

2015

Annual Report



About us

We represent property professionals who play an active role in New Zealand's property industry. Our members include valuers, property managers, and property advisors, and are from local bodies, banks, insurance firms, large corporates, and small family businesses. Their aspiration for continuous professional learning and development has led us to offer a wide range of events and CPD opportunities, as well as our Annual Conference. Through these events we seek to promote professionalism, ethical conduct, and innovative thinking within the property industry.

The Property Institute works with government, industry and other professional associations, and the media to promote our members' interests, property standards, and the Institute's views. Our sponsors get unparalleled access to decision makers right across the property industry – as well as more than 2000 property professionals we represent.



2015

Approximately
2,500
tickets sold to
national and
regional events

\$350k
gross revenue
generated from
PINZ events

A sellout crowd of
323
at the 2015 Annual
Conference

2,449
members in 2015

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President's Report

Moving to the future

This past year has seen the Board oversee the implementation of a significant work plan that will reposition the Property Institute for the future. None of this will be news to our members – this work has been in the pipeline for years. However, action is now underway.

Members will be aware that last year the Board formed a Rules and Structure Review working group to address the current and future issues facing the Institute. The Strategy centers around the likelihood of deregulation of the 1948 Valuers Act (currently expected in 2018) and the impact this could have on the Institute. Addressing these issues now will improve the service provided to our members and will grow the membership base – something that is imperative to setting the Institute up for the future. The Property Institute Board were pleased to endorse some of the key changes at their meeting in March.

What the new Strategy will mean for members

The Working Party identified five strategic steps, several of which – such as improving the operational performance and services offered to members – are already being implemented. The remaining recommendations are in their second stage of development.

As well as some long term moves to reform the revenue model of the Institute, Members should expect to see a modernised structure to allow Branches to more heavily focus on the needs of their existing network and events.

A reworked membership structure will also vastly improve the membership advancement process, making it simpler and more straightforward for members to navigate. For instance, members won't need to work up multiple and divergent membership ladders as they currently do. We hope these changes will also lead to



Greg Ball

FPINZ, Registered Property Consultant and Property Manager, CMIInstD.

Greg became President of the Property Institute Board in June 2015. He is Executive Director of The Property Group Limited (TPG), a company he founded in 1999. TPG is New Zealand's largest specialist property consultancy delivering technical expertise in a range of property services to corporate, government and private property owners.



I believe the Property Institute can be a powerful voice for the wider property profession, and the Boards commitment to all of our members is stronger than ever.

growth and an expanded membership base – which is of critical importance to the Institute due to the largely aging profile of our membership, particularly among the Valuers Community. In addition, there is a need to look inclusively among the property industry at other professional communities that may benefit from PINZ membership. We are aware that Chief Executive Ashley Church, as a key instigator of the new strategy, has been discussing some of these changes with members as he works his way around the regions.

Part of these changes rely on increasing the relevance of the Institute. There is room for us to respond to new technologies and trends, through production of research reports, and increased public exposure. We are pleased at the growth in media opportunities that have presented themselves to the Institute under Ashley's leadership.

Working for our members

I took up the role as President because I wanted to serve our members more widely than just the valuers community. I believe the Property Institute can be a powerful voice for the wider property profession, and the Boards commitment to all of our members is stronger than ever.

It is also appropriate to acknowledge the work of our Chief Executive, Ashley Church, which have been carried out in a relatively short time to ensure necessary changes have moved from talk to action. Ashley has proven himself to be the force necessary to take a strong hand in the development of this new direction.

Thank you for your continued support, we have exciting changes ahead of us.

Greg Ball
President of the Property Institute



This past year has seen the Board oversee the implementation of a significant work plan that will reposition the Property Institute for the future



Chief Executive's Report

It has now been almost 18 months since I commenced with the Institute and it is timely to reflect on the pace of change which has occurred over that time and the extent to which that change has been accepted by our members. That acceptance is perhaps best exemplified in the results of our 2015 Satisfaction Survey which reflected on our direction, our activities, and the quality of the service provided to members in 2015. According to the Survey more than 75 percent of our members support our strategic direction – a result which has only been possible through the unwavering support of the President and Board and through the dedication of our professional and enthusiastic staff.

Working for our members

While the main focus of 2015 was around establishing a 'big picture' vision for the future – we were also able to make a number of significant and tangible improvements to our operation. These have received strong member endorsement in the recent Satisfaction Survey and have included:

- **Better communication**

A massive increase in our public profile was a major feature of our activity in 2015 and is outlined,

in more detail, elsewhere in this report – but our efforts at better communication go far beyond this initiative. Members have also responded, extremely positively, to the huge lift in the quality and relevance of our rebranded 'Property Professional' Magazine, and to our fortnightly 'CEO Update' email newsletter which keeps them up-to-date with useful information. They are also enthusiastic about the ways in which we've lifted the quality of our promotional material and have indicated that they




Ashley Church

Ashley has been the Chief Executive of the Property Institute since the start of 2015. A self-described change manager, Ashley has had a busy year setting in place a bold new direction for the Institute.

Initiatives in 2015 included the development of stronger links with RICS, the devotion of considerable effort into 'equalising' the importance of our Professional Communities, and the provision of greater resources to help those Communities be more effective.





More than 75 percent of our members support our strategic direction – a result which has only been possible through the unwavering support of the President and Board and through the dedication of our professional and enthusiastic staff.

are looking forward to our new website (which will be launched in the first half of 2016).

- **Improved Education and CPD**

In October 2015 members responded, in record numbers, to a Needs Assessment Survey which asked them to tell us which educational topics would be of most value to them. Based on this feedback we have developed a comprehensive Webinar program for 2016, offering a more relevant range of topics to a wider cross-section of members. We have also extended the capacity of our Webinar platform to allow more members to take part in these events – and we have kicked off hugely successful ‘Keynote Meetings’ in Auckland and Wellington – with a plan to roll these out throughout New Zealand as quickly as possible.

