or final statement on any issue. Members must perform their own work pursuant to their own professional expertise and experience and if required, seek additional advice which might include legal advice.

Court or Tribunal Reliance

A court or tribunal may consider the contents of any relevant GP or other document relating to a recommended professional practice published by Institute(s) in deciding whether the member acted to a standard required by law.

Currency of Publication

Case law and relevant legislation may change over time and whilst the Institutes(s) consider this GP current at the time of publication, Members and those who use Members' services should have regard to legislative changes and new rulings and if necessary, seek further advice prior to having regard to this GP.

Departure or Non-Compliance

Where a Member considers that a circumstance exists that warrants the departure from or non-compliance with any of this GP, the Member's report (or other advice) must include a statement that outlines:

- a) the reasons for the departure or non-compliance with this GP; and
- b) any impact the Members departure or non-compliance may have on the content of the report.

Members are advised to seek legal and/or other advice before departing from practice recommended in a GP.

Enquiries

If any Member considers any information or advice in this GP to not be accurate or up to date, or wish to raise any issue for consideration arising from the contents of this GP, please refer this to

PINZ contact: standards@property.org.nz

1.0 Introduction

1.1 Scope of This Guidance Paper

This Guidance 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.

This Guidance Paper 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 Papers 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.

1.2 Status of Guidance Papers

Guidance 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.

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 using 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

While 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 misrepresentation, 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

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

This GP is applicable from 1 July 2021. Earlier adoption is permitted and encouraged.

This GP replaces *NZVTIP 3* which was in effect from 1 July 2019 and was withdrawn on 30 June 2021.