

# CHOOSING BETWEEN SURVEYS



## BACKGROUND INFORMATION AND ADVICE

from The Royal Institution of Chartered Surveyors and The Incorporated Society of Valuers and Auctioneers



### Why do I need my own 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 qualified surveyor to answer these questions for you:

- *Is the agreed price reasonable?*
- *Are there drawbacks I don't know about?*
- *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.

### 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. The Consumers' 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 concerning the appropriate security for your loan. *You cannot rely on it to answer the questions which concern your personal interests.*

### What choice of surveys do I have?

RICS and ISVA members also offer two forms of survey which are specifically designed to help homebuyers:

#### A Building Survey

(formerly called a structural survey)

A Building Survey is *suitable for all residential properties and provides a full 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. It is usually tailored to the client's individual

requirements. The report includes extensive technical information on construction and materials as well as details of the whole range of defects, major to minor.

#### The HOMEBUYER Survey & Valuation

(usually called 'The HOMEBUYER Service')

By contrast, The HOMEBUYER Service is *in a standard format and is designed specifically as an economy service*. It therefore differs materially from a Building Survey in two major respects.

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

The HOMEBUYER, unlike a Building Survey, provides not only a survey but also a valuation as an integral part of the Service.

### What else should I know about the HOMEBUYER Service?

The Service — the inspection, the report and the valuation — are all explained in detail in the accompanying *Description of the HOMEBUYER Service*, but the highlights are:

- ◆ **This is an economy package.** Because of the practical limits on the type of property and on the scope of its coverage, the HOMEBUYER Service is priced mid-range — more expensive than a Mortgage Valuation, but less than a Building Survey.
- ◆ **The surveyor's main objective in providing the Service** is to assist the prospective homebuyer to:
  - make a reasoned and informed judgement on whether or not to proceed with the purchase
  - assess whether or not the property is a reasonable purchase at the agreed price
  - be clear what decisions and actions should be taken before contracts are exchanged.

## CHOOSING BETWEEN SURVEYS

The surveyor also gives his or her 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 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 client's legal advisers
  - other relevant considerations concerning, for example, safety, the location, the environment, or perhaps insurance.

Matters which are judged to be not urgent or not significant are in general *not* included in the report, but the surveyor will mention matters judged to be both helpful and constructive.

### Where the client has a particular concern

— perhaps whether the property is suitable for a disabled person — the surveyor will keep this in mind during the inspection. Or, a specific addition to the Service — perhaps to the standard inspection — may be agreed between client and surveyor.

Where necessary, the surveyor may also be able to provide some extra service which is outside the scope of the standard package — perhaps providing a schedule of minor defects (for later discussion with a contractor), or arranging for the testing of mains services by suitably qualified specialists.

- ◆ **Where the client should take some action** before deciding to proceed with the purchase, this is signalled clearly in the text of the report and included in the summary of action and other key considerations.

*The main features of the HOMEBUYER Service are compared below with those of a Building Survey:*

	<b>HOMEBUYER Survey &amp; Valuation</b>	<b>Building Survey</b>
<b>Type of property</b>	Conventional houses, flats, bungalows, etc., in apparently reasonable condition	Any residential or other property, in any condition
<b>Type of service</b>	Economy package in standard form	Custom-made to client's individual needs
<b>Objects of service</b>	To assist client to: (i) make an informed judgement on whether or not to proceed; (ii) decide whether or not property is a reasonable purchase at agreed price; and (iii) assess urgent and significant matters before exchanging contracts	To provide client with: (i) assessment of construction/condition of property; and (ii) technical advice on problems and on remedial works
<b>Special features</b>	Focus on urgent and significant matters	Details of construction/materials/defects
<b>Valuation</b>	Integral part of HOMEBUYER Service	Provided as agreed extra
<b>Form of Report</b>	Compact, fixed RICS/ISVA format	Usually much longer, in surveyor's format