- **A greater focus on member benefits**

Other initiatives in 2015 included a much stronger focus on creating tangible and valuable member benefits, a push to develop more meaningful and useful industry research for our members, the development of stronger links with RICS, and the devotion of considerable effort into ‘equalising’ the importance of our Professional Communities and the provision of greater resources to help those Communities be more effective.

**More than
75%
of members support
the leadership and
initiative of the
Chief Executive and
Institute.**

Board Members 2015



Greg Ball
President



Ashley Church
PINZ Chief Executive



Blue Hancock
previous Board President



Mike Morales
*Chair of the
Infrastructure, Plant,
and Machinery Council*



Paul Mautz
*Chair of the Property
Advisory Council*



Patrick O'Reilly
*Chair of the
Property & Facilities
Management Council*



Peter Loveridge
*President of the
Valuers Council*



Phillip Merfield
*Independent Director,
Simpson Grierson*



Katie Grindley
*Northern Region
representative*



Gary Garner
*Southern Region
representative*



Luke Van Den Broek
*Young Leaders
representative*



Marvin Clough
*Previous IPM Chair,
resigned November 2015*

Update from Community Chairs



Peter Loveridge

President of the Valuers Council

Pete is the current President of the NZIV. He is a rural valuation expert who has been active in Farming Valuation and finance fields since 1981. He is also a member of the PINZ Board and the Finance, Audit and Risk sub-committee.

The proposed plan is not about separation, but about strength and advancing the cause of Valuers and addressing our profession's challenges.

Since becoming President of the NZIV in June 2015, I have now realised the important role each one of your NZIV representatives play in providing a voice for our community.

Just in case you don't know, from the Northern Region, your councillors are Nigel Kenny (Whangarei) Michael Sprague (Auckland) and Roger Gordon (Hamilton). Our Central Region representatives are Boyd Gross (Hawkes Bay) Tim Truebridge (Wellington) and myself from the Manawatu and, in the South Island your representatives are Blue Hancock (Nelson/Marlborough), John Tappendon (Canterbury) and Darren Bezett (Otago). Ms Susie Penrose is our young person's representative and she heralds (and works) in the Hawkes Bay Region.

Each of your councillors have been voted onto the Valuers Council in a voluntary capacity and I am in no doubt that they are all here for the good of our Profession. If you have any professional concerns I urge you to contact any one of the councillors, and if necessary issues can be discussed and acted on appropriately.

I am also really pleased with the direction our CEO Ashley Church is taking PINZ and as a consequence

giving NZIV a passage of more autonomy. It was heartening result, from our Satisfaction Survey, that over 70% of our members support this direction. His proposed plan is not about separation, but about strength and advancing the cause of Valuers and addressing our profession's challenges.

Your Valuers Council is looking to increase the range, quality and volume of services and resources to our members via PINZ and we have no intention of slowing down the process of identifying how we can best serve our profession – with the full support of PINZ.

Finally, we have serious issues that are threatening our profession in terms of standards and ethics, tertiary education, on-going professional development and attracting graduates (to name a few) but I am equally confident we have the right personnel to meet these challenges head-on!

Hope to catch up with you all at our AGM at Auckland in June!!





Patrick O'Reilly

Chair of the Property & Facilities Management Council

Patrick is a career investment manager that has specialized in commercial investment property for over 25 years. In his various roles he has overseen the management of circa \$3b of property assets throughout New Zealand. In 2014 he was recognized by the property industry by being awarded a Fellowship in the Property Institute of New Zealand.

All councils are keen to see the valuer's deregulation process completed so that we can again concentrate on our members and advancing the Institute in a deregulated environment.

Under the leadership of Ashley Church the Institute has increased its focus on providing services to its members.

The number and variety of seminars and events has been a great achievement of the National Support Office, who have worked alongside the community councils and branches. The visibility of the Institute has also been increased by the Chief Executive proactively making press releases on property issues. For our Community there has been a broader range of activities such as the Key Note Speaker series supplementing more specific seminars and webinars of interest. Using the likes of the membership surveys, events have been facilitated on the basis of the areas of interest identified by the members.

At the centre of the PINZ Strategic Plan is the valuer's deregulation. The delays with the process has been frustrating for all PINZ members. All councils are keen to see the process completed so that we can again concentrate on our members and advancing the Institute in a deregulated environment. It can be likened to a pregnancy where we have reached the stage where the

parents and extended family are now just keen to have the baby!

Over the last two years the Property Advisor and Property Manager Councils' have been working more closely together. We commenced joint council meetings as many of the issues we are addressing are common to both groups. This close relationship has assisted with the review of the REAA exemption for our members. I thank Paul Mautz for his leadership of the PA Council and his service to the Institute.

A special recognition to the Property and Facilities Management Council for their contribution. The council members being; Saatyesh Bhana, Helen Brumby, Ian Campbell, Joanne McCracken, Nicole Owen (on leave), Phil Porteous and Glenda Whitehead.

Finally, I would like to acknowledge the staff at the National Support office. Under the leadership of Ashley they have stepped up and refocused on the PINZ members. Their contribution is appreciated.





Mike Morales

Chair of the Infrastructure, Plant, and Machinery Council

Mike has been employed in Heavy Mechanical Engineering for 18 years, and has worked in Plant & Machinery Valuations for 20 years. He is currently the National Director Plant & Machinery Valuations at Knight Frank.

2015 was a reasonably busy year for the IPM community, with the admission of five new affiliate members, one member advancing to registered status, and another achieving MPINZ.

The Annual Plant & Machinery Conference, which this year was held in Napier, was very well received with valuers from all parts of the country in attendance.

The AGM saw a number of changes to the IPM committee with the resignation of the Chairman Marvin Clough, who consequently took up a vacant committee seat and two long standing committee members who stood down to be replaced by Dave Baxter and Steve Bown.

