

Building Surveyors NW Ltd.

Description of the Valuation Service.

The purpose for which the service is required shall be to provide an opinion of the value of the Freehold/Leasehold interest in the property (as specified by the client). The valuation is provided for the stated purpose only.

The valuation (including the inspection and the report) will be undertaken by Jonathan Higginson MRICS, MCABE, who is a Chartered Surveyor and a Registered Valuer. It is confirmed that the Valuer has the professional status, knowledge and experience to carry out the service.

The valuation will be undertaken in accordance with the latest version of the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. Compliance with RICS Valuation - Professional Standards may be subject to monitoring under the Institution's conduct & disciplinary regulations.

It is confirmed that the Valuer has no interest in the property or any other conflict that will prevent the valuation being undertaken.

Unless otherwise specifically agreed in writing, the value advised by the Valuer shall be in accordance with one or more of the following definitions:-

Market Value (MV). "The estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion", or

Market Rent (MR). "The estimated amount for which an interest in real property should be leased on the valuation date, between a willing lessor and a willing lessee on appropriate lease terms, in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion", or

Projected Market Value (PMV). "The estimated amount for which an asset or liability is expected to exchange at a date after the valuation date and specified by the Valuer, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion."

Insurance Value. The reinstatement cost figure for permanent buildings is provided for insurance purposes and is not directly related to market value of the property.

Unless the surveyor has access to particular cost information relating to the property or the locality, the reinstatement cost will be calculated by reference to the Indices and Guidance published by the Building Costs Information Service. The figure stated will only include value added tax on professional fees not on building costs and will not take into account other potential or consequential losses such as costs of alternative accommodation. The reinstatement cost should be revised annually or when any significant alterations or extensions are undertaken. Where a flat is the subject of the inspection the figure which will be given will be for the subject property only and it will be assumed that the client's legal adviser will confirm what appropriate alternative arrangements will require to be made. N.B. An explanation of the definitions is available from the Valuer's office if requested.

All monetary values will be quoted in pounds sterling.

Certification of Property. Assumptions for type of property will be categorised as follows:-

Freehold or Leasehold.

Owner Occupied.

Held as an Investment.

Specialised Property.

Property held for Special Purposes.

Mineral bearing Land or waste management assets.

The Valuer shall have regard to apparent state of repair and condition of the property, so far as the structure and fabric are accessible. The Valuer will be entitled to assume that an inspection of inaccessible areas would not reveal defects of significant magnitude to require him to make a material adjustment to the valuation.

In the course of his report the surveyor will draw attention to communal aspects of flats and will comment upon shared driveways etc., but only to the extent where these may have an effect upon value.

The date of valuation will be deemed to be the date on which the inspection was made unless otherwise stated.

The Valuer, unless otherwise expressly agreed, will rely upon information provided to him by the client or the client's legal or other professional advisers relating to tenure, tenancies and other relevant matters.

In preparing the report, the following assumptions will be made:-

1. That no high alumina cement, concrete or calcium chloride additive, or other potential deleterious materials was used in the construction of the property or has since been incorporated,
2. That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and that good title can be shown,
3. That the property and its value are unaffected by any matters which would be revealed by a local search and replies to the unusual enquiries or by any statutory notice and that neither the property nor its condition nor its use nor its intended use is or will be unlawful,
4. That the inspection of those parts which have not been inspected will neither reveal material defects nor cause the Valuer to alter the valuation materially,
5. It is assumed that, unless otherwise stated, roads, sewers and services outside the curtilage of the property are the responsibility of the local authority or other statutory body. He will assume, unless otherwise stated, that all services, roads, etc. are under normal terms.
6. The valuation is based on the assumption that the property is being sold with vacant possession and, unless otherwise stated, for owner occupation.
7. That further investigation into planning permission, building warrant, hazardous materials, onerous restrictions, etc. will not reveal anything sufficiently adverse as to materially affect the value. Any other assumptions will be clearly stated in the report.

