

## **GUIDANCE ON CHOOSING A SURVEY**

### **WHY DO I NEED A SURVEY?**

The best way to reach an informed decision on such an important investment as a home is to have a professional survey and valuation of the property which interests you.

Before you decide to go ahead and commit yourself legally, you can minimise the risks by asking a Chartered Surveyor to answer these questions for you:

- What would be a reasonable price for the property?
- Are there drawbacks of which I would not necessarily be aware?
- If so, what do I need to do about them?

Commissioning your own survey is the simple, economical way to avoid unpleasant – and perhaps costly – surprises after moving in. In some cases, the Surveyor's report may enable you to renegotiate the price or alternatively have the seller rectify the problem before you purchase.

### **"I ALREADY HAVE A MORTGAGE VALUATION REPORT".**

Even if you are seeking a mortgage – and may be paying for a Mortgage Valuation report – it is still advisable and prudent to arrange a survey by your own Surveyor. Both the Consumer's Association Which? Magazine and the council of Mortgage Lenders both give this advice.

The reason is simple; the Mortgage Valuation report is prepared for the lender – not for you, the borrower. It answers only the lender's questions about the appropriate security for your loan. You cannot rely on it to answer the questions which concern your personal interests and for this reason it is more detailed and can expose potential problems which you may consider to be important.

### **WHAT CHOICE OF SURVEYS DO I HAVE?**

In addition to the basic mortgage valuation RICS Members offer two forms of survey which are specifically designed to help homebuyers, a Building Survey (formally called a structural survey), and the Homebuyer Survey and Valuation.

- **BUILDING SURVEY** (formally called a structural survey)

A Building Survey is a bespoke service suitable for all residential properties and provides a full, detailed picture of their construction and condition. It is likely to be needed if the property is, for example, of unusual construction, is dilapidated or has been extensively altered – or where a major conversion or renovation is planned.

Building Surveys are usually tailored to the Client's individual requirements. The Report includes extensive technical information on materials and construction as well as details of the whole range of defects, major to minor.

- **THE HOMEBUYER SURVEY & VALUATION**

In contrast to a Building Survey, the Homebuyer Survey is in a standard format and is designed specifically as an economical service. It therefore differs materially from a Building Survey in two major respects.

1. It is intended only for particular types of home: houses, bungalows and flats which are: Conventional in type and construction and apparently in reasonable condition.
2. It focuses on essentials: defects and problems which are urgent or significant which may have an effect on the value of the property – although it also includes much other valuable information.

The Homebuyer Survey, unlike a Building Survey, provides not only a Survey but also a Valuation and reinstatement cost assessment (possibly required for buildings insurance purposes), as an integral part of the service.

**Highlighted points you should know about the Homebuyer Survey.**

- This is an economical service because of the practical limits on the type of property and on the scope of its coverage; the Homebuyer Survey is priced mid-range – more expensive than a Mortgage Valuation, but less than a Building Survey.
- The Surveyor's main purpose in providing this survey is to assist the prospective home buyer to:
  - make a reasoned and informed judgement on whether or not to proceed with the purchase.
  - assess what would be a reasonable purchase price for the property.
  - be clear what decisions and actions should be taken before contracts are exchanged.

The Surveyor also gives a professional opinion on the particular features of the property which affect its present value and may affect its future resale.

- The concise report covers the building both inside and outside, the services and the site. It focuses on the defects and other problems which in the judgement of the Surveyor, are urgent or significant, but it also covers:
  - the general condition and particular features of the property;
  - particular points which should be referred to the Clients Legal Advisers;
  - other relevant considerations concerning, for example, the location, the environment, or perhaps insurance.

Matters which are judged to be not significant or not urgent are generally not included in the report. The Surveyor may, however, comment on any other matters judged to be helpful and constructive.

- Where the client has a particular concern – for example, whether the property is suitable for a disabled person – the surveyor will, if asked, keep this in mind during the inspection. Or, client and Surveyor may agree on a specific addition to the service provided. In some situations the client may ask the Surveyor to provide an extra service outside the scope of the standard package. For example, the client may ask for a schedule of minor defects (for later discussion with a contractor), or the testing of mains services by suitably qualified specialists. The Surveyor may be prepared to arrange such extra services, which cannot be undertaken as part of the Homebuyer Service as they require a separate contract.
- Where the clients should take some action before deciding whether or not to proceed with the purchase, this is clearly signalled in the text of the report as 'ACTION'. Together with other key considerations, each such item is included in the Summary, with advice on how to take the action.