We extend a warm thank you and our gratitude to Marvin, Graham Bailey and Graham Barton for their sterling services to the committee.

We would also like to extend our thanks and gratitude to Jenny Houdalakis for all her efforts towards the organisation and smooth running of our annual conference and committee meetings.

The Annual Plant & Machinery Conference, which this year was held in Napier, was very well received with valuers from all parts of the country in attendance.



Paul Mautz

*Chair of the Property
Advisory Council*

Paul is a Registered Property Consultant and a licensed agent under the REAA. He sits on the PINZ Board, is Chairman of the Property Advisory Professional Community Council and is the former NZ Representative on the Australian Property Standards Board. Advising both public and corporate sector clients, Paul specialises in procurement and lease negotiations, portfolio strategies and specialist property agreements. He has been in commercial property for over 20 years.

***Members who
have selected
Property
Advisory as
their primary
community sit
at 286 at the
time of writing.***

The new strategic direction established for the Institute will enable each community greater autonomy in decisions affecting their members, and drive new services catering specifically to these groups.

The Property Advisory Council has been working with the Chief Executive to develop a schedule of deliverables for 2016 targeted at the Property Advisory community that focuses on network events, education and issues relevant to our particular needs. Agreement on these will get us closer to delivering on what members have told us they want, while also recognising the importance of our community to PINZ.

The Council has been part of the group looking into REAA licencing and an exemption for members who meet the proposed criteria. While progress on this has been slower than hoped, the importance of getting an application for exemption correct is paramount to any chance of success. The work has also focused the Council and PINZ on processes that will allow the better functioning of our community in the future.

The Council has also been part of the Rules and Structure Review Working party set up to look at key aspects of how the Institutes functions and what changed are recommended to support the new strategic direction. The report of the working party will have a considerable impact on structure of communities going forward.

Standard work throughout the year has included processing applications for the various levels of membership of the community, recognising achievement within our fields of speciality through the awarding of fellowships, initiating new events, and working with younger members to develop their skills and knowledge while also promoting property as a career.

Members who have selected Property Advisory as their primary community sit at 286 at the time of writing.

I would like to extend my thanks to the members of the Council for their work and efforts over the past year.



Media and Advocacy



CEO Ashley Church has become a go-to commentator for major news outlets around the country

Positioning the Institute as a go-to commentator for the property industry

Over the past year, the Property Institute has dramatically improved its public profile. CEO Ashley Church has become a go-to commentator for major news outlets around the country and is now a respected voice across all forms of media. This hasn't happened by chance. It is the result of a deliberate strategy which was designed to significantly enhance the relevance of the Institute.

While the Institute continues to seek opportunities to release Media Statements on topical issues, a benefit of visibility has been an increasing trend by media organisations to contact the Institute in the first instance. On these occasions the 'Institute' view is generally aligned with the personal opinions of Chief Executive Ashley Church, as these

opportunities are generally immediate and reactive and rely on our ability to articulate a viewpoint and participate in public debate. While this practice will continue – the Institute is now also undertaking research on various matters of public interest to enable media activity to be more broadly based and allowing media commentary to be both reactive and empirical.

The Institutes role as a commentator is also an important feature of our ability to act as an effective Property Industry Advocate. Being quick to wade into discussion on proposed measures and policies by Government and the Reserve Bank that could affect the property market is in the interests of our Members – and holding and articulating a clear view, following important Government and



Being quick to wade into discussion on proposed measures and policies by Government and the Reserve Bank is in the interests of our Members.



Ashley Church and Sean Tompkins, Global CE of RICS, signing a MOU in October 2015

Local Authority announcements, is imperative for any member organization that wishes to effect change on matters which impact on its members. In this respect the Institute has actively sought to challenge decisions and views, with considerable success.

In particular, we have continued to argue that the only solution to housing affordability and housing shortages in Auckland is to build more homes as quickly as possible.

Other issues such as Official Cash Rate changes, proposed changes to the Resource Management Act, and low deposit home loan restrictions have all seen wider Property Institute commentary.

The Institute also continues to take an active interest in legislative issues and is continuing to follow the progress of the review of the Valuers Act. The progress of that review has slowed down over the past 12 months and it would now

appear that predictions that new legislation would be in place by 2018 were overly optimistic. The Institute has taken the view that the impact of the proposed changes should lead to fundamental changes in the way in which we operate as an Industry body regardless of the timeframe within which any new legislation is enacted. For this reason, we are an interested observer to the review – but far more focused on our own strategic repositioning. We will, however, continue to lobby the current Minister, Hon Louise Upston, to gain the best possible outcome on behalf of our members.

Over the course of the year we were also involved in moves to seek an exemption, for our members, from the provisions of the REAA Act. The REAA Exemption Working Group has drafted an exemption application and is now working with the Rules & Structure Review Working Group to ensure that the provisions of our exemption application are consistent with the overall changes proposed for the Institute.

A Strategy For The Future

Events over the past couple of years have highlighted the need for significant change within the Institute. Urgent concerns over the quality and value of the service provided to members by the Institute, the challenges presented by the likely deregulation of the 1948 Valuers Act, and demographic and competitive challenges within the property industry as a whole all came to a head in 2014 and led the Board to seek a new direction for our organisation.

That direction began to take shape in March 2015 with the presentation of a proposed Strategic Plan by the incoming CEO Ashley Church. The proposed plan can be summarised as a series of recommendations around 5 Strategic Steps which needed to be taken by the Institute. These were:

1. To improve **Operational Performance**
2. To expand the range of **Activities and Services** provided to members
3. To expand the **Membership** of the Institute to incorporate other property professions
4. To change the **Structure** of the Institute to empower existing Professional Communities and to enable growth and a greater focus on members
5. To reform the **Revenue** model of the Institute

Steps 1 and 2 were approved immediately, by the Board, as they were regarded as being within existing operational parameters. The remaining steps were endorsed by the Board, but required further work (and potentially rule changes) to see them through. To achieve this the Board established a Rules and Structure Review Working Party, in June 2015, to develop a series of recommendations around how the Institute's structure should be modified to better support the new strategic direction.

