



NZIQS

NEW ZEALAND
INSTITUTE
OF
QUANTITY
SURVEYORS

THE CONSTRUCTION COST SPECIALISTS

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Cameron Munro
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Dear Cameron

Review of the Occupational Regulation of Valuers-Discussion Document

The New Zealand Institute of Quantity Surveyors (NZIQS) would like to make the following submission relating to the section on Page 31 of the Discussion Document *"Is there a need for additional training and/or practice standards for registered valuers undertaking sum insured valuations?"*

NZIQS is a voluntary professional association representing c1600 quantity surveyors practicing, or training, in the profession. Of these 158 are Registered Quantity Surveyors, which is a Registration scheme administered by NZIQS for suitably qualified members.

We believe that the term 'sum insured valuations' is misleading with reference to homeowners needing to state the dollar value to replace their home in the event of total or partial loss. The correct term should be 'Insurance Reinstatement Estimates' as homeowners need to know what the cost of reinstating their home will be, rather than a valuation. Valuations after all are based on a comparative value basis and not a cost basis.

Preparing estimates is one of the core skills of a Quantity Surveyor. Quantity Surveyors are trained to prepare insurance replacement estimates for buildings, which differ from a valuation. This training is extensive and is derived over a three-year education process as part of either a degree or a diploma qualification path for quantity surveyors. While some valuers may have limited experience that gives them the confidence to prepare an Insurance Reinstatement Estimates, in general we do not believe that they have the necessary training to provide an estimate. Indeed a quick review of their current Massey University degree curriculum suggested that only the bare minimum of an introduction to construction estimating is covered in this course.

We agree with the NZIV statement that there is a significant risk of harm to homeowners in not using experts who are trained to do Insurance Reinstatement estimate work. We would also support their statement that only professionals with expertise in this specialist area are permitted to do Reinstatement Estimates.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Marilyn Moffatt', with a small dot at the end.

Marilyn Moffatt
Executive Director

