

Choosing Between Property Surveys

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It is a fact that the vast majority of those purchasing their homes in this country do so without the benefit of an independent property survey.

This is probably because many people believe when they purchase with a mortgage, and their Building Society or Bank makes an inspection, that is all they need. But they are probably unaware that the “Mortgage Survey” is in fact just a Valuation Report for the benefit of the lender. Even though the borrower is charged for the report, it may not cover matters which would be of great relevance and significance to the purchaser.

It is worth noting The Council of Mortgage Lenders strongly recommends that purchasers should always obtain their own independent survey.

So, where can a purchaser turn to get the advice needed to proceed with confidence and full knowledge of all the defects and potential pitfalls affecting their chosen property prior to committing to the transaction? The answer is simple: Contact an RICS Registered Valuer, who will be able to offer three different levels of survey:-

1. The Building Survey

A Building Survey, which used to be called a “Structural Survey”, is a customised report suitable for all residential properties and gives full details of their construction and condition. You are likely to need this type of survey if, for example, the property is old, unusually built or run-down, if the property has been significantly altered, or if you are planning a major conversion or renovation.

Building surveys are usually tailored to your needs. The report includes detailed information on materials and construction, the existing and developing defects affecting the property, as well as potential future problems and inherent defects in the construction type.

Valuation advice is not usually included, but can be given if requested.

The report has no rigid format, and is set out in a style favoured by the individual Surveyor, or suited to the particular purpose of the report.

The Building Survey is the most costly of the survey options, as the nature of the reporting, and the detail into which the report goes, is far deeper than is the case in the other two reports.

2. The Homebuyer Report

The RICS HomeBuyer Service includes an inspection, a report and a valuation, and these are all explained in detail in the 'Description of the RICS HomeBuyer Service' the surveyor will give you. The RICS HomeBuyer report is a standard format, and is different to a building survey in three main ways.

It is designed for modern houses, bungalows and flats that are of traditional type and construction and are apparently in reasonable condition, and identifies what the surveyor considers to be the most important issues.

By applying condition ratings to elements of the building, the services and any garages and permanent outbuildings, the surveyor will tell you whether defects are serious or urgent.

The report also includes the surveyor's opinion of the market value and an estimate of reinstatement cost (which you will need for insurance purposes).

It focuses on matters that, in the surveyor's opinion, may affect the value of the property if they are not dealt with. The report also includes other valuable information.

It is an economical service. Because of the practical limits on the type of property and what the service covers, the RICS HomeBuyer Service is priced mid-range – more expensive than a mortgage valuation, but cheaper than a building survey.

3. The RICS Condition Report

This is a relatively new type of survey intended to provide a concise report giving both buyers and sellers of conventionally built properties and newer homes a clear picture of the construction type and overall state of the property.

In essence a "scaled down" Homebuyer Report, condition ratings are once again used. As no valuation advice is given, there is the risk this service may be delivered by a Non-Registered Valuer.

The Condition Report may therefore appeal to

- a. those who have had a Mortgage Valuation carried by their Lender, and do not need Valuation Advice, but nevertheless feel they need more information or guidance regarding construction and defects.
- b. Those who are selling their house.

But why would a seller require a survey? The answer is simple! This level of survey replaces the Home Condition Report which was intended at one time to form part of the ill-fated Home Information Pack. It can be a very useful tool in speeding up the selling process by explaining honestly to prospective purchasers the defects affecting the property, so that these matters can be considered and balanced by them prior to their making an offer to purchase. This has been found to reduce significantly the "fall off" rate of provisionally agreed transactions between the making of an offer and exchange of contracts, and also the time taken to achieve exchange.

Being a concise report with no valuation, the RICS Condition Report is priced accordingly, and is cheaper than a Homebuyer Report.

Prospective sellers may wish to note that we at Julian Dyer and Co Chartered Surveyors are so convinced that the production of a Home Condition Report at the time a dwelling is marketed will improve the sales process to such a degree, that not only are we offering a **free Energy Performance Certificate**, but also a **free RICS Condition Report** included in our basic sales charges to all new clients selling their home through our office. (Conditions apply). Please contact us without obligation on 01873 855551 for further details of this and the other services we offer, and to arrange a free Market Appraisal.