The Working Party has met regularly since its formation and presented a preliminary Summary of Recommendations to the Board in March 2015. These covered a range of detailed recommendations including proposals to:

- streamline the size and purpose of the PINZ Board
- provide greater autonomy to our professional communities
- simplify our membership structure
- transform our regional branches into Local Property Networks

The effect of these changes – if implemented – will be to grow the Institute into a much broader, more relevant, organisation with a much greater focus on high quality member services.

The proposed changes and draft rules are now entering a stage of Branch and member consultation to ensure that member feedback is considered before the proposed new rules are voted on.



Membership



The Property Institute's steady membership crosses a broad range of industry groups in the property sector. Recognising the importance of attracting young people into the property sector, we have actively engaged in Careers Expo's and school career events to build student membership and encourage the growth of the industry. Many of our Graduate Members continue on to full membership as they transition into the workforce.

Membership as at year end 2015:

Membership type	Dec-15
Graduates;	236
PI only	366
IV only	35
PI/IV	1209
Honorary/ Complementary	4
Students	599
total	2449

Paying/ Nonpaying breakdown	
paying	1825
nonpaying (includes Life Members)	624
total	2449

2,449

members in 2015

236

Student Members
transitioned
to Graduate
Membership

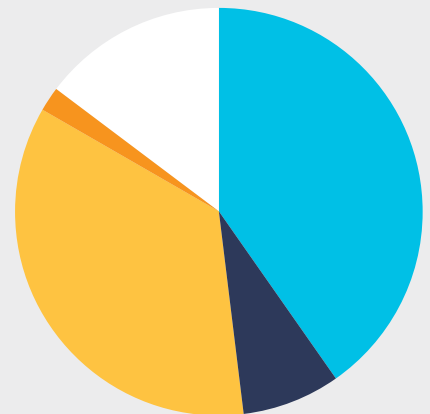
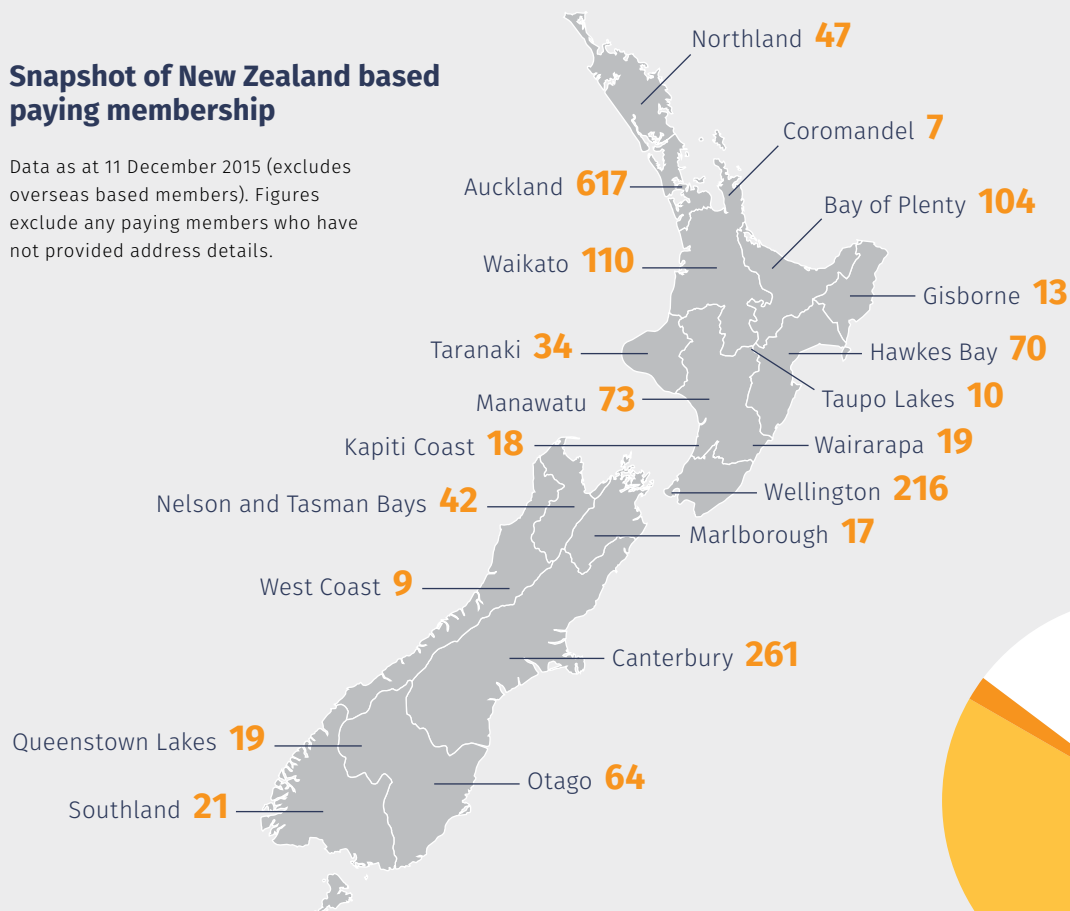
599

university
students signed
up as Student
Members



Snapshot of New Zealand based paying membership

Data as at 11 December 2015 (excludes overseas based members). Figures exclude any paying members who have not provided address details.



Student membership numbers by training institute

- Auckland University
- Lincoln University
- Massey University
- Unitech/Polytech (location not specified)
- Other (unspecified)



Young People in the Industry

The Property Institute Young Leaders Group is a self-managed committee first formed in April 2013. The pretext of the group was to provide a succession plan for the Property Institute and to invest in the Institute's future leaders. The program gives up and coming members of the Institute first-hand exposure to the governance of their professions and the inner workings of a professional organisation. Each member reports back to their respective communities.

A word from 2015/2016 PINZ Young Leaders Group

It has been a busy time for the PINZ Young Leaders Group after taking over from the last group at the PINZ Conference in June 2015. The group has worked alongside the National Support Centre on several initiatives such as the Real

Experience Program and as well as being involved in speaking with young people at careers evenings, talking to university students, organising PINZ representation at Careers Expos, and helping to establish prominent property scholarships at some of our leading Universities.

The PINZ Real Experience Program is about creating work experience opportunities for new people entering the property profession.





Kate Fluker, Valuer and professional athlete



Claire Burgess receiving her prize as Top Property Student 2015 from Lincoln University, with Luke Van Den Broek

Several initiatives the group is currently working on include:

- We will continue to develop the PINZ Real Experience Program and its roll out to communities. This initiative is about creating work experience opportunities for new people entering the property profession.
- The Canterbury Westland Branch endorsed a 'Mainland Scholarship' proposal put to them in a discussion paper and asked for more work to be done to establish how the scholarship will be offered and who the target audience will be. We are continuing to work with Lincoln University's scholarship and marketing teams to achieve this.
- Later this year Susie Penrose and Helen Brumby will visit Massey University in Palmerston North for an event speaking to students about the benefits of being a member of PINZ, their roles as young leaders of the institute and property as a profession.
- Andrew Liew has given a talk on "a career in Property" to second year valuation students and has also distributed PINZ magazines to both Auckland University and Massey University (Albany). Ben Gill has similarly represented PINZ at an open evening organised by Victoria University where students were able

to come along and talk with 'industry people'. We would like to continue our involvement and to help the institute build stronger relationships with universities.

- Moving forward we are organising PINZ representation at various Careers Expos nationwide. This is being done with the support of local branches and the National Support Centre. We will continue to take part in existing Young Guns events and have plans to create new opportunities for young property professionals to get together where there are currently no organised groups.

It's a great time to be part of the institute and the group has really enjoyed their time as Young Leaders so

far. We look forward to the challenges the year ahead is sure to bring.

Sincerely,

PINZ Young Leaders Group

Luke van den Broek

PINZ Board Representative

Susie Penrose

Valuers Council Representative

Helen Brumby

Property and Facilities Management

Benjamin Gill

Property Advisory

Andrew Liew

Infrastructure, Plant and Machinery



Young Leaders Group 2014/2015 and 2015/2016

Events Snapshot



The Property Institute events have continued to gain speed over the past year. We have increasingly sought to better align our events with member needs. This has led to member-driven CPD topics, the introduction of networking events following our Keynote functions, and a Community-focused webinar schedule.

For the first time, the Institute has in place a twelve-month forward plan outlining events and CPD for the year. Moving forward, we want to work with the regional branches to ensure we are complementing their own event schedule, and use their knowledge of local issues and speakers to further improve the quality of events we have on offer.

Last year we ran 19 webinars and seminar events, which were well attended by over 1123 people. Overall, 1446 tickets were sold to our events, generating \$350k revenue.

The 2015 Conference was a sellout success. Hosted in Christchurch, it gave us the opportunity to view the major developments underway in Christchurch as well as hear from a number of property industry leaders.

1,446

**tickets sold for
PINZ events in 2015**

\$350k

**gross revenue
generated from
PINZ events**

A sellout crowd of

323

**at the 2015 Annual
Conference**



Branch Report

As well as traditional networking events, our regional branches continued to look for opportunities to grow their own CPD activities throughout 2015.

In total, close to one thousand tickets were sold for branch level events in 2015. Such significant numbers are due to the hard work of Branch Chairs and their committees, who carry out their role entirely voluntarily. Results from our Satisfaction Survey 2015 showed that our Members highly value branch activities and are keen to see an increase on offer going forward.

A major asset of the Property Institute is the large number of small but active branches throughout the country. Whilst Auckland, as expected, continues to run a significant events

calendar, smaller branches such as the Taranaki Branch, Nelson-Marlborough Branch, and Rotorua-Taupo Branch are rated very highly by local Members and run active events calendars. The education activities run by the Taranaki Branch, for instance, rated well over 70% by members for 2015.

A major asset of the Property Institute is the large number of small but active branches throughout the country.

989

people attended events organized by our regional branches

2015 saw a

50%

increase in numbers attending regional Young Gun events



Regional Branches

Northland

Branch Chair: **Reuben Archer**

Auckland

Branch Chair: **Patrick Foote**
Branch Secretary: **James Wilson**

Waikato

Branch Chair: **Jeff Alexander**

Rotorua

Branch Chair: **Helen Brumby**

Tauranga

Branch Chair: **Paul Higson**

Gisborne

Branch Chair: **Che Whitaker**

Taranaki

Branch Chair: **Stephen Hodge**
Branch Secretary: **Ben Hunt**

Hawkes Bay

Branch Chair: **Trevor Kitchin**

Wanganui

Branch Chair: **Guy Hoban**

Manawatu

Branch Chair: **Bruce Lavender**

Wellington

Branch Chair (PINZ) **Callum Taylor**
Branch Chair (NZIV): **Hamish Bills**

Nelson

Branch Chair: **Simon Charles**

Canterbury

Branch Chair (PINZ): **Simon Newberry**
Branch Chair (NZIV): **Gavin Kingston**

South/Mid Canterbury

Branch Chair: **Alistair Wing**

Central Otago

Branch Chair: **Geoff McElrea**

Otago

Branch Chair: **Adam Binns**

Southland

Branch Chair: **Regan Johns**

Property Institute of New Zealand Financial Report

FOR THE YEAR ENDED
31 DECEMBER 2015

AUDIT REPORT FOR THE YEAR ENDED 31 DECEMBER 2015



To the Members of The Property Institute of New Zealand Incorporated Group

Report on the financial statements

We have audited the financial statements of The Property Institute of New Zealand Incorporated Group on pages 6 to 15, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of financial performance, consolidated statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Members' responsibilities

The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm carries out other assignments for The Property Institute of New Zealand Incorporated Group in the area of taxation advice and accounting advice. The firm has no other interest in The Property Institute of New Zealand Incorporated Group.

