

Frequently Asked Questions

effective as at 6 April 2020

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Is valuation an essential service?

As of 27 March 2020, MIBE has determined that valuation is not an essential service. NZIV advise members to consider all valuation as a non-essential service until we have clarification from MIBE.

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Under COVID 19 Level 4 can I inspect a property for valuation purposes?

NZIV advise members to consider all valuation as a non-essential service based on advice to NZIV on 27 March 2020 from MIBE, therefore you are not able to inspect property and should stay at home in line with the COVID 19 Level 4 alert

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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](#).

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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](#)

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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).

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Can I retrieve files from my office?

Under COVID 19 Level 4 alert you must stay at home, therefore you would be breaching those requirements in returning to your office.

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Can I undertake a drive by/curb side inspection?

Valuation is not considered an essential service therefore you should not be undertaking an inspection and should be staying at home in line with the COVID 19 Level 4 alert.

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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. NZIV advise to limit reports to desktop estimates until such times as an appropriate inspection can be made. If the valuation request is through a valuation ordering panel agree on the product and inspection before undertaking the valuation/market estimate.

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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).

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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)

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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)

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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 “the estimated amount” ANZTIP 11 - 4.19 the market value should be expressed as a single valuation amount and the GST status should be clearly defined.

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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.

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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.

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Will the FAQ be revised?

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

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I have a further question

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

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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.

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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.