

Understanding Property Surveys



A helping hand from
BARTON KENDAL

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Passionate about property

Buying, selling or extending a home is one of the most exciting things you'll ever do - it's also one of the biggest financial commitments you'll make. More than ever before, property means big money - YOUR money. It will pay for you to seek the best advice possible from professional experts who really know what they are talking about. It is our opinion that you can do no better than accept 'a helping hand' from RICS.

In our daily dealings with property buyers we find nothing causes more confusion than the question of surveys. We are often asked what is the distinction between the alternative building surveys on offer and what is the difference between a building survey and a valuation? To help answer these and other questions you may have, we are delighted to help by publishing this useful guide.

So, is a building survey worth the money you have to pay out?

The short answer is yes. Surveys are essential in helping you decide whether to buy, and how much to pay for, a property.

Choosing the right surveyor and survey for you is paramount, therefore we strongly recommend you taking advice from RICS.

RICS members are impartial, independent, insured and regulated. In the unregulated domestic property industry we can't stress enough how a survey by an RICS member can bring you real peace of mind.



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What is RICS ?

RICS (The Royal Institution of Chartered Surveyors) is the UK's largest professional organisation for chartered surveyors in the land, property and construction industries. They are under Royal Charter to provide the government, business and the public with clear, impartial advice they can trust. You can use it too. When you buy your home, take advantage of the expertise and independent advice by using estate agents and surveyors who are RICS members.

BARTON KENDAL has developed this guide to help you understand the difference between a survey and a valuation. You'll find plenty of practical tips and sound advice on which type of survey to go for.

How can an RICS member help ?

Your home is likely to be one of the most expensive purchases you ever make - you need to know as much as you can about the property before you buy it, so having a survey makes good sense - and could save you thousands of pounds in costly repair bills. The Consumers' Association and The Council of Mortgage Lenders advise you to get a survey before you buy, and not just to rely on a valuation.

Using the services of RICS members offers real peace of mind because:

- They give you clear, impartial and expert advice
- They act in your interest
- They are tightly regulated and have strict codes of conduct to protect you - including proper insurance
- RICS members have to update their skills and knowledge throughout their careers, so you can rely on their expertise

It's always worth asking your surveyor if they are RICS members - they'll have the initials *TechRICS*, *MRICS* or *FRICS* after their name, or look out for the RICS logo.

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Mortgage Valuations

A valuation isn't a survey. It's a limited check on the property that your mortgage lender carries out to ensure it's worth the money they're lending you. They'll probably ask you to pay for the valuation. Many lenders provide a copy of the mortgage valuation to the buyer but it is unlikely to cover items of detail which would be picked up in a survey.

However, there may be structural problems in the property that would cost a huge amount to put right - and they won't appear in the valuation report. Which is why it's really important you have a survey. RICS members are fully qualified to carry out a more detailed survey, before you buy your home.

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Surveys

Surveys are a kind of 'health check' for buildings. If you're buying a property you should have a survey done before you enter into a contract - or before making an offer if you live in Scotland.

A survey can actually save you money. If there are serious structural problems, you can often re-negotiate the sale price of the property to reflect the cost of necessary repairs - or you may even decide you don't want to buy it at all.

Your surveyor will report on all the parts of the property they can easily reach. They don't inspect under carpets or furniture, and they don't test the water supply or wiring - though they'll comment on their condition.

There are two main types of survey, a Homebuyer Survey and Valuation (HSV) and a Building Survey.

Homebuyer Survey and Valuation Report

A Homebuyer Survey and Valuation (HSV), also known as a Homebuyer's Report, is a survey done to a standard format set out by RICS - it's most suitable for conventional properties built within the last 150 years, which are in reasonable condition.

It doesn't detail every aspect of the property and only focuses on urgent matters needing attention. It's not usually suitable for properties in need of renovation, or if you're planning major alterations.

An HSV includes details of:

- The general condition of the property
- Any major faults in accessible parts of the building that may affect the value
- Any urgent problems that need inspecting by a specialist before you sign a contract
- Results of tests for damp in the walls
- Damage to timbers - including woodworm or rot
- The condition of any damp proofing, insulation and drainage (though drains aren't tested)
- The estimated cost of rebuilding the property after a fire, for building insurance purposes
- The value of the property on the open market

Building Survey

A Building Survey is a comprehensive inspection of a property. It's suitable for all properties, especially:

- Listed buildings
- Older properties
- Buildings constructed in an unusual way, however old they are
- Properties you plan to renovate or alter in any way
- Properties that have had extensive alterations

A Building Survey does not include a valuation

What you can expect from a survey

If you're about to buy a property you may have specific worries about the building you're going to buy. Talk them through with BARTON KENDAL's RICS qualified surveyors and valuers - they would be happy to discuss your particular concerns in more detail and help you decide which type of survey is right for you.

Our reports are totally independent and designed to help you make a more informed decision. Costs vary according to which type of survey you have.

Easy reference chart

	<i>Lender's Valuation</i>	<i>HSV Report</i>	<i>Building Survey</i>
<i>Type of Property</i>	All - a valuation is needed by most mortgage lenders	Conventional properties built within the last 150 years And in reasonable condition	Suitable for all properties but particularly for: <ul style="list-style-type: none"> • listed buildings • older properties • unusually constructed buildings • Renovated buildings or one you are planning to alter/ Renovate
<i>Type of Service</i>	Limited inspection just for the lender	A mid price, mid range service using a standard form to focus on only urgent or major problems	A detailed and comprehensive report that can be tailored to suit your needs
<i>Reason for service</i>	To work out the property's value and to pinpoint major faults or factors that may affect your mortgage offer	<ul style="list-style-type: none"> • To help you make an informed judgement on whether to buy the property • To work out if the property is a reasonable price • To be clear on the decision and actions taken before contracts are exchanged 	<ul style="list-style-type: none"> • To provide a report detailing the condition and construction of the property • To highlight faults and advise on the repairs needed
<i>Other features of service</i>	None	Focuses on urgent and major problems	Details the property's construction, materials used and major and minor faults
<i>Valuation included</i>	Yes	This is part of the survey	No, but it's easily arranged as an optional extra
<i>Report format</i>	Lenders will generally use their own standard forms	Standard format as defined by RICS	Detailed report in surveyor's own format or one that suits you

CALL TODAY

If you're buying a home and want to find independent, impartial advice from a qualified professional with good local knowledge, contact us - Tel 01706 653 214

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