Opinion

In our opinion, the financial statements on pages 6 to 15 present fairly, in all material respects, the financial position of The Property Institute of New Zealand Incorporated Group as at 31 December 2015, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.

A stylized, handwritten-style signature of "Grant Thornton" in a dark grey color.

Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
1 April 2016

Consolidated Statement of Financial Performance For the Year ended 31 December 2015

	Note	Group 2015 \$	Group 2014 \$
Operating Income			
Sales PETL		–	32,030
Service Level Agreement NZIV	5	700,000	700,000
Subscription Income		331,530	312,564
Sponsorship / Partnerships		91,797	85,157
Seminar Income		109,355	90,650
Publications		28,437	34,680
Annual/Property Summit Conference		241,905	183,952
Branch Income		104,496	106,202
Interest Income		27,132	13,523
Quality Assurance Accreditation Scheme		25,934	47,708
Total Gross Income		1,660,586	1,606,466
Operating Expenses			
Accident Compensation Levy		2,358	2,331
Audit Fees		10,695	14,440
Bank Charges		7,153	2,020
Board Costs		31,668	19,494
Branch Costs		60,570	70,393
Valuers Council Expenses		27,334	22,018
Conference Expenses		147,003	112,758
Computer Expenses		28,296	31,400
Equipment Lease Costs		3,716	5,382
Functions/Awards		2,935	3,935
General Expenses		64,840	18,857
Information Services – Publications		59,378	59,980
Insurance		11,593	9,472
International Costs		11,985	16,991
Legal Fees		2,800	27,008
Marketing Expenses		9,123	33,278
Seminar Expenses		40,072	40,490
National Committees		15,408	22,140
Printing, Stationery & Postage		2,337	7,166
Premises Costs		44,405	36,827
Staff Costs		21,654	18,062
Salaries & Wages		830,572	720,245
Communication		19,872	20,523
Travelling Expenses		51,684	15,654
QAAS Expenses		9,277	25,152
Membership Subscription		3,375	4,055
		1,520,103	1,360,070

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Performance (continued)

For the Year ended 31 December 2015

	Note	Group 2015 \$	Group 2014 \$
Depreciation Fixed Assets	2	6,098	8,300
Amortisation Intangible Assets	3	7,246	13,934
Doubtful debts			10,137
Loss on Disposal of Assets		–	17,987
Total Expenses		1,533,447	1,410,428
Net Surplus before Tax		127,139	196,038
Net Surplus after Tax		127,139	196,038

Consolidated Statement of Movements in Equity

For the Year ended 31 December 2015

	Note	Group 2015 \$	Group 2014 \$
Accumulated Funds at Start of the Year		742,073	546,035
Net Surplus for the year		127,139	196,038
Accumulated Funds at End of the Year		869,212	742,073

The accompanying notes form part of the financial statements.

**Consolidated Statement of Financial Position
As at 31 December 2015**

	Note	Group 2015 \$	Group 2014 \$
Total Accumulated Funds		869,212	742,073
Accumulated Funds is represented by:			
Current Assets			
Cash and cash equivalents		71,197	670,260
Term Deposit		774,393	66,669
Accounts Receivable	6	151,856	333,773
Prepayments		12,897	14,008
Total Current Assets		1,010,343	1,084,710
Non-Current Assets			
Fixed Assets	2	18,152	16,074
Intangibles Assets	3	35,445	15,096
Total Non-Current Assets		53,597	31,170
Total Assets		1,063,940	1,115,880
Current Liabilities			
Accounts Payable	7	78,418	178,842
Accrued Expenses		15,750	20,197
Holiday Pay		32,009	21,761
GST Payable		18,954	37,702
PAYE Payable		36,563	40,243
Subs in Advance		13,034	75,062
Total Current Liabilities		194,728	373,807
Total Liabilities		194,728	373,807
Net Assets/ (Liabilities)		869,212	742,073

For and on behalf of the Board;

President  Date 1 April, 2016

The accompanying notes form part of the financial statements.

Notes to the Consolidated Financial Statements

For the Year ended 31 December 2015

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for The Property Institute of New Zealand (the "Institute"). The Group includes the subsidiary, Property Education & Training Ltd (85% ownership). The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and generally accepted accounting practice in New Zealand.

Measurement Base

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts receivable are stated at their estimated realisable value. Debts considered uncollectible are written off.

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been calculated using the following rates:

The principle rates used to calculate depreciation are –

Leasehold Improvements	21.60%	DV
Furniture and Fittings	20% – 48%	DV
Office Equipment	20% – 48%	DV
Computer Equipment	40% – 48%	DV
Intangible Assets	40% – 48%	DV

Goods and Services Tax: The financial statements have been prepared on an exclusive basis except for accounts receivable and accounts payable.

Cash on cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash.

Revenue Recognition Policy

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Institute and the revenue can be reliably measured.

Subscriptions in Advance: Subscriptions relating to the subsequent year that have been invoiced and receipted in the current accounting period are not recognised as revenue but treated as Subscriptions in Advance.

Differential Reporting: The Institute qualifies for differential reporting as it is not publicly accountable and not defined as large in accordance with the framework for differential reporting. The Institute has therefore taken advantage of all applicable differential reporting exemptions. Except for FRS19 Accounting for Goods and Services Tax which has been fully complied with.

Taxation is being provided on the income earned by the Institute on transaction outside of its membership. The Institute is not liable for tax on its dealings with members.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied on bases consistent with those used in previous years.

