

# Description of the Market Valuation Service

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## The valuation

The surveyor gives an opinion on both the Market Value of the property at the time of the inspection. They can also provide a reinstatement cost (see the 'Reinstatement cost' section).

### The Market Valuation Service includes:

- an **inspection** of the property (see 'The inspection');
- a **report** based on the inspection (see 'The report'); and
- a **valuation**, which is part of the report (see 'The valuation').

## Market Value.

'Market Value' is the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller, in an arm's length transaction after the property was properly marketed wherein the parties had each acted knowledgeably, prudently and without compulsion.

When deciding on the Market Value, the surveyor also makes the following assumptions.

### The materials, construction, services, fixtures and fittings, and so on:

The surveyor assumes that:

- an inspection of those parts that have not yet been inspected would not identify significant defects or cause the surveyor to alter the valuation;
- no dangerous or damaging materials or building techniques have been used in the property;
- there is no contamination in or from the ground, and the ground has not been used as landfill;
- the property is connected to, and has the right to use, the mains services mentioned in the report; and
- the valuation does not take account of any furnishings, removable fittings and sales incentives of any description.

### Legal matters:

The surveyor assumes that:

- the property is sold with 'vacant possession' (your legal advisers can give you more information on this term);
- the condition of the property, or the purpose that the property is or will be used for, does not break any laws;
- no particularly troublesome or unusual restrictions apply to the property, that the property is not affected by problems which would be revealed by the usual legal enquiries and that all necessary planning and Building Regulations permissions (including permission to make alterations) have been obtained and any works undertaken comply with such permissions; and

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- the property has the right to use the mains services on normal terms, and that the sewers, mains services and roads giving access to the property have been 'adopted' (that is, they are under local-authority, not private, control).

The surveyor reports any more assumptions that have been made or found not to apply.

If the property is leasehold, the general advice referred to earlier explains what other assumptions the surveyor has made.

### Why do I need a Market Valuation?

An independent valuation of a property may be required for a number of reasons. These range from an interest to know the value or you may be a cash purchaser seeking some guidance.

Some of the main reasons we have been asked to provide market valuations are:

#### Help to Buy valuations:

You will need a RICS registered surveyor to provide a market valuation if you are selling your house, remortgaging or repaying your Help to Buy loan. More information is available on the Government website: <https://www.helptobuy.gov.uk>

#### Shared ownership / "staircasing" valuations:

As and when you increase your share as part of a shared ownership scheme (known as "staircasing"), you will require a shared ownership valuation to be undertaken by an RICS Registered Valuer. This valuation will exclude any improvement works carried out by the share owner. You will also need a valuation if you decide to sell that property. This valuation will include any improvements that have been made.

#### Right to Buy Valuations:

If you are buying your social housing property, you may wish to obtain your own independent valuation

#### Insurance purposes:

Should you need to insure your property, an accurate valuation is the best starting point.

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### Reinstatement cost

Reinstatement cost is the cost of rebuilding a home of the type and style inspected to its existing standard using modern materials and techniques and in line with current Building Regulations and other legal requirements.

This includes the cost of rebuilding any garage, boundary or retaining walls and permanent outbuildings, and clearing the site. It also includes professional fees but does not include VAT (except on fees).

The reinstatement cost helps you decide on the amount of buildings insurance cover you will need for the property.

### The inspection

The surveyor inspects the inside and outside of the main building and all permanent outbuildings but does not force or open up the fabric. This means that the surveyor does not take up carpets, floor coverings or floorboards, move furniture, remove the contents of cupboards, roof spaces, etc., remove secured panels and/or hatches or undo electrical fittings. If necessary, the surveyor carries out parts of the inspection when standing at ground level from public property next door where accessible.

The surveyor may use equipment such as a damp-meter, binoculars and torch, and may use a ladder for flat roofs and for hatches no more than 3 metres above level ground (outside) or floor surfaces (inside), if it is deemed necessary and safe to do so.

### Services to the property

Services are generally hidden within the construction of the property. This means that only the visible parts of the available services can be inspected, and the surveyor does not carry out specialist tests.

### The report

The surveyor produces a report of the inspection for you to use but cannot accept any liability if it is used by anyone else. If you decide not to act on the advice in the report, you do this at your own risk. The report focuses primarily on the value of the property and will take into consideration those matters relating to the property, for example: type, size, location and condition. Other matters including movement and environmental factors, that may affect the value will also be considered.