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The construction of the property over the years and particularly the finishes used may have contained hazardous materials. These are impossible to detect without specific tests and these are beyond the scope of the report. We would draw your attention particularly to the fact that there is a strong possibility that the property built or modernised in the 20th century may contain asbestos in one or more of its components or fittings. The use of asbestos has been extremely diverse from acting as an insulant in boilers to being added to finishes to improve the binding. It is frequently unexposed and as it was used as an additive to building products such as cement based guttering and insulation and roof sheeting, its presence can only be confirmed by testing. It is beyond the scope of the inspection to test for asbestos. If you have any concern, you should arrange for a specialist to undertake appropriate tests.

The Valuer shall provide to the client a report setting out his opinion of the value of the relevant interest in the property. The report will be provided for the stated purposes and for the sole use of the named client. It will be confidential to the client and his professional advisers. The Valuer accepts responsibility to the client alone and the report will be prepared with the skill, care and diligence reasonably to be expected from a competent chartered surveyor, but accepts no responsibility whatsoever to any person other than the client himself. Any such person relies upon the report at his own risk. Neither the whole nor any part of the report or any reference to it may be included in any published documents, circular or statement nor published in any without the Valuer's written approval of the form and the context in which it may appear.

The client shall pay the Valuer in respect of his said professional advice a fee to be agreed between the client and Valuer. In addition the client will reimburse the Valuer the cost of any reasonable out-of-pocket expenses which he may incur and pay the amount of any value added tax on the fee and expenses.

The principal objective of the report is to provide an opinion of market value. The report will generally not contain detailed information on the condition of the property, or list individual defects or necessary works. If you have any dissatisfaction with our service, Building Surveyors NW Limited, Chartered Surveyors, has a complaints procedure in accordance with the requirements of the Royal Institution of Chartered Surveyors. A copy of this can be provided on request.

Standard terms of engagement

1 The service – the surveyor provides only the standard Valuation Service ('the service') described here, unless you and the surveyor agree in writing before the inspection that the surveyor will provide extra services. Any extra service will require separate terms of engagement to be entered into with the surveyor.

2 The surveyor – the service is to be provided by an AssocRICS, MRICS or FRICS member of the Royal Institution of Chartered Surveyors, who has the skills, knowledge and experience to survey and report on the property.

3 Before the inspection – this period forms an important part of the relationship between you and the surveyor. The surveyor will use reasonable endeavours to contact you regarding your particular concerns about the property and explain (where necessary)

the extent and/or limitations of the inspection and report. The surveyor also carries out a desk-top study to understand the property better.

4 Terms of payment – you agree to pay the surveyor’s fee and any other charges agreed in writing. Normally, a fixed fee will be agreed, prior to inspection. In other cases, our normal hourly rates will apply. Other expenses, including contractors’ costs incurred in performing the Optional Services, will be charged at cost plus 10%. Before agreeing a fixed fee the clients are expected to give a fair indication of what is to be inspected, including the size and type of building to be surveyed, (including the size of the main building in which a flat/maisonette is situated), the approximate extent of the grounds, any unusual features, and any Optional Services required. In the event of the inspection being substantially more extensive than described by the clients, the surveyor shall be entitled to an additional reasonable fee.

The clients will pay the fee to the surveyor within 30 days of the invoice date, otherwise interest will be levied at 4% above base rate. The surveyor shall also be entitled to recover any additional expense incurred in the collection of overdue accounts. Survey reports are not normally released until the appropriate fee has been paid and confirmation of acceptance of these terms has been returned to the surveyor.

5 Cancelling this contract – you are entitled to cancel this contract by giving notice to the surveyor’s office at any time which is more than 48 hours in advance of the inspection and no fee shall be charged, other than a reasonable charge for administration. Where an appointment is postponed or cancelled (including postponement or cancellation by the access provider) less than 48 hours but more than 24 hours before the inspection, the surveyor shall be entitled to charge half the agreed fee for the survey. If the survey appointment is cancelled or postponed (by any person including the access provider) at short notice (e.g. less than 24 hours before the inspection), then the surveyor shall charge 75% of the full agreed fee. If the surveyor arrives at the property, at an agreed time, but is unable to complete the survey (e.g. if no one is home, or access is denied, or parts of the property are inaccessible, if the property is unsafe, etc.), then the surveyor shall be entitled to charge the full agreed fee. Similarly, if the surveyor arrives at the estate agent’s office at an agreed time to collect keys for the property and those keys are not available, then the surveyor will charge the full fee. The clients will pay the fee to the surveyor within 14 days of the invoice date, otherwise interest will be levied at 4% above base rate. The surveyor shall also be entitled to recover any additional expense incurred in the collection of overdue accounts. Survey reports are not normally released until the appropriate fee has been paid and confirmation of acceptance of these terms has been returned to the surveyor.

