

Conditions of Engagement –Residential Valuation Report

Guidance to Clients

1. A valuation of a property is the individual opinion of the appointed Valuer based on the relevant facts available at the time. The reliability of the Valuer’s opinion will depend to a large degree on the amount of information provided to the Valuer, either by the Client or other parties; the extent of the examination of the property requested by the Client and permitted by the owner/vendor; and the amount of time the Valuer is allowed to prepare his report.
2. In most cases, a Valuation is given on the basis of “Market Value” as defined in the “**RICS Appraisal & Valuation Standards**”. Adherence to these standards is **mandatory** for Chartered Surveyors (members of RICS). Valuers are permitted to depart from the Manual if such departure can be justified. The basis of the Valuation to be adopted in the case of your instructions is as set out in the accompanying letter.
3. A Valuation may relate to one or more legal interests in a particular property or group of properties, (e.g. freehold, leasehold etc.) and may also need to take into account other interests to which the property is subject, such as leases/tenancies, third party rights, rights of way etc.
4. Valuations of residential property may be required for many purposes, including:
 - Purchase and sale,
 - Mortgage or other loan security
 - Letting
 - Probate and other taxation purposes
 - Matrimonial proceedings etc.

In most cases there are no legal restrictions as to who can provide a Valuation Report on residential property but it is important to instruct a Valuer who has the necessary expertise, knowledge and experience both of the type of property involved and the relevant local market conditions.

5. It should be noted that a Valuation Report is a **confidential** document provided for a **particular** client for a **particular purpose** and at a specified date. It may be misleading for a third party to rely upon a Valuation Report without knowing the basis upon which, and the purpose for which, it has been prepared.
6. **Brownlow Associates** Clients are also reminded that a Valuation Report does not constitute a Building (Structural) Survey, which is a much more detailed document based on a more comprehensive inspection of a property. For those Clients who are purchasing a residential property, we can offer both Building Survey Reports and the **RICS Home Buyer Survey** at competitive fees and often in conjunction with a Bank or Building Society mortgage valuation. Details are available on request and without obligation.

7. **Clients are also advised that a valuation is not the same as a reinstatement cost for insurance purposes.** **Brownlow Associates** Valuation Reports do not normally include insurance reinstatement figures but we will provide a recommended insurance figure if requested, subject to a modest additional fee.

CONDITIONS OF ENGAGEMENT

1. The Valuer will provide a written Report advising the Client of his/her opinion as to the value of the stated freehold/leasehold interest in the property. Unless otherwise instructed, the valuation will be reported on the assumption that the property is sold/available with full vacant possession.
2. Unless otherwise instructed and stated in the Report, the Valuation Date will be the Date of the Report.
3. The basis of Valuation will be “market value” unless specified otherwise by the Client. Any alternative basis of Valuation will be noted in the accompanying confirmation letter. The definition of any basis of Valuation will be in accordance with the RICS **Appraisal and Valuation Standards** and will be stated in the Report.
4. The purpose of the Valuation will be as specified by the Client and will be stated in the Report. Where the purpose of the Report is not disclosed to the Valuer, the **RICS Appraisal and Valuation Standards** requires that such non-disclosure be noted in the Report.
5. Subject as in hereinafter provided, the Valuer shall carry out such inspection of the property and shall make such other enquiries and investigations as are, in the Valuer’s professional judgement, appropriate and practical in the circumstances and taking into account the Client’s requirements and the purpose of the Report (see item 9).
6. The Valuer shall rely on any information provided by the Client or the Client’s legal and professional advisers in relation to tenure, tenancies and similar legal matters, and shall be under no obligation to verify that such information is correct, although verbal enquiries in relation to such matters will be made of the owner/occupier/vendor of the property where possible and any information so obtained will be stated in the Report without the Valuer being under any obligation to verify that such information is correct.
7. Unless otherwise agreed in advance and stated in the accompanying letter, the Valuer shall be under no obligation to make verbal or other enquiries of planning, local, highway or other statutory authorities, Government Departments or Agencies etc. in relation to tenure, covenants, rights of way, planning or Building Regulation requirements, clearance or demolition orders, highway or other planning schemes, NHBC or Architects certificates etc. but comment will be made if the Valuer has reason to suspect problems in such areas so the client may bring these to the particular attention of his/her legal advisers.
8. In providing the Report, the Valuer will make the following assumptions without being under any obligation to verify that they are correct:
 - That no deleterious, hazardous or toxic materials or techniques were used in the construction of the property or have since been incorporated;
 - That the site on which the property stands has not been contaminated (within the meaning of The Environmental Protection Act 1990 and subsequent legislation) by any past use;

- That good title can be shown and that the property is not subject to any unusual or specially onerous restrictions, encumbrances or outgoings;
 - That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual pre-contract enquiries, or by any Statutory Notice, and that neither the property, nor its condition, nor its use or intended use, is or will be unlawful;
 - That inspection of those parts of the property which have not been inspected would neither reveal material defects nor cause the Valuer to alter the Valuation figure to any significant degree.
9. The Valuer shall have regard to the apparent state of repair and condition of the property but shall be under no duty to carry out a Building (Structural) Survey, nor to inspect those parts of the property which are covered, unexposed or otherwise inaccessible. The Valuer will inspect those parts of the surface area of the property which are readily visible from floor and ground levels within the curtilage of the property or from adjacent public areas, but will not use ladders or other access equipment and will specifically **NOT** inspect any roof voids or sub floor areas.
 10. Service installations will be visually inspected but the Valuer will be under no obligation to Report on the condition of building services or to arrange for specialist tests thereof. Valuation advice will be given on the assumption that testing of service installations would not reveal any major defects.
 11. The report will be provided for the stated purpose advised by the Client and will be for the sole and confidential use of the named Client and the Client's legal and professional advisers for said purpose. It must not be made available, copied, sold or otherwise transferred to third parties without the express written consent of **Brownlow Associates** (for which consent a fee may be payable). The Valuer will accept responsibility to the Client alone and will accept no responsibility to third parties. Any such parties who rely on the Report will do so entirely at their own risk. Comments within the Report will be made in good faith and must not be misquoted or otherwise misrepresented to third parties.
 12. Neither the whole or any part of the Report nor any reference to it may be included in any document, circular or statement nor published in any way without the prior written approval (for which approval a fee may be payable) of the signatory to the Report, or a Partner of **Brownlow Associates**, as to the form and context in which such reference or publication may be made.
 13. Except in cases where there is a standing arrangement between **Brownlow Associates** and regular Clients, written agreement to the inclusion of these Conditions of Engagement is required and such acknowledgement must be received as a **condition of our Professional Indemnity Insurance** before the Report, or any verbal précis or draft version thereof, can be issued.
 14. The Client will pay to the Valuer the agreed fee, as set out in the accompanying letter, for preparation of the Report and, unless otherwise agreed in advance, the fee is due on the date of the accompanying letter (see attached **Memorandum to Clients** if advance payment of the agreed fee is requested in the accompanying letter).

JB/COERES/2007/1.28/05/2007

web: jb2700.googlepages.com