Notes to the Consolidated Financial Statements
For the Year ended 31 December 2015

2. Fixed Assets

	2015 \$	2014 \$
Furniture & Fittings		
At cost	17,675	17,675
Less Accumulated Depreciation	(14,862)	(14,156)
	2,813	3,519
Office Equipment		
At cost	32,995	29,770
Less Accumulated Depreciation	(25,111)	(23,849)
	7,884	5,921
Computer Equipment		
At cost	164,215	159,630
Less Accumulated Depreciation	(156,760)	(152,630)
	7,455	6,622
Leasehold Improvements		
At cost	3,154	3,154
Less Accumulated Depreciation	(3,154)	(3,143)
	–	11
Total Fixed Assets	18,152	16,073
Depreciation Fixed Assets		
Furniture & Fitting	706	6,091
Office Equipment	1,262	925
Computer Equipment	4,130	(49)
Leasehold Improvements	–	9,237
Depreciation written back on Disposal	–	(7,904)
Total Depreciation Fixed Assets	6,098	8,300

Notes to the Consolidated Financial Statements For the Year ended 31 December 2015

3. Intangible Assets

	2015 \$	2014 \$
Website New (Cyberglue)		
Cost	36,543	36,543
Less Accumulated Depreciation	(35,499)	(34,536)
	1,044	2,007
Quality Assurance Accreditation Scheme		
Cost	93,087	93,087
Less Accumulated Depreciation	(86,281)	(79,998)
	6,806	13,089
Work in Progress	27,595	–
Total Intangibles Assets	35,445	15,096
Amortisation Intangible Assets		
Website New (Cyberglue)	963	1,852
Quality Assurance Accreditation System	6,283	12,082
Total Amortisation Intangible Assets	7,246	13,934

4. Taxation

Tax losses have been carried forward of \$1,018,650 (2014 \$853,999) and are available to be offset against the current year's income tax exposure.

5. Related Party Transactions

The Institute has a related party relationship with The New Zealand Institute of Valuers (NZIV), due to the

Two entities having largely the same members, and a shared management structure. NZIV is a separate legal

entity maintained due to the requirements of the Valuers Act 1948, for registered Valuers to be mandatory members of NZIV. There is one common member on the governance of each entity, however the two entities have separate governance structures.

The Institute received a payment of \$700,000 from the New Zealand Institute of Valuers (NZIV) under the Service Level Agreement this year (2014: \$700,000), for shared management services.

The Institute has a related party relationship with Property Education and Training Limited (PETL). The Institute owns 85% of shares in PETL. PETL has been set up to take advantage of property education opportunities in NZ and overseas, in addition The Institute pays PETL for the development of some educational modules for members' continual education.

Notes to the Consolidated Financial Statements For the Year ended 31 December 2015

6. Accounts Receivable

	2015 \$	2014 \$
Accounts Receivable	33,757	79,914
NZIV Receivable	117,340	269,765
Provision for Doubtful Debts	(421)	(15,906)
Accrued Interest	1,180	–
Total	151,856	333,773

Related party balances are repayable on demand and are interest free.

7. Accounts Payable

	2015 \$	2014 \$
Trade Creditors	59,731	57,856
NZIV Payable	18,687	120,986
Total	78,418	178,842

The Property Institute of NZ hold a \$60,000.00 Business Mastercard Facility with Westpac NZ Ltd and, \$10,437.71 has been utilised as at 31 December 2015.

Related party balances are repayable on demand and are interest free.

8. Lease Commitments

	2015 \$	2014 \$
Fuji Xerox Photocopier Lease		
Next Twelve Months	3,589	4,536
One to two years	3,589	4,536
Two to five year	8,974	2,268
Total Lease Commitment	16,152	11,340

5 years rental agreement for the use of Fuji Xerox Photocopiers

9. Capital Commitments & Contingencies

There are no capital commitment or contingent liabilities at balance date (2014: nil)

10. Subsequent Events Notes

There are no significant subsequent events after balance date (2014: None)

New Zealand Institute of Valuers Financial Report

FOR THE YEAR ENDED
31 DECEMBER 2015

Audit Report For the Year ended 31 December 2015



To the Members of the New Zealand Institute of Valuers

Report on the financial statements

We have audited the financial statements of the New Zealand Institute of Valuers on pages 6 to 11, which comprise the statement of financial position as at 31 December 2015, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Members' responsibilities

The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm carries out other assignments for New Zealand Institute of Valuers in the area of taxation advice and accounting advice. The firm has no other interest in the New Zealand Institute of Valuers.

Opinion

In our opinion, the financial statements on pages 6 to 11 present fairly, in all material respects, the financial position of the New Zealand Institute of Valuers as at 31 December 2015, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.

A stylized, handwritten-style signature of "Grant Thornton" in a light grey color.

Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
1 April 2016

**Statement of Financial Performance
For the Year ended 31 December 2015**

	Note	2015 \$	2014 \$
Operating Income			
Subscription Income		787,719	797,939
Interest Received		35,783	35,024
Accrued Interest		2,425	1,098
VRB Recoveries		38,783	42,755
Gain on Sale of Property		–	16,123
Sundry Revenue		3,224	–
Total Gross Income		867,934	892,939
Less Expenses			
Audit and Accounting Fees		8,062	13,790
Bank Charges		50	50
General Expenses		409	5,244
Insurance		3,144	2,755
Presidents Honorarium		23,550	20,145
Professional Practices Committee		25,682	27,283
Professional Practices Investigations		34,940	48,891
Service Level Agreement PINZ	6	700,000	700,000
Legal Fees		34,485	3,067
Council Expenses		–	4,601
Total Expenses		830,322	825,796
Operating Surplus		37,612	67,143
Unrealised gain/(loss) on Investment in associates	2	–	(126,550)
Net Surplus/(deficit) for the year before tax		37,612	(59,407)
Tax expense / (refund)	3	–	–
Net surplus/(deficit) for the year		37,612	(59,407)

The accompanying notes form part of the financial statements.

Statement of Movements in Equity
For the Year ended 31 December 2015

	Note	2015 \$	2014 \$
Equity at the Beginning of the Year		725,394	784,801
Retained Earning			
Opening Balance		725,394	720,037
Net Surplus		37,612	(59,407)
Transfers		–	64,764
Closing Balance		763,006	725,394
Equity at End of the Year		763,006	725,394

The accompanying notes form part of the financial statements.

**Statement of Financial Position
As at 31 December 2015**

	Note	2015 \$	2014 \$
Representing Members' Funds			
Accumulated Funds Retained Earning		763,006	725,394
Total Funds		763,006	725,394
Accumulated Funds is represented by:			
Current Assets			
Cash and Cash Equivalents		472,985	506,356
Short Term Deposits		421,024	541,462
Prepaid Expenses		1,048	1,442
GST Receivable		23,119	7,088
Accounts Receivable	4	20,273	125,450
Interest Accrued		2,425	8,049
Total Current Assets		940,874	1,189,847
Total Assets		940,874	1,189,847
Current Liabilities			
Accounts Payable	5	119,912	276,194
Subscriptions in Advance		44,826	177,810
Accrued Expenses		13,130	10,449
Total Current Liabilities		177,868	464,453
Total Liabilities		177,868	464,453
Net Assets/ (Liabilities)		763,006	725,394

For and on behalf of the Board;

President  Date 1 April, 2016

The accompanying notes form part of the financial statements.

Notes to the Financial Statements For the Year ended 31 December 2015

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for NEW ZEALAND INSTITUTE OF VALUERS (The Institute). The financial statements have been prepared in accordance with the requirements Generally Accepted Accounting Practice (GAAP), the Institute Rules and the requirements of the Valuers Act 1948.

Measurement Base

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts Receivable is stated at their estimated realisable value. Debts considered uncollectible are written off.

Goods and Services Tax: The financial statements have been prepared on an exclusive basis except for Accounts Receivable and Accounts Payable.

Equity Accounting of Associated Entities: Equity accounting has been applied in respect of the associated company Headway Systems Ltd. Associated entities are those entities in which the Institute holds an interest in the equity and over which the Institute exercises significant influence but not control the entity.

Subscriptions in Advance: Subscriptions relating to the subsequent year that have been invoiced and receipted in the current accounting period are not recognised as revenue but treated as Income in Advance.

Differential Reporting: The Institute qualifies for differential reporting as it is not publicly accountable and is not defined as large. The Institute has therefore taken advantage of all applicable differential reporting exemptions.

Taxation is being provided on the income earned by the Institute on transactions outside of its membership. The Institute is not liable for tax on its dealing with members.

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash.

Revenue Recognition Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied on bases consistent with those used in previous years.

2. Investment in Associates

The shareholding in Headway Systems Ltd is 267,647 shares, equal to 50 % of the company shares. Investment in Associated \$ (2014:\$ –), represents 50% share of the equity on Headway Systems Ltd. as a 31 December 2015.

Headway Systems Ltd was fully impaired in the year ended 31 December 2014 as they incurred significant losses. The financial performance of Headway Systems Ltd for the year ended 31 December 2015 has not indicated an impairment reversal is appropriate.

3. Taxation

Tax losses have been carried forward at \$ 308,312 (2014: \$310,018) and are available to offset against the current years income tax exposure.

Notes to the Financial Statements For the Year ended 31 December 2015

4. Accounts Receivable

	2015 \$	2014 \$
PINZ Receivable	18,687	120,986
Debtors	1,586	4,464
Total	20,273	125,450

Related party balances are repayable on demand and are interest free.

5. Accounts Payable

	2015 \$	2014 \$
Accounts Payable	2,202	6,428
PINZ Payable	117,710	269,765
Total	119,912	276,193

Related party balances are repayable on demand and are interest free

6. Related Parties

The Institute has a 50% interest in an associated company Headway Systems Ltd. The Institute's share of associated company's loss amounted to \$13,714 this year (2014: \$126,550 loss).

The Institute has a related party relationship with the Property Institute of New Zealand (PINZ) due to the two entities having largely the same governing body and management

During the year the Institute made payments to the Property Institute of New Zealand Inc. (PINZ) of \$700,000 (2014: \$700,000) in accordance with the Service Level Agreement between the 2 entities. This payment increase was approved by New Zealand Institute of Valuers Council.

7. Contingencies & Commitments

There are no capital commitments or contingent liabilities as at balance date (2015 nil).

Property Institute Committees

The Property Institute Committees are made up of Members and staff who volunteer their time for the Institute. Without their hard work the Property Institute would not as smoothly as it does.

Finance Audit & Risk Committee

Craig Russell (Chair)
Ian Campbell
Greg Ball
Peter Loveridge
Carlos Castro
Ashley Church

Professional Practice Committee

Earl Gordon (Chair)
David Paterson
Graeme Kirkcaldie
Steve Sampson
Mark Dow
Steve Dunlop
Nigel Kenny

Accreditation Committee

Trish Lowe (Chair)
Tom Remerswaal
David Grubb
Jon Nanson
David Penrose
Marvin Clough
Mike Atkins

Valuation & Property Standards Board

John Darroch (Chair)
Gary Sellars
Graham Barton
Chris Stanley
Roger Soulsby
Blue Hancock
Tony Van Zijl
Kerry Stewart
Nicki Bilbrough
Jay Sorensen
Ian Campbell
Allan Smee

Life Members 2015

Donn Armstrong
Anthony Beverley
Gwendoline Callaghan
Neil Darroch
Evan Gamby
Malcolm Hanna
Robert Hargreaves
Evan Harris
Graeme Horsley
Rodney Jefferies
John Larmer
Peter Mahoney
Murray Mander
Kenneth Stevenson
Roy Thompson
Robert Young
Gordon Davies
Paul Keane
Anthony Robertson
Squire Speedy
Ted Babe (recently deceased)

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