The surveyor will not provide the service (and reports this to you as soon as possible) if, after arriving at the property, the surveyor decides that:

- (a) He or she lacks enough specialist knowledge of the method of construction used to build the property.
- (b) It would be in your best interests to have a different level of survey.
- (c) The fee estimated and the amount of time allocated for the survey are inadequate, because the property is unusual, extended, altered, larger than average, or in particularly poor condition. Unless the surveyor is informed otherwise, fee estimates are based on an average property, of average size, in average condition.

If the surveyor cancels this contract, he or she will explain the reason to you.

6 Liability – the report is provided for your use, and the surveyor cannot accept responsibility if it is used, or relied upon, by anyone else. No liability shall be attached to the Surveyor in respect of the services, except such liability as ought to be covered by the Professional Indemnity Insurance referred to in this document. The limit of financial liability arising from this contract shall not exceed the level of cover provided by said Professional Indemnity Insurance. The surveyor's advice, including the report and any other advice (e.g. that given verbally or by email) is for the named Client and the stated purpose only. It may not be relied upon by any other party for any other purpose. The Surveyor is required to comply with the regulations of The Royal Institution of Chartered Surveyors in respect of the maintenance of Professional Indemnity Insurance. He or she shall use reasonable endeavour to take out and maintain such Professional Indemnity Insurance above RICS limits, provided that it is available at commercially reasonable rates. Such Insurance shall be with an insurer who is listed for this purpose by the RICS. The liability of the Surveyor shall be limited to such sum as it would be just and equitable for the Surveyor to pay. This will have regard to the extent of the responsibility of the Surveyor for the loss or damage suffered, on the basis that all other parties who have a liability shall be deemed to have provided contractual undertakings to the Client on terms no less onerous than those applying in the case of this Agreement. They shall be deemed to have paid to the Client such sums as it would be just and equitable for them to pay having regard to the extent of their responsibility for such loss or damage. The liability of the Surveyor shall be limited to the amount of the Professional Indemnity Insurance.

7 General Building Surveyors NW Ltd is instructed by the Client to provide building surveying and/or valuation services. The Client's instructions may be in writing, e mail or verbal. The Surveyor will confirm the instructions (usually by email) and will provide a copy of the General Conditions of Engagement and a Description of Service (usually by email, if appropriate) for the specific service instructed (e.g. Homebuyer report, Building Survey, Structural Appraisal, Valuation, etc.). The Surveyor shall perform the services instructed with reasonable skill, care and diligence. In the event that the Client has a complaint in respect of the performance of the Surveyor's services under this agreement, without prejudice to any other remedy available under the agreement, he or she shall be entitled to have access to the complaints handling procedure maintained by the Surveyor, written copies of which should be available on request from the Surveyor. The contract for provision of services is between the instructing Client and Building Surveyors NW Ltd (the Surveyor). No Director, Proprietor, Partner or employee shall have any personal liability to the client.

The Surveyor shall retain copyright and ownership of all reports, correspondence specifications, or other documents; drawings, maps, photographic and other records, models and presentation materials prepared by the Surveyor.

8 Complaints handling procedure The surveyor will have an RICS-compliant complaints handling procedure and will give you a copy if you ask. If a dispute arises out of this contract, the Client and the Surveyor shall attempt to reach a settlement in good faith. If the dispute is not thus resolved, either the Client or the Surveyor may, at any time, give notice to the other that he or she wishes to refer the dispute to an adjudicator. The dispute shall be referred to an adjudicator, which may be an adjudicator retained by the Surveyor and approved by the RICS. The cost of such a referral shall be shared equally by each party. The Client and the Surveyor may agree to accept the decision of the adjudicator as finally determining the dispute.

Note: These terms form part of the contract between you and the surveyor.

9 Acceptance

Please carry out a residential valuation in accordance with these conditions of engagement:

At (address):

Signed:

Print name:

Dated: