

# **Frequently Asked Questions**

## **effective as at 3 September 2021**

This document is intended to provide guidance of a general nature. It is based on information available at the time of publication. It is not intended to replace the professional advice that be may necessary to address particular circumstances.

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## Is valuation an essential service?

Certain types of valuation services may be undertaken under COVID-19 Public Health Response (Alert Level Requirements) Order (No 10) 2021, Schedule 2 number 37, ([here](#)) where necessary to maintain other alert level 4 businesses or services. Valuation services that do not fit into this category or cannot be performed remotely should be deferred. Businesses or services must comply with conditions of operation as set out in the Health Order including operating remotely where possible, providing contact tracing and maintaining social distancing protocols.

As such, valuation services may **only** be carried out under alert level 4 **where they are necessary** for the continued operation of an essential business or service only. Valuations should only be carried out under the specific health and safety parameters of the alert level current at the time.

See full NZIV General Secretary advice [here](#)

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## Health and Safety guidance under Level 3?

The “Golden Rules” for operating under Alert Level 3 are:

- Staff should work from home if they can.
- Businesses need to have systems and processes in place for physical distancing as far as reasonably practicable (1 metre apart for staff and 2 meters apart for others).
- Businesses need to minimise necessary travel for workers between regions or alert level areas
- Businesses need to have systems and processes in place for contact records, including displaying and ensuring scanning of the workplace QR code and having an alternative contact record keeping system.
- Basic hygiene measures must be maintained. Physical distancing, hand washing and regularly cleaning surfaces. Workers must stay home if they are sick.
- Face coverings must be worn by all persons on the premises of businesses open to the public, and other businesses such as retail stores and takeaways. Other businesses should also consider using face coverings where appropriate.
- You must meet all other health and safety obligations.

You can find more information about requirements at [covid19.govt.nz/business-and-money/businesses/operating-safely/doing-business-at-alert-level-3/](https://covid19.govt.nz/business-and-money/businesses/operating-safely/doing-business-at-alert-level-3/)

The WorkSafe website also provides general guidance about businesses operating at Alert Level 3 [worksafe.govt.nz/managing-health-and-safety/novel-coronavirus-covid-19/](https://worksafe.govt.nz/managing-health-and-safety/novel-coronavirus-covid-19/)

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## Inspecting Property under Level 3?

- Staff should work from home if they can.
- If you are to undertake a property inspection under alert level 3 then you **must** adhere to all health and safety obligations.
- Obtain written authority from the occupier that you may enter the property – *this can be by email*.
- Record the address, time and date in the COVID tracer app.
- Wear a mask.

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## Do I need the Owners Consent to Inspect under Level 3?

- Yes. You must get the owners consent in writing before inspecting any property. NZIV advise to ask all appropriate questions in regards to the occupiers potential exposure to places of interest and close COVID contacts before undertaking any inspection.

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

Yes you are able to inspect property **where necessary to maintain other alert level 4 businesses or services. This is very restrictive and there will be few situations where a valuation assignment will meet the threshold to qualify.** You must comply with alert level 4 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 4.

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

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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](#).

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

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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 may retrieve files from your office where you are providing as valuation necessary to maintain other alert level 4 businesses or services.

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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. If the valuation request is through a valuation ordering system agree on the product and inspection before undertaking the valuation.

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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: 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*”.

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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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## **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.

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## 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.

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## **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 a Valuation Ordering System and Banks for residential properties.

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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. COVID 19 shutdown 2020. 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](mailto: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.

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.

**From:** EssentialEscalations <[EssentialEscalations@mbie.govt.nz](mailto:EssentialEscalations@mbie.govt.nz)>

**Sent:** 18 August 2021 01:06 PM

**To:** Gary Garner <[g.garner@nziv.org.nz](mailto:g.garner@nziv.org.nz)>

**Subject:** RE: Essential Service status of Registered Valuers  
[UNCLASSIFIED]

Kia ora Gary,

Thank you for your enquiry.

*In accordance with the current advice from the COVID-19 Public Health Response (Alert Level Requirements) Order (No 9) 2021, during Alert Level 4 the only businesses and services that may operate are listed on Schedule 2. This can be found on page 22 on the following document:*  
<https://www.legislation.govt.nz/regulation/public/2021/02/10/latest/LMS536652.html>

***Certain types of valuation services may be undertaken under number 29 in Schedule 2, where necessary to maintain other alert level 4 businesses or services. Valuation services that do not fit into this category or cannot be performed remotely should be deferred. Businesses or services must comply with conditions of operation as set out in the Health Order including operating remotely where possible, providing contact tracing and maintaining social distancing protocols.***

*It is difficult to be prescriptive about what valuation services will be essential and we ask that businesses use their good judgement on the services they continue to offer.*

*Please continue to monitor the COVID-19 website for the latest updates on operating under level 4 <https://covid19.govt.nz/business-and-money/businesses/doing-business-at-alert-level-4/#travelling-to-work-at-alert-level-4>*

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