

Choosing between Surveys

Why do I need a Survey?

Your home is probably your most valuable asset. The purchase of a home is a stressful process made worse if unforeseen problems come to light after you have moved in. It is essential that your decision to purchase a property is as informed as possible. The risks of purchase can be minimised by asking a qualified surveyor the following questions:-

- **Is the agreed price reasonable?**
- **Are there drawbacks that I don't know about?**
- **If so what do I need to do about them?**

Commissioning your own survey is a simple, economical way to avoid unpleasant and sometimes costly surprises after moving in. The surveyor's report could even be used to renegotiate the price.

But I already have a Mortgage Valuation Report.....

The Mortgage Valuation Report is prepared for the lender. *It is not prepared for you, the borrower.* Even if the lender gives you a copy of the Report. The Mortgage Valuation Report answers only the questions that the lender asks concerning the security for your loan. You cannot rely on it to answer the questions which concern your personal interests.

The Consumers Association and the Council of Mortgage Lenders both advise that you should arrange to have a survey carried out by your own surveyor.

What choice of surveys do I have?

There are two forms of survey which are specifically designed to help homebuyers.

1. The Building Survey

(Often called the structural survey)

A Building Survey is suitable for all residential properties and provides a detailed picture of their construction and condition. It is likely to be needed

- Make a reasoned and informed judgement on whether or not to proceed with the purchase.

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 technical information on construction and materials as well as details of a whole range of defects.

2. The Homebuyer Survey & Valuation

(Usually called the "Homebuyers Report" or "The Homebuyer Service")

By contrast, the Homebuyers Report 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 houses and flats of conventional design and construction in apparently reasonable condition.
- It focuses on essentials i.e. defects and problems which are urgent or significant and thus have an effect on the value of the property.

The Homebuyer Survey and Valuation, unlike a Building Survey, provides not only the 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 the document entitled *Description of the HOMEBUYER Service*, but the highlights are:-

- ◆ It 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 expensive than a Building Survey.
- ◆ The Surveyor's main objective in providing the Service is to assist the prospective home buyer to:-
 - 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

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 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.

When 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.

When 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.